



Pursuant to Articles 18 and 19 of the Articles of Association of the company POSLOVNI SISTEM MERCATOR, d.d., Article 195, Paragraph 2 of the Companies Act (ZGD-1), the Rules and Regulations of the Ljubljana Stock Exchange, d.d., and based on the resolution adopted by the Management Board on June 7th 2010, the Management Board hereby convenes

**16th regular Shareholders Assembly, in Ljubljana, on July 13th 2010
at 1 PM at the company headquarters at Dunajska cesta 107**

Convocation of the Shareholders Assembly, Assembly documentation, Attendance Form and Authorization Form are available in attached files.

This announcement will be published on the company's website at www.mercator.si as of June 10th 2010, and will remain posted for a period of at least five years.

Poslovni sistem Mercator, d.d.,
Management Board



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Pursuant to Articles 18 and 19 of the Articles of Association of the company POSLOVNI SISTEM MERCATOR, d.d., Article 195, Paragraph 2 of the Companies Act (ZGD-1), the Rules and Regulations of the Ljubljana Stock Exchange, d.d., and based on the resolution adopted by the Management Board on June 7th 2010, the Management Board hereby convenes

16th regular Shareholders Assembly, in Ljubljana, on July 13th 2010 at 1 PM at the company headquarters at Dunajska cesta 107

I. AGENDA AND PROPOSALS OF RESOLUTIONS

1. Opening of the Shareholders Assembly and election of the Assembly Chairperson

RESOLUTION PROPOSAL:

Mr. Uroš Ilić, attorney at law, from Ljubljana, is appointed as the Shareholders Assembly Chairman.

Summary of resolution explanation as presented in the Shareholders Assembly Documentation:

Pursuant to the company Articles of Association, the company Shareholders Assembly shall be presided over by a Chairperson appointed by the shareholders upon proposal by the party convening the Assembly.

2. Presentation of Annual Report and the Supervisory Board's Report on the results of Annual Report review and audit for the business year 2009; information on the compensation and rewards of the members of managerial and supervisory bodies; allocation of distributable profit, dividend payment; and granting discharge to the Management Board and the Supervisory Board

RESOLUTION PROPOSAL:

1. Distributable profit, amounting to EUR 27,153,424.38 as at December 31st 2009, shall be allocated as follows:
 - a) a part of the distributable profit in the amount of EUR 27,110,599.20 shall be allocated for dividend payment in the amount of EUR 7.20 gross per ordinary share;
 - b) the remaining part of the distributable profit in the amount of EUR 42,825.18 EUR shall remain unallocated.Dividends shall be paid out in cash in 60 days after the resolution is adopted, to those shareholders who are duly registered with the KDD – Central Clearing Corporation, as at July 16th 2010.
2. The Shareholders Assembly grants discharge to the company Supervisory Board for the business year 2009.
3. The Shareholders Assembly grants discharge to the company Management Board for the business year 2009.



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Summary of resolution explanation as announced in the Shareholders Assembly Documentation:

In defining the proposal on the allocation of distributable profit for 2009, the Management Board and the Supervisory Board considered the following: company's previous dividend policy, current balance of retained earnings, expectations and the importance of dividend payments for major and minor shareholders in the current circumstances, the effect of the amount of dividend on the appeal of the shares from the aspect of the shareholders, effect of dividend policy on the stability of ownership composition, structure of financing sources, amount of equity, solvency and liquidity, company development capacity, and other aspects. In addition to the proposal on the allocation of distributable profit, granting discharge to the Supervisory Board and Management Board for the year 2009 is also proposed.

3. Appointment of a certified auditing company for the year 2010

RESOLUTION PROPOSAL:

The auditing company KPMG Slovenija, podjetje za revidiranje, d.o.o., Železna cesta 8a, Ljubljana, shall be appointed as the company auditor for 2010.

Summary of resolution explanation as announced in the Shareholders Assembly Documentation:

The auditing company proposed for appointment has the relevant experience in auditing in the field of business activities in which the company is engaged, as well as references both in Slovenia and abroad. Furthermore, it has provided auditing services for the Mercator Group in the last three years.

4. Changes in the company Articles of Association required to harmonize the list of registered company activities with the new standard classification; and to comply with the provisions of the Companies Act (ZGD-1C) on compensation and reward to the Supervisory Board members, on the convocation of Shareholders Assembly, on shareholder notification, on registration and conditions for attendance at the Shareholders Assembly, and for editorial corrections

RESOLUTION PROPOSAL:

The Shareholders Assembly shall adopt the proposed changes to the Articles of Association required to harmonize the list of registered company activities with the new standard classification; and to comply with the provisions of the Act Amending the Companies Act (ZGD-1C, Official Journal RS, No. 42/2009) on compensation and reward to the Supervisory Board members, on the convocation of Shareholders Assembly, on informing the shareholders, on registration and conditions for attendance at the shareholders assembly, and for editorial corrections, as provided in the text which is a constituent part of the Shareholders Assembly documentation. The changes to the Articles of Association shall be effective as of the day they are entered in the Court Register.



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Summary of resolution explanation as announced in the Shareholders Assembly Documentation:

Proposed changes to the Articles of Association are of technical nature, their purpose is exclusively to harmonize the wording of the Articles of Association with the provisions of the Companies Act and its most recent amendments (ZGD-1C) and the currently effective Regulation on the standard classification of activities. These changes only apply to those provisions of the Articles of Association that must inevitably be changed in order to comply with the said regulations and no other changes of significance for the contents of the Articles of Association are proposed.

5. Management Board's report on acquisition and disposal of treasury shares and authorization for acquisition and disposal of treasury shares

RESOLUTION PROPOSAL:

The Shareholders Assembly shall authorize the company to acquire and dispose of treasury shares as follows:

1. Authorization to acquire treasury shares shall be valid for 36 months after the day it is issued.
2. The authorization is only valid for acquisition of no more than 376,536 treasury shares, provided that the total share of shares acquired for the purposes defined in this authorization, combined with any other shareholdings of treasury shares by the company, does not exceed 10 percent of the company share capital at any time.
3. Purchase price for acquisition of treasury shares:
 - shall not exceed the average daily price per company share as traded at the Ljubljana Stock Exchange, d.d., in the most recent full calendar month before the day of the shares' acquisition, plus 10 percent;
 - shall not be lower than EUR 41.73, which is the notional value of each share in the company share capital.
4. The company may only acquire treasury shares in the regulated capital market;
5. The company may, based on this authorization by the Shareholders Assembly, use the newly and previously acquired treasury shares for the following two purposes, under the following conditions:
 - to trade such treasury shares for shares or shareholdings of other companies, or for any other business or financial property, subject to previous consent by the company Supervisory Board; or
 - for sale to a strategic investor, subject to previous consent by the company Supervisory Board.
6. The price at which the company shall dispose of treasury shares shall not be lower than their average acquisition price, and not lower than the average daily price per company as traded at the Ljubljana Stock Exchange, d.d., in the most recent full calendar month before the day of their disposal.
7. In case of disposal of treasury shares, the preemptive right shall be omitted, if the shares are disposed of for the purposes and under the terms defined in this authorization.



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8. At the first Shareholders Assembly after the date of any acquisition of treasury shares, the Management Board shall report to the shareholders about the reasons and purpose of such acquisition, total number and share of acquired shares, and about the value of shares acquired. At the first ensuing Shareholders Assembly after the date of any disposal of treasury shares, the company Management Board shall report to the shareholders on the total number and share of disposed treasury shares and on the value of disposed shares. In addition, the Management Board shall also attach an opinion by an independent financial advisor, on the justification of disposal from the aspect of the interest of shareholders and the company.

Summary of resolution explanation as announced in the Shareholders Assembly Documentation:

The authorization for acquisition and disposal of treasury shares is proposed in order to allow the company to use these shares as a source for financing any new acquisitions of shares on other companies, or other property, or for disposal to a strategic partner. The authorization for acquisition and disposal of treasury shares was already granted to the Management Board at the 12th regular Shareholders Assembly on May 17th 2006, for the period of eighteen months. As this period has already expired, a new authorization is proposed.

6. Appointment of two new Supervisory Board members

RESOLUTION PROPOSAL:

The number of Supervisory Board members shall be increased by four (4) additional members; hence, the Supervisory Board will consist of twelve (12) members.

The following two persons shall be appointed as Supervisory Board members representing the interests of the shareholders, for the term of four years, starting on July 13th 2010:

- a) Matjaž Kovačič and
- b) Miro Medvešek.

Summary of resolution explanation as announced in the Shareholders Assembly Documentation:

At the 15th regular Shareholders Assembly held on July 20th 2009, only four Supervisory Board members representing the interests of the shareholders were appointed, out of a maximum of six members that may be appointed pursuant to the Articles of Association. This year, the Supervisory Board received motions by the shareholders NLB, d.d., and NKBM, d.d., who are among the major company shareholders, to propose to the Shareholders Assembly the appointment of new Supervisory Board members. NLB, d.d., proposed the election of Mr. Miro Medvešek and NKBM, d.d., proposed the election of Mr. Matjaž Kovačič. The proposed resolution includes the appointment of both as new Supervisory Board members representing the interests of the shareholders. Curriculum Vitae for both candidates, including their references, are announced as a constituent part of the Assembly documentation.



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Resolutions to the agenda items 2, 4, and 5 are proposed by the Management Board and the Supervisory Board; the resolution to the agenda item 1 is proposed by the Management Board; and the resolutions to agenda items 3 and 6 are proposed by the Supervisory Board.

II. INFORMATION FOR THE SHAREHOLDERS

Access to Shareholders Assembly Documentation, proposed resolutions including explanations, and information on the Shareholders Assembly

Documentation, or materials, for the Shareholders Assembly, including resolution proposals and full explanations, wording of the proposed changes to the Articles of Association, consolidated copy of the Articles of Association, Annual Report complete with the Supervisory Board Report and the statement of corporate governance, and other documents listed in Article 297.a, paragraph 2, of the Companies Act (ZGD-1), shall be made available to the company shareholders at the company headquarters in Ljubljana, Dunajska cesta 107 (ground floor), each work day from the day of announcement of the Shareholders Assembly convocation to the day of Shareholders Assembly session from 9 AM to 12 noon. All documentation referred to above will also be available on the company website at <http://www.mercator.si>. Convocation of the Shareholders Assembly, explanation of the resolution proposals, wording of the proposed changes to the Articles of Association, and other materials are also published on the website of the Ljubljana Stock Exchange, d.d., (<http://seonet.ljse.si>). Information referred to in Article 296 of the Companies Act (ZGD-1), Paragraph 3, and in-depth information on the rights of the shareholders with regard to submitting any requests for additional agenda items, counter proposals to proposed resolutions, election proposals, and shareholder rights to information (Article 298, Paragraph 1, Article 300, Paragraph 1, and Articles 301 and 305 of the ZGD-1) are also published on the company website.

Requests and proposals by the shareholders

Shareholders whose combined shareholdings amount to one twentieth (five percent) of share capital, may request in writing in seven days after the convocation of the Shareholders Assembly an additional item of the agenda. A written proposal of the resolution on which the Shareholders Assembly should decide, or an explanation of the agenda item in case no resolution is adopted with regard to a particular agenda item, shall be attached to the request. Pursuant to Article 298 of the Companies Act (ZGD-1), Paragraph 3, the company Management Board shall announce those additional agenda items that are submitted by the shareholders no later than seven days after the announcement of the convocation of this Shareholders Assembly. The shareholders may also submit their requests for additional agenda items to the company by electronic mail, to the following address: skupscina@mercator.si.

The shareholders may submit, in writing, resolution and election proposals to each item of the agenda. A shareholder proposal will only be announced by the company Management Board, in the same way as this convocation, if the shareholder submits within seven days after the convocation of the Shareholders Assembly to the company a reasonably justified proposition, along with the statement that the shareholder - proposing party will counter the proposal by the



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managerial or supervisory body and if the Supervisory Board intends to convince other shareholders to vote for her/his proposal. Pursuant to Article 301 of the Companies Act (ZGD-1), the shareholder shall not be required to justify an election proposal. The shareholder's proposal shall be announced and communicated in the way provided by Article 296 of the ZGD-1 only if the shareholder submitted a reasonably justified proposal within seven days after the announcement of the Shareholders Assembly convocation. The shareholders may also submit the resolution and election proposals to the company by electronic mail, to the address skupscina@mercator.si.

Requests for additional agenda items and resolution or voting proposals submitted by electronic mail must be sent as a scanned image file attached to the e-mail message. The image file must include a handwritten signature of the natural person; in case of legal persons, such documents shall include the handwritten signature of the company representative as well as the stamp of the person, if applicable. The company has the right to check the identity of the shareholder or, the person conferring the power of attorney by e-mail, as well the authenticity of the signature.

Shareholder's right to information

Shareholders are entitled to raise questions at the Shareholders Assembly and request information on company affairs, if such information is required for assessment of agenda items; furthermore, the shareholders may exercise their right to information pursuant to Article 305, Paragraph 1, of the Companies Act (ZGD-1).

Attendance conditions and assertion of voting rights

The Assembly may be attended and voted only by those shareholders who register their attendance in writing in such way that the Management Board receive their application no later than three days before the Shareholders Assembly, i.e. by July 10th 2010, and who are entered as shareholders in the central register of dematerialized securities as at COB (close of business) of July 9th 2010. The application shall be submitted by regular mail to the address Mercator, d.d., Dunajska cesta 107, Ljubljana, Tajništvo pravnega sektorja (Legal Affairs Secretary Office). The applications to the Shareholders Assembly cannot be submitted using electronic means. Only applications with original signatures of the shareholders or their proxies shall be accepted and deemed valid. The Shareholders Assembly application form is available at the company website, and it is freely available at the company headquarters at Dunajska cesta 107, Ljubljana (ground floor), each work day from the day of announcement of the convocation to the day of the Shareholders Assembly convention, from 9 AM to 12 noon.

Each shareholder with the right to attend the Shareholders Assembly may also appoint a proxy to attend the Shareholders Assembly on their behalf and exercise their voting right. The authorization must be submitted to the company in writing. The authorization shall remain in custody of the company. Proxy voting form is available at the company website; it is also freely available at the company headquarters at Ljubljana, Dunajska cesta 107 (ground floor), each work day from the day of announcement of the convocation to the day of the Shareholders Assembly convention, from 9 AM to 12 noon. The authorization may also be submitted to the company by electronic mail, to the address skupscina@mercator.si, scanned into an image file and attached to the e-mail message. Such document shall include a handwritten signature of



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the natural person; in case of legal persons, such documents shall include the handwritten signature of the company representative as well as the stamp of the person, if applicable. The company has the right to check the identity of the shareholder or, the person conferring the power of attorney by e-mail, as well the authenticity of the signature. The shareholders may also revoke the authorization in the same way it was submitted, anytime until the day of the Shareholders Assembly.

The shareholders or their proxies or attorneys shall be obliged to prove their identity upon request by presenting a personal identification document and written authorization; in addition, statutory representatives shall also be required to present an extract from the judicial or business register.

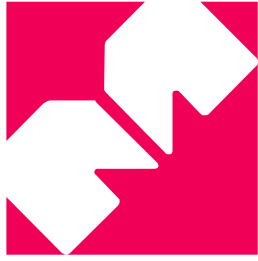
As at the day of Shareholders Assembly convocation, the company has 3,765,361 ordinary registered no par value shares. Pursuant to the relevant legislation, each ordinary share carries one vote for its owner at the Shareholders Assembly. As at the day of Shareholders Assembly convocation, the company has 42,192 treasury shares which do not carry voting rights.

The shareholders are kindly requested to check in at the Shareholders Assembly reception office upon their arrival, no later than half hour before the beginning, to confirm their presence with their signatures on the list of attendants and to claim their voting devices. The hall where the Shareholders Assembly is to take place will be open 30 minutes prior to the beginning of the session.

The Shareholders Assembly is convened for 1 PM. In case of absence of quorum at such time, the Assembly shall be rescheduled for 2 PM on the same day at the same place, regardless of the share of total share capital represented at the Assembly.

Management Board President
Žiga Debeljak

Supervisory Board President
Robert Šega



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DOCUMENTATION

for the 16th regular Shareholders Assembly
of the company Mercator, d.d.

June 2010



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1. Annual Report complete with the corporate governance statement and information on compensation paid out to the Management Board and Supervisory Board, and the Supervisory Board's report
2. Draft consolidated version of the Articles of Association
3. Management Board's report on the reasons for proposing complete omission of the preemptive right in disposal of treasury shares
4. Opinion by an independent financial advisor
5. Statements of consent by the two candidates for appointment
6. Candidates' CVs
7. Convocation of the Shareholders Assembly
8. Shareholders Assembly Attendance Form
9. Authorization Form



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I. Documents pertaining to item one of the agenda

OPENING OF THE SHAREHOLDERS ASSEMBLY AND APPOINTMENT OF THE SHAREHOLDERS ASSEMBLY CHAIRPERSON

The Management Board hereby proposes to the Shareholders Assembly of the company Mercator, d. d., the following

Resolution:

Mr. Uroš Ilić, attorney at law, from Ljubljana, is appointed as the Shareholders Assembly Chairman.

Explanation:

Pursuant to Article 20 of the Articles of Association of the joint stock company Poslovni sistem Mercator, d.d., (hereinafter referred to as the Articles of Association), the company Shareholders Assembly shall be presided over by a Chairperson appointed by the shareholders upon proposal by the party convening the Assembly. The Management Board as the convening party proposes Mr. Uroš Ilić, attorney at law from Ljubljana, to be elected as the Shareholders Assembly Chairman.

Furthermore, a notary public shall be present at the Shareholders Assembly, to record and write down the Shareholders Assembly resolutions in the form of a notarial record; the notary public shall be appointed by the party convening the Assembly. In the case at hand, the Management Board as appointed notary public Bojan Podgoršek from Ljubljana. The Management Board shall also appoint members of the election committee to carry out the voting and the elections.

Ljubljana, June 8th 2010

Management Board President:
Žiga Debeljak



II. Documents pertaining to item two of the agenda

PRESENTATION OF ANNUAL REPORT AND THE SUPERVISORY BOARD'S REPORT ON THE RESULTS OF ANNUAL REPORT REVIEW AND AUDIT FOR THE BUSINESS YEAR 2009; INFORMATION ON THE COMPENSATION AND REWARDS OF THE MEMBERS OF MANAGERIAL AND SUPERVISORY BODIES; ALLOCATION OF DISTRIBUTABLE PROFIT, DIVIDEND PAYMENT; AND GRANTING DISCHARGE TO THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

The Management Board and Supervisory Board hereby propose to the Shareholders Assembly of the company Mercator, d.d., the following

Resolutions:

1. *Distributable profit, amounting to EUR 27,153,424.38 as at December 31st 2009, shall be allocated as follows:*
 - a) *a part of the distributable profit in the amount of EUR 27,110,599.20 shall be allocated for dividend payment in the amount of EUR 7.20 gross per ordinary share;*
 - b) *the remaining part of the distributable profit in the amount of EUR 42,825.18 EUR shall remain unallocated.*

Dividends shall be paid out in cash in 60 days after the resolution is adopted, to those shareholders who are duly registered with the KDD – Central Clearing Corporation, as at July 16th 2010.

2. *The Shareholders Assembly grants discharge to the company Supervisory Board for the business year 2009.*
3. *The Shareholders Assembly grants discharge to the company Management Board for the business year 2009.*

Explanation:

Pursuant to Article 294 of the Companies Act (ZGD-1) and Article 17 of the Articles of Association, the Shareholders Assembly shall vote on the allocation of distributable profit simultaneously with voting on whether discharge is to be granted to the members of the Management Board and Supervisory Board. According to the said Act, discussion on the discharge shall be related to the discussion on the allocation of distributable profit; to facilitate the decision-making process, the Management Board shall present to the Shareholders Assembly the Annual Report and the Supervisory Board's Report on the results of the Annual Report audit. Furthermore, the Article referred to above provides that the Management Board shall inform the shareholders at the Shareholders Assembly when deciding on the allocation of distributable profit, about the compensation and rewards received by the members of the managerial and supervisory bodies in the company and its subsidiaries in the previous business year. This information shall also be disclosed in the Annual Report.



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Considering these provisions, the Annual Report for the Business Year 2009 and Supervisory Board's Report on the 2009 Annual Report confirmation shall be presented at the Assembly within the same item of the agenda, before the discussion of allocation of distributable profit and before granting discharge. Furthermore, the Management Board shall inform the Shareholders Assembly about the compensation and rewards received in the 2009 business year by the members of the managerial and supervisory bodies for performance of their duties. As these topics are mutually related, it is quite reasonable to discuss them together.

When defining the proposal on the allocation of distributable profit for 2009, the Management Board and the Supervisory Board considered the following: company's previous dividend policy, current balance of retained earnings, expectations and the importance of dividend payments for major and minor shareholders in the current circumstances, the effect of the amount of dividend on the appeal of the shares from the aspect of the shareholders, effect of dividend policy on the stability of ownership composition, structure of financing sources, amount of equity, solvency and liquidity, company development capacity, and other aspects.

The proposal on the resolution to grant discharge is in fact a proposal on confirmation and approval of the work by the Management Board and Supervisory Board in the business year 2009. Pursuant to the recommendation from the Corporate Governance Code for Publicly Traded Companies, this proposal shall be voted on separately for the Management Board and the Supervisory Board.

Ljubljana, June 8th 2010

Management Board President:
Žiga Debeljak

Supervisory Board Chairman:
Robert Šega

Appendix to item 2 of the agenda:

- Annual Report complete with the statement on corporate governance and the information on the compensation and rewards paid out to the managerial and supervisory bodies, and written Supervisory Board Report.



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III. Documents pertaining to item three of the agenda

APPOINTMENT OF A CERTIFIED AUDITING COMPANY FOR THE YEAR 2010

Based on the proposal by the Audit Committee, the Supervisory Board hereby proposes to the Shareholders Assembly of the company Mercator, d.d., the following

Resolution:

The auditing company KPMG Slovenija, podjetje za revidiranje, d.o.o., Železna cesta 8a, Ljubljana, shall be appointed as the company auditor for 2010.

Explanation:

Pursuant to Articles 297.a and 280 of the Companies Act (ZGD-1) and the Auditing Act, the Supervisory Board, based on a proposal by the Audit Committee, hereby proposes to the Shareholders Assembly the auditing company KPMG Slovenija, podjetje za revidiranje, d.o.o., Železna cesta 8a, Ljubljana, for appointment as the company auditor. The company has the relevant experience in auditing for the field of activity in which the company is engaged, as well as references both in Slovenia and abroad. Furthermore, this auditing company has performed auditing services for the Mercator Group in the last three years.

Cooperation with the auditing company KPMG Slovenija, d.o.o., has thus far been successful and they have performed their services in a highly professional manner. This auditing company has not performed any consulting services for the company, and the revenues generated by performing auditing services for the Mercator Group do not exceed 30 percent of their total revenue. These circumstances additionally vouch for their independence and impartiality.

The auditor was also selected by taking into account the Corporate Governance Code for Publicly Traded Companies which in Section 18.3 provides that the company change the key auditing partner of the same auditing company, or change the auditing company altogether, once per five years.

Ljubljana, June 8th 2010

Supervisory Board Chairman:
Robert Šega



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IV. Documents pertaining to item four of the agenda

CHANGES IN THE COMPANY ARTICLES OF ASSOCIATION REQUIRED TO HARMONIZE THE LIST OF REGISTERED COMPANY ACTIVITIES WITH THE NEW STANDARD CLASSIFICATION; AND TO COMPLY WITH THE PROVISIONS OF THE COMPANIES ACT (ZGD-1C) ON COMPENSATION AND REWARD TO THE SUPERVISORY BOARD MEMBERS, ON THE CONVOCAION OF SHAREHOLDERS ASSEMBLY, ON INFORMING THE SHAREHOLDERS, ON REGISTRATION AND CONDITIONS FOR ATTENDANCE AT THE SHAREHOLDERS ASSEMBLY, AND FOR EDITORIAL CORRECTIONS

The Management Board and Supervisory Board hereby propose to the Shareholders Assembly of the company Mercator, d.d., the following

Resolution:

The Shareholders Assembly shall adopt the proposed changes to the Articles of Association required to harmonize the list of registered company activities with the new standard classification; and to comply with the provisions of the Act Amending the Companies Act (ZGD-1C, Official Journal RS, No. 42/2009) on compensation and reward to the Supervisory Board members, on the convocation of Shareholders Assembly, on informing the shareholders, on registration and conditions for attendance at the shareholders assembly, and for editorial corrections, as provided in the text which is a constituent part of the Shareholders Assembly documentation. The changes to the Articles of Association shall be effective as of the day they are entered in the Court Register.

Explanation:

Pursuant to Article 17, Section 4 of the Articles of Association and Article 329 of the Companies Act (ZGD-1), any changes in the Articles of Association shall be voted on and adopted by the Shareholders Assembly. The changes to the Articles of Association proposed herein are merely of technical nature and their purpose is exclusively to harmonize the wording of the company Articles of Association with the provisions of the Companies Act and its most recent amendments in ZGD-1C, and the effective Regulation on Standard Classification of Activities. These changes only apply to those provisions of the Articles of Association that must inevitably be changed in order to comply with the said regulations and no other changes of significance for the contents of the Articles of Association are proposed.

Harmonization of the provisions in the Articles of Association with the Act Amending the Companies Act (Official Journal RS, No. 42/2009, ZGD-1C) is proposed because of an explicit legislative requirements in Article 37 of the ZGD-1C, according to which the companies are required to harmonize their Articles of Association with the provisions of the ZGD-1C no later than by September 1st 2010. Provisions of this Act have become effective already in September 1st 2009 and they define a different set of rules regarding any profit sharing by the company Supervisory Board members, notification of shareholders, convocation of the Shareholders Assembly, and registration and terms of attendance at the Shareholders Assembly than provided in the currently effective Articles of Association. Hence, harmonization of the Articles of



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Association with the relevant legislation is proposed as provided in the wording of proposed changes.

Such harmonization of the list of activities in the Articles of Association is required because as of January 1st 2008, the new Regulation on the Standard Classification of Activities (Official Journal RS, No. 69/2007 and all subsequent; hereinafter referred to as the Regulation) came into effect to define a different classification and names of business activities than provided in the company Articles of Association. Pursuant to Article 9, Paragraph 2 of the Regulation, the activities listed in the Articles of Association must be harmonized, or updated, upon the first changes to the Articles.

The proposed editorial corrections to the Articles of Association wording result from the fact that the company share capital is divided into no par value shares that do not have a nominal amount but rather only the current market value; hence, all provisions of the Articles of Association that refer to the nominal shares shall be changed to "corresponding value".

All proposed changes to the Articles of Association are explained in more detail in the wording of proposed changes attached herewith.

Ljubljana, June 8th 2010

Management Board President:
Žiga Debeljak

Supervisory Board Chairman:
Robert Šega

Appendix to item 4 of the agenda:
- Draft consolidated copy of the Articles of Association



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1. WORDING OF THE PROPOSED CHANGES TO THE ARTICLES OF ASSOCIATION, COMPLETE WITH EXPLANATIONS

1) The introduction to the Articles of Association shall be changed in the following way: a comma shall be added after the wording "at the eighth meeting held on May 31st 2002" instead of the word "and" which shall be omitted; after the wording "at the 13th meeting held on June 27th 2007", the wording "and at the 16th meeting held on July 13th 2010" shall be inserted.

Explanation:

The change is of editorial nature, it adds a reference to the date of a Shareholders Assembly at which the wording of the Articles of Association was changed most recently, to the Introduction to the Articles of Association.

2) In Article 1, Indent 6, the words "nominal share value" shall be omitted.

Explanation:

The change is of editorial nature and it is a result of the fact that the company share capital is divided into no par value shares without nominal value. Therefore, omission of the wording stating that the Articles of Association also define the nominal value of the shares, is proposed.

3) The wording of Article 11 shall be changed to the following wording:

"Article 11

Company activities include the following:

- 01.110 Growing of cereals (except rice), leguminous crops and oil seeds*
- 01.120 Growing of rice*
- 01.130 Growing of vegetables and melons, roots and tubers*
- 01.140 Growing of sugar cane*
- 01.150 Growing of tobacco*
- 01.160 Growing of fiber crops*
- 01.190 Growing of other non-perennial crops*
- 01.210 Growing of grapes*
- 01.220 Growing of tropical and subtropical fruits*
- 01.230 Growing of citrus fruits*
- 01.240 Growing of pome fruits and stone fruits*
- 01.250 Growing of other tree and bush fruits and nuts*
- 01.260 Growing of oleaginous fruits*
- 01.270 Growing of beverage crops*
- 01.280 Growing of spices, aromatic, drug and pharmaceutical crops*
- 01.290 Growing of other perennial crops*
- 01.300 Plant propagation*
- 01.610 Support activities for crop production*
- 01.620 Support activities for animal production, excluding veterinary*
- 01.630 Post-harvest crop activities*
- 01.640 Seed processing for propagation*
- 02.100 Silviculture and other forestry activities*



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02.200	<i>Logging</i>
02.300	<i>Gathering of wild growing non-wood products</i>
02.400	<i>Support services to forestry</i>
10.130	<i>Production of meat and poultry meat products</i>
10.310	<i>Processing and preserving of potatoes</i>
10.320	<i>Manufacture of fruit and vegetable juice</i>
10.390	<i>Processing and preserving of fruit and vegetables not elsewhere classified</i>
10.410	<i>Manufacture of oils and fats</i>
10.520	<i>Manufacture of ice cream</i>
10.710	<i>Manufacture of bread; manufacture of fresh pastry goods and cakes</i>
10.720	<i>Manufacture of rusks and biscuits; manufacture of preserved pastry goods and cakes</i>
10.730	<i>Manufacture of macaroni, noodles, couscous and similar farinaceous products</i>
10.850	<i>Manufacture of prepared meals and dishes</i>
10.890	<i>Manufacture of other food products not elsewhere classified</i>
11.010	<i>Distilling, rectifying and blending of spirits</i>
11.020	<i>Manufacture of wine from grape</i>
13.300	<i>Finishing of textiles</i>
14.130	<i>Manufacture of other outerwear</i>
16.100	<i>Sawmilling and planing of wood</i>
16.220	<i>Manufacture of assembled parquet floors</i>
16.230	<i>Manufacture of other builders' carpentry and joinery</i>
17.230	<i>Manufacture of paper stationery</i>
18.120	<i>Printing not elsewhere classified</i>
18.140	<i>Binding and related services</i>
23.200	<i>Manufacture of refractory products</i>
23.410	<i>Manufacture of ceramic household and ornamental articles</i>
23.420	<i>Manufacture of ceramic sanitary fixtures</i>
23.430	<i>Manufacture of ceramic insulators and insulating fittings</i>
23.440	<i>Manufacture of other technical ceramic products</i>
23.490	<i>Manufacture of other ceramic products not elsewhere classified</i>
25.120	<i>Manufacture of doors and windows of metal</i>
25.620	<i>Machining</i>
25.930	<i>Manufacture of wire products, chain and springs</i>
25.940	<i>Manufacture of fasteners and screw machine products</i>
33.120	<i>Repair of machinery</i>
41.100	<i>Development of building projects</i>
41.200	<i>Construction of residential and non-residential buildings</i>
42.110	<i>Construction of roads and motorways</i>
42.120	<i>Construction of railways and underground railways</i>
42.130	<i>Construction of bridges and tunnels</i>
42.210	<i>Construction of utility projects for fluids</i>
42.220	<i>Construction of utility projects for electricity and telecommunications</i>
42.910	<i>Construction of water projects</i>
42.990	<i>Construction of other civil engineering projects not elsewhere classified</i>
43.110	<i>Demolition</i>
43.120	<i>Site preparation</i>
43.130	<i>Test drilling and boring</i>



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- 43.210 *Electrical installation*
- 43.220 *Plumbing, heat and air conditioning installation*
- 43.290 *Other construction installation*
- 43.310 *Plastering*
- 43.320 *Joinery installation*
- 43.330 *Floor and wall covering*
- 43.341 *Glazing*
- 43.342 *Painting*
- 43.390 *Other building completion and finishing*
- 43.910 *Roofing activities*
- 43.990 *Other specialized construction activities not elsewhere classified*
- 45.110 *Sale of cars and light motor vehicles*
- 45.190 *Sale of other motor vehicles*
- 45.200 *Maintenance and repair of motor vehicles*
- 45.310 *Wholesale trade of motor vehicle parts and accessories*
- 45.320 *Retail trade of motor vehicle parts and accessories*
- 45.400 *Sale, maintenance and repair of motorcycles and related parts and accessories*
- 46.110 *Agents involved in the sale of agricultural raw materials, live animals, textile raw materials and semi-finished goods*
- 46.120 *Agents involved in the sale of fuels, ores, metals and industrial chemicals*
- 46.130 *Agents involved in the sale of timber and building materials*
- 46.140 *Agents involved in the sale of machinery, industrial equipment, ships and aircraft*
- 46.150 *Agents involved in the sale of furniture, household goods, hardware and ironmongery*
- 46.160 *Agents involved in the sale of textiles, clothing, fur, footwear and leather goods*
- 46.170 *Agents involved in the sale of food, beverages and tobacco*
- 46.180 *Agents specialized in the sale of other particular products not elsewhere classified*
- 46.190 *Agents involved in the sale of a variety of goods*
- 46.210 *Wholesale of grain, unmanufactured tobacco, seeds and animal feeds*
- 46.220 *Wholesale of flowers and plants*
- 46.230 *Wholesale of live animals*
- 46.240 *Wholesale of hides, skins and leather*
- 46.310 *Wholesale of fruit and vegetables*
- 46.320 *Wholesale of meat and meat products*
- 46.330 *Wholesale of dairy products, eggs and edible oils and fats*
- 46.340 *Wholesale of beverages*
- 46.350 *Wholesale of tobacco products*
- 46.360 *Wholesale of sugar and chocolate and sugar confectionery*
- 46.370 *Wholesale of coffee, tea, cocoa and spices*
- 46.380 *Wholesale of other food, including fish, crustaceans and mollusks*
- 46.390 *Non-specialized wholesale of food, beverages and tobacco*
- 46.410 *Wholesale of textiles*
- 46.420 *Wholesale of clothing and footwear*
- 46.430 *Wholesale of electrical household appliances*
- 46.440 *Wholesale of china and glassware and cleaning materials*
- 46.450 *Wholesale of perfume and cosmetics*
- 46.460 *Wholesale of pharmaceutical goods*
- 46.470 *Wholesale of furniture, carpets and lighting equipment*



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- 46.480 *Wholesale of watches and jewelry*
- 46.490 *Wholesale of other household goods*
- 46.510 *Wholesale of computers, computer peripheral equipment and software*
- 46.520 *Wholesale of electronic and telecommunications equipment and parts*
- 46.610 *Wholesale of agricultural machinery, equipment and supplies*
- 46.620 *Wholesale of machine tools*
- 46.630 *Wholesale of mining, construction and civil engineering machinery*
- 46.640 *Wholesale of machinery for the textile industry and of sewing and knitting machines*

- 46.650 *Wholesale of office furniture*
- 46.660 *Wholesale of other office machinery and equipment*
- 46.690 *Wholesale of other machinery and equipment*
- 46.710 *Wholesale of solid, liquid and gaseous fuels and related products*
- 46.720 *Wholesale of metals and metal ores*
- 46.730 *Wholesale of wood, construction materials and sanitary equipment*
- 46.740 *Wholesale of hardware, plumbing and heating equipment and supplies*
- 46.750 *Wholesale of chemical products*
- 46.760 *Wholesale of other intermediate products*
- 46.770 *Wholesale of waste and scrap*
- 46.900 *Non-specialized wholesale trade*
- 47.110 *Retail sale in non-specialized stores with food, beverages or tobacco predominating*

- 47.190 *Other retail sale in non-specialized stores*
- 47.210 *Retail sale of fruit and vegetables in specialized stores*
- 47.220 *Retail sale of meat and meat products in specialized stores*
- 47.230 *Retail sale of fish, crustaceans and mollusks in specialized stores*
- 47.240 *Retail sale of bread, cakes, flour confectionery and sugar confectionery in specialized stores*

- 47.250 *Retail sale of beverages in specialized stores*
- 47.260 *Retail sale of tobacco products in specialized stores*
- 47.290 *Other retail sale of food in specialized stores*
- 47.301 *Retail sale of own motor fuels*
- 47.302 *Agents involved in the retail of motor fuels*
- 47.410 *Retail sale of computers, peripheral units and software in specialized stores*
- 47.420 *Retail sale of telecommunications equipment in specialized stores*
- 47.430 *Retail sale of audio and video equipment in specialized stores*
- 47.510 *Retail sale of textiles in specialized stores*
- 47.520 *Retail sale of hardware, paints and glass in specialized stores*
- 47.530 *Retail sale of carpets, rugs, wall, and floor coverings in specialized stores*
- 47.540 *Retail sale of electrical household appliances in specialized stores*
- 47.590 *Retail sale of furniture, lighting equipment and other household articles in specialized stores*

- 47.610 *Retail sale of books in specialized stores*
- 47.621 *Retail sale of newspapers and magazines in specialized stores*
- 47.622 *Retail sale of paper and stationery in specialized stores*
- 47.630 *Retail sale of music and video recordings in specialized stores*
- 47.640 *Retail sale of sporting equipment in specialized stores*
- 47.650 *Retail sale of games and toys in specialized stores*



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47.710	<i>Retail sale of clothing in specialized stores</i>
47.720	<i>Retail sale of footwear and leather goods in specialized stores</i>
47.730	<i>Dispensing chemist in specialized stores</i>
47.740	<i>Retail sale of medical and orthopedic goods in specialized stores</i>
47.750	<i>Retail sale of cosmetic and toilet articles in specialized stores</i>
47.761	<i>Retail sale of flowers, plants, seeds, fertilizers, pet animals and pet food in specialized stores</i>
47.762	<i>Retail sale of gardening equipment and pets in specialized stores</i>
47.770	<i>Retail sale of watches and jewelry in specialized stores</i>
47.781	<i>Retail sale of eyeglasses in specialized stores</i>
47.782	<i>Retail sale of artistic products in specialized stores</i>
47.789	<i>Other retail sale of new goods in specialized stores</i>
47.790	<i>Retail sale of second-hand goods in stores</i>
47.810	<i>Retail sale via stalls and markets of food, beverages and tobacco products</i>
47.820	<i>Retail sale via stalls and markets of textiles, clothing and footwear</i>
47.890	<i>Retail sale via stalls and markets of other goods</i>
47.910	<i>Retail sale via mail order houses or via Internet</i>
47.990	<i>Other retail sale not in stores, stalls or markets</i>
49.310	<i>Urban and suburban passenger land transport</i>
49.320	<i>Taxi operation</i>
49.391	<i>Intercity and other road passenger transport</i>
49.392	<i>Cable car operation</i>
49.410	<i>Freight transport by road</i>
49.420	<i>Removal services</i>
52.100	<i>Warehousing and storage</i>
52.210	<i>Service activities incidental to land transportation</i>
52.220	<i>Service activities incidental to water transportation</i>
52.230	<i>Service activities incidental to air transportation</i>
52.240	<i>Cargo handling</i>
52.290	<i>Shipping and Other transportation support activities</i>
53.200	<i>Other postal and courier activities</i>
55.100	<i>Hotels and similar accommodation</i>
55.201	<i>Children and other holiday homes</i>
55.202	<i>Tourist farm houses with lodging</i>
55.203	<i>Letting of private tourist rooms</i>
55.204	<i>Mountain refuges and youth hostels</i>
55.209	<i>Other short-stay accommodation</i>
55.300	<i>Camping grounds, recreational vehicle parks and trailer parks</i>
55.900	<i>Student and other accommodation</i>
56.101	<i>Restaurants and inns</i>
56.102	<i>Snack bars and similar</i>
56.103	<i>Sweetshops and coffee-houses</i>
56.104	<i>Provisory food-serving stands</i>
56.105	<i>Tourist farm houses without lodging</i>
56.210	<i>Event catering activities</i>
56.290	<i>Other food service activities</i>
56.300	<i>Beverage serving activities</i>
58.110	<i>Book publishing</i>



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- 58.120 *Publishing of directories and mailing lists*
- 58.130 *Publishing of newspapers*
- 58.140 *Publishing of journals and periodicals*
- 58.190 *Other publishing activities*
- 58.210 *Publishing of computer games*
- 58.290 *Other software publishing*
- 59.200 *Sound recording and music publishing activities*
- 60.100 *Radio broadcasting*
- 60.200 *Television programming and broadcasting activities*
- 62.010 *Computer programming activities*
- 62.020 *Computer consultancy activities*
- 62.030 *Computer facilities management activities*
- 62.090 *Other information technology and computer service activities*
- 63.110 *Data processing, hosting and related activities*
- 63.120 *Web portals*
- 63.990 *Other information service activities not elsewhere classified*
- 64.190 *Other monetary intermediation*
- 64.200 *Activities of holding companies*
- 64.300 *Trusts, funds and similar financial entities*
- 64.910 *Financial leasing*
- 64.920 *Other credit granting*
- 64.990 *Other financial service activities, except insurance and pension funding not elsewhere classified*
- 66.110 *Administration of financial markets*
- 66.120 *Security and commodity contracts brokerage*
- 66.190 *Other activities auxiliary to financial services, except insurance and pension funding*
- 66.300 *Fund management activities*
- 68.100 *Buying and selling of own real estate*
- 68.200 *Renting and operating of own or leased real estate*
- 69.101 *Legal representation*
- 69.103 *Other legal activities*
- 69.200 *Accounting, bookkeeping and auditing activities; tax consultancy*
- 70.100 *Activities of head offices*
- 70.210 *Public relation and communication activities*
- 70.220 *Business and other management consultancy activities*
- 71.111 *Architectural planning*
- 71.112 *Landscape architecture, urban and other planning*
- 71.121 *Geo-engineering and related activities*
- 71.129 *Other engineering activities and related technical consultancy*
- 71.200 *Technical testing and analysis*
- 72.110 *Research and experimental development on biotechnology*
- 72.190 *Other research and experimental development on natural sciences and engineering*
- 72.200 *Research and experimental development on social sciences and humanities*
- 73.110 *Advertising agencies*
- 73.120 *Media representation*
- 73.200 *Market research and public opinion polling*



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- 74.100 *Specialized design activities*
- 74.200 *Photographic activities*
- 74.300 *Translation and interpretation activities*
- 74.900 *Other professional, scientific and technical activities not elsewhere classified*
- 77.110 *Renting and leasing of cars and light motor vehicles*
- 77.120 *Renting and leasing of trucks*
- 77.210 *Renting and leasing of recreational and sports goods*
- 77.220 *Renting of video tapes and disks*
- 77.290 *Renting and leasing of other personal and household goods*
- 77.310 *Renting and leasing of agricultural machinery and equipment*
- 77.320 *Renting and leasing of construction and civil engineering machinery and equipment*
- 77.330 *Renting and leasing of office machinery and equipment (including computers)*
- 77.340 *Renting and leasing of water transport equipment*
- 77.350 *Renting and leasing of air transport equipment*
- 77.390 *Renting and leasing of other machinery, equipment and tangible goods not elsewhere classified*
- 77.400 *Leasing of intellectual property and similar products, except copyrighted works*
- 78.100 *Activities of employment placement agencies*
- 78.200 *Temporary employment agency activities*
- 78.300 *Other human resources provision*
- 79.110 *Travel agency activities*
- 79.120 *Tour operator activities*
- 79.900 *Other reservation service and related activities*
- 80.100 *Private security activities*
- 80.200 *Security systems service activities*
- 80.300 *Investigation activities*
- 81.210 *General cleaning of buildings*
- 81.220 *Other building and industrial cleaning activities*
- 81.290 *Other cleaning activities*
- 81.300 *Landscape service activities*
- 82.110 *Combined office administrative service activities*
- 82.190 *Photocopying, document preparation and other specialized office support activities*
- 82.200 *Activities of call centers*
- 82.300 *Organization of conventions and trade shows*
- 82.910 *Activities of collection agencies and credit bureaus*
- 82.920 *Packaging activities*
- 82.990 *Other business support service activities not elsewhere classified*
- 85.320 *Technical and vocational secondary education*
- 85.510 *Sports and recreation education*
- 85.520 *Cultural education*
- 85.590 *Other education not elsewhere classified*
- 85.600 *Educational support activities*
- 90.010 *Performing arts*
- 90.020 *Support activities to performing arts*
- 93.110 *Operation of sports facilities*
- 93.120 *Activities of sport clubs*



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93.190	<i>Other sports activities</i>
93.299	<i>Other amusement and recreation activities not elsewhere classified</i>
95.110	<i>Repair of computers and peripheral equipment</i>
95.120	<i>Repair of communication equipment</i>
95.210	<i>Repair of consumer electronics</i>
95.220	<i>Repair of household appliances and home and garden equipment</i>
95.230	<i>Repair of footwear and leather goods</i>
95.250	<i>Repair of watches, clocks and jewelry</i>
95.290	<i>Repair of other personal and household goods</i>
96.010	<i>Washing and (dry-)cleaning of textile and fur products</i>

Explanation:

With the proposed change to the Articles of Association, the company harmonizes the list of registered activities with the new Regulation on Standard Classification of Activities (Official Journal RS, No. 69/2007, 17/2008; hereinafter referred to as the Regulation) which replaced the Regulation on Introduction and Application of the Standard Classification of Activities (Official Journal RS, No. 2/2002). Pursuant to Article 9, Paragraph 2 of the Regulation, the activities listed in the Articles of Association are to be harmonized upon the first change to the Articles of Association.

4) The wording of Article 16 shall be changed to the following wording:

"Article 16

The Shareholders Assembly consists of the shareholders who assert their rights in the company affairs at the Assembly.

The Assembly may be attended and voted at only by those shareholders who register their attendance no later than at the end of the fourth day before the Shareholders Assembly, and who are entered as shareholders in the central register of dematerialized securities as at the end of the fourth day before the Assembly.

At the Assembly, the shareholders may also assert their rights arising from their shareholding via proxy. Power of attorney / authorization to the proxy shall be submitted to the company in writing and such documents shall remain in the custody of the company.

The shareholders may also appoint a proxy to represent them at the Assembly by electronic means. An authorization form for asserting the voting right via proxy is available at the company website. The authorization / power of attorney may be submitted to the company by electronic mail to the address specified in the relevant Convocation of the Shareholders Assembly, scanned into an image file and attached to the e-mail message. Such document shall include a handwritten signature of the natural person; in case of legal persons, such documents shall include the handwritten signature of the company representative as well as the stamp of the person, if applicable. The company has the right to check the identity of the shareholder or, the proxy conferring the power of attorney by e-mail, as well the authenticity of the signature.



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The shareholders may also employ the method described in the previous paragraph to submit to the company any requests for additional items on the agenda and resolution proposals to the items on the agenda, including voting proposals. The company has the right to check the identity of the shareholder or, the proxy conferring the power of attorney by e-mail, as well the authenticity of the signature."

Explanation:

The change is required for the purpose of harmonization with Articles 11, 13, 15, and 20 of the Act Amending the Companies Act (Official Journal of the Republic of Slovenia, No. 42/2009, hereinafter referred to as ZGD-1C), pursuant to which the conditions for attendance and representation of shareholders at the Shareholders Assembly have been changed. In Article 11 (which amends the wording of Article 297 of ZGD-1), the ZGD-1C provides that the Articles of Association may state among the prerequisites for attendance at the Shareholders Assembly or for assertion of voting right, the registration of attendance no later than on the fourth day before the Assembly, as provided in the proposed wording of Article 16, second paragraph of the amended Articles of Association. In Article 11, the ZGD-1C further provides that only those shareholders may attend the Shareholders Assembly and assert their voting rights who are entered into the central register of dematerialized securities as shareholders as at the end of the fourth day before the Assembly (cut-off date), which is also defined in the proposed wording of Article 16, second paragraph of the Articles of Association. Pursuant to Articles 13, 15, and 20 of the ZGD-1C (which amend the wording of Article 298, Article 300, and Article 308, Paragraph 7, of the ZGD-1), the Articles of Association of any company that is traded on the regulated market, shall define at least one way in which appointment of proxies for representation at the Shareholders Assembly, and proposals of additional items on the agenda and *resolution proposals to the* announced agenda items, can be made using electronic means. The proposed change hence provides that this can be done by electronic mail, by sending the relevant message to which a scanned image of the signed document is attached, in such way that the company has the option to check the identity of the shareholder and the authenticity of the signature, which is the company's right.

5) In Article 17, the wording of the third indent of the second point shall be changed to the following wording:

"- decides on the amount of attendance fees or other compensations and rewards for the services of Supervisory Board members"

Explanation:

The change is required for the harmonization with Article 7 of the ZGD-1C which prohibits any profit allocation to the Supervisory Board members. The currently effective wording of the Articles of Association allows such possibility, which is not in compliance with the relevant legislation.



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6) The wording of Article 18 shall be changed to the following wording:

"Article 18

The Shareholders Assembly shall be convened in all cases provided by law or the Articles of Association, or when such convocation is deemed to benefit the company.

The Shareholders Assembly shall, as a rule, be convened by the Management Board; alternatively, it may be convened by the Supervisory Board.

The Shareholders Assembly shall be convened when this is requested from the Management Board by shareholders whose combined shares amount to one twentieth of the total share capital. In such case, the request for convocation shall be submitted complete with agenda, resolution proposal for each proposed item on the agenda on which the Shareholders Assembly should vote, or an explanation of the agenda item if no resolution is adopted with regard to a particular agenda item; all proposals should be submitted in writing. If the Shareholders Assembly is not convened no later than in two months from the receipt of the request, the shareholders who filed the request may request from the relevant court to authorize them to convene the Shareholders Assembly.

Explanation:

The change is required to harmonize the Articles of Association with Article 9 of the ZGD-1C which defines the contents of a request for Assembly convocation by minority shareholders. The same terms are proposed as defined in the relevant Act; the condition for the amount of share in total share capital required for requesting the convocation of Shareholders Assembly by the shareholders was left unchanged.

7) Wording of Article 19 shall be changed to the following wording:

"Article 19

Convocation of the Shareholders Assembly, including the contents stipulated by the relevant regulations and legislation, shall be publicly announced at least 30 days before the day of the

Shareholders Assembly in the Delo daily paper, on the company's website, and in other way when required by relevant regulations or legislation."

Explanation:

The change is required for harmonization with Article 10 of the ZGD-1C which precisely defines the numerous new requirements with regard to the contents of the convocation and the method of announcement of the Shareholders Assembly convocation; hence, the Articles of Association refer fully to the relevant legislation. Pursuant to Article 11 of the ZGD-1C, a 30-day convocation deadline has replaced the one-month deadline.

8) The wording of Article 21 shall be amended to the following wording:

"Article 21



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At the Assembly, a list of all shareholders present or represented, and their representatives, shall be compiled. The list shall include first and last name, residence, and the number of shares for each of the attendants.

The list shall be compiled based on the submitted attendance applications or powers of attorney, and based on the statement of record from the central register of dematerialized securities.

The list, signed by the Management Board President, shall be made available for viewing to the attendants before the vote; or, the attendants shall be allowed to view the list on an electronic medium.

Explanation:

The change is required in order to harmonize the Articles of Association with Article 11 of the ZGD-1C which provides that the Shareholders Assembly may only be attended and voted at by those shareholders who are entered as shareholders in the central register of dematerialized securities as at the end of the fourth day before the Shareholders Assembly. A list of all present and represented shareholders could therefore not be compiled based on merely the attendance applications; rather, the statement of record from the said register should also be employed. Other changes are of editorial nature and are a result of the fact that the company is an issuer of no par value shares, rather than par value shares (shares with a specified nominal amount).

9) The wording of Article 39 shall be amended to the following wording:

"Article 39

Supervisory Board members may be compensated or rewarded for their services; such compensation and rewards shall be voted on by the Shareholders Assembly. Payment should be appropriate given the tasks and duties of the Supervisory Board Members and given the company's financial position. Members of any Supervisory Board committees shall be compensated with one half of the monthly amount received by the Supervisory Board members,

as well as attendance fee and the right to claim remuneration of costs in the same amount that applies for the work of the Supervisory Board."

Explanation:

The change is required to harmonize the Articles of Association with Article 7 of the ZGD-1C which prohibits any participation of Supervisory Board members in profit allocation and further provides that Supervisory Board members may be compensated for their work subject to a provision in the Articles of Association or a decision by the Shareholders Assembly.

10) In Article 53, the first indent of the first paragraph shall be omitted, and the second indent shall be amended to the following wording:

"- by combining the shares, if the minimum issue amount of the shares after the decrease in share capital fails to reach the lowest corresponding value (market value) allowed."



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Explanation:

The change is of editorial nature and due to the fact that the company share capital is divided into no par value shares for which a nominal value is not specified. As a result, a decrease in the nominal value of shares is not possible, and combining of the shares may only be considered if, after the share capital is decreased to the lowest emission level, it could no longer attain the minimum corresponding value allowed (market value) as defined in Article 172, Paragraph 3 of the ZGD-1, which is 1 EUR.

11) In Article 54, Paragraph three, indent three, the words "and the Supervisory Board" shall be omitted.

Explanation:

The change is required to harmonize the Articles of Association with Article 7 of the Companies Act ZGD-1C which prohibits any participation of Supervisory Board members in profit allocation.

12) In the last paragraph of Article 54, the word "*nominal*" shall be replaced with the word "*corresponding*".

Explanation:

The change is of editorial nature and it is due to the fact that the company share capital is divided into no par value shares which do not have a nominal amount, but only the corresponding amount (Article 172, Paragraph three of the ZGD-1).

Ljubljana, June 8th 2010

Management Board President:
Žiga Debeljak

Supervisory Board Chairman:
Robert Šega



V. Documents pertaining to item five of the agenda

MANAGEMENT BOARD'S REPORT ON ACQUISITION AND DISPOSAL OF TREASURY SHARES AND AUTHORIZATION FOR ACQUISITION AND DISPOSAL OF TREASURY SHARES

The Management Board and Supervisory Board hereby propose to the Shareholders Assembly of the company Mercator, d. d., the following

Resolution:

The Shareholders Assembly shall authorize the company to acquire and dispose of treasury shares as follows:

- 1. Authorization to acquire treasury shares shall be valid for 36 months after the day it is issued.*
- 2. The authorization is only valid for acquisition of no more than 376,536 treasury shares, provided that the total share of shares acquired for the purposes defined in this authorization, combined with any other shareholdings of treasury shares by the company, does not exceed 10 percent of the company share capital at any time.*
- 3. Purchase price for acquisition of treasury shares:*
 - shall not exceed the average daily price per company share as traded at the Ljubljana Stock Exchange, d.d. in the most recent full calendar month before the day of the shares' acquisition, plus 10 percent;*
 - shall not be lower than EUR 41.73, which is the corresponding value of each share in the company share capital.*
- 4. The company may only acquire treasury shares in the regulated capital market;*
- 5. The company may, based on this authorization by the Shareholders Assembly, use the newly and previously acquired treasury shares for the following two purposes, under the following conditions:*
 - to trade such treasury shares for shares or shareholdings of other companies, or for any other business or financial property, subject to previous consent by the company Supervisory Board; or*
 - for sale to a strategic investor, subject to previous consent by the company Supervisory Board.*
- 6. The price at which the company shall dispose of treasury shares shall not be lower than their average acquisition price, and not lower than the average daily price per company as traded at the Ljubljana Stock Exchange, d.d., in the most recent full calendar month before the day of their disposal.*



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7. *In case of disposal of treasury shares, the preemptive right shall be omitted, if the shares are disposed of for the purposes and under the terms defined in this authorization.*
8. *At the first Shareholders Assembly after the date of any acquisition of treasury shares, the Management Board shall report to the shareholders about the reasons and purpose of such acquisition, total number and share of acquired shares, and about the value of shares acquired. At the first ensuing Shareholders Assembly after the date of any disposal of treasury shares, the company Management Board shall report to the shareholders on the total number and share of disposed treasury shares and on the value of disposed shares. In addition, the Management Board shall also attach an opinion by an independent financial advisor, on the justification of disposal from the aspect of the interest of shareholders and the company.*

Explanation:

The Management Board shall inform the Shareholders Assembly of any acquisitions and disposals of treasury shares based on the authorization approved and conferred at the 12th regular Shareholders Assembly on May 17th 2006. The Management Board has already reported on these transactions at the 14th regular Shareholders Assembly in 2008.

After that Shareholders Assembly, the company did not acquire any additional treasury shares; in 2009, it disposed of additional 189 treasury shares in order to carry out the merger with the acquired company Interior, d.o.o., with the company Mercator, d.d., as the acquiring company, based on the merger agreement signed on May 11th 2009. As a part of the merger, the company Mercator, d. d., provided 189 treasury shares to other partners in the company Interior, d.o.o., for acquisition of 2.382 percent of share capital of that company. The value of shares was estimated at EUR 205.50 per share. Independent financial advisor also prepared an opinion on this disposal, stating that they find it justified and fair. The opinion is a constituent part of the Shareholders Assembly documentation.

Pursuant to Article 247 of the companies Act (ZGD-1), the company may also acquire treasury shares based on an authorization by the Shareholders Assembly. Such authorization for acquisition of treasury shares shall be valid for no more than 36 months; it shall also define the minimum and maximum purchase price, and the number of shares that may be acquired and which may not exceed 10 percent of the company share capital. In view of such provisions, the Shareholders Assembly is proposed to issue to the company Management Board an authorization for acquisition and disposal of company treasury shares, based on which the company will be allowed to acquire a maximum of 376,536 treasury shares, which represents 10 percent of the company share capital. Based on such authorization, the company will be able to acquire treasury shares with the purpose of trading them in for shares or shareholdings in other companies, or for using them to acquire any other business or financial property, and for disposal to a strategic investor. Hence, the company will be allowed to use the treasury shares as a source for financing any new acquisitions of shares on other companies, or other property, or for disposal to a strategic partner.

The authorization for acquisition and disposal of treasury shares for the purpose of trading them in for ownership shares in other companies or for sale to a strategic partner was already granted



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to the Management Board at the 12th regular Shareholders Assembly on May 17th 2006, for the period of eighteen (18) months. As this period has already expired, a new authorization is proposed.

The company shall be able to acquire the shares only in regulated market, in compliance with the principle of equal treatment of shareholders as provided in Article 221 of the Companies Act (ZGD-1), by purchase price which shall not exceed the average daily price per share at the Ljubljana Stock Exchange, d.d., in the most recent full calendar month before the day of their acquisition, plus 10 percent, and shall not be lower than EUR 41.73, which is the corresponding value per share in the company's share capital. In case of disposal of treasury shares acquired based on this authorization, omission of preemptive right of the existing shareholders is proposed, since the shares could otherwise not be used for the purposes defined in the authorization. The reasons for omission are explained in the Management Board's Report which is a constituent part of this documentation. Prior to any disposal of shares, the Management Board will have to obtain consent by the company Supervisory Board; furthermore, it shall be required to report on such disposal to the Shareholders Assembly, and present to the Shareholders Assembly an opinion by an independent financial advisor on the justification of the transactions effected from the aspect of the interests of the company shareholders (so-called fairness option). In this way, it will be guaranteed that the company will indeed dispose of treasury shares only for the purposes of pursuing the planned strategic goals without affecting the interests of the shareholders.

Ljubljana, June 8th 2010

Management Board President:
Žiga Debeljak

Supervisory Board Chairman:
Robert Šega

Appendices to item 5 of the Agenda:

- Opinion by the independent financial advisor
- Management Board's Report on the reasons for proposing full omission of the preemptive right in disposal of treasury shares



VI. Documents pertaining to item six of the agenda

APPOINTMENT OF TWO NEW SUPERVISORY BOARD MEMBERS

The Supervisory Board hereby proposes to the Shareholders Assembly of MERCATOR, d.d., the following

Resolution:

The number of Supervisory Board members shall be increased by four additional members; hence, the Supervisory Board will consist of twelve (12) members.

The following two persons shall be appointed as Supervisory Board members representing the interests of the shareholders, for the term of four years, starting on July 13th 2010:

- a) Matjaž Kovačič and*
- b) Miro Medvešek.*

Explanation:

Pursuant to Article 31 of the Articles of Association, the number of Supervisory Board shall be defined by the Shareholders Assembly with an Act on the Appointment of Supervisory Board. The number of Supervisory Board members may not exceed twelve (12). The Shareholders Assembly shall only elect one half of the Supervisory Board members, while the other half shall be elected by the Works Council.

At the 15th regular Shareholders Assembly held on July 20th 2009, it was decided that the company Supervisory Board would only have 8 members out of a maximum of 12. Therefore, only four representatives of shareholders were appointed, instead of the possible six. This year, the Supervisory Board received motions by the shareholders NLB, d.d., and NKBM, d.d., who are among the major company shareholders, to propose to the Shareholders Assembly the appointment of new Supervisory Board members. NLB, d.d., proposed the election of Mr. Miro Medvešek and NKBM, d.d., proposed the election of Mr. Matjaž Kovačič. The proposed resolution includes the appointment of both as new Supervisory Board members, thus increasing the number of Supervisory Board members representing the interests of the shareholders by two, while the total number of Supervisory Board members would be increased to twelve members. Remaining two members shall be elected by the Works Council, as provided in the Articles of Association. Curriculum Vitae for both candidates, including their references, are announced as a constituent part of the Assembly documentation.

Candidate Miro Medvešek is an expert in finance and financial investment. He holds a B.A. degree in economics from the Faculty of Economics at the University of Ljubljana. Currently, he is employed as the director of the company Svetovanje M, financial consulting company, d.o.o., headquartered in Ljubljana. He has gained experience as the officer with Management Board's power of attorney and head of investment banking sector at the Nova Ljubljanska banka, d.d., a Ljubljana-based commercial bank, and as the head of securities management office at



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Zavarovalnica Triglav, insurance company, d.d., Ljubljana. He was also the Management Board President of a stock brokerage company.

Candidate Matjaž Kovačič is an expert in finance and banking. He graduated at the Faculty of Business and Economics at the University of Maribor. Currently, he is employed as the Management Board President at Nova KBM, d.d., a Maribor-based commercial bank, where he previously worked as the director of risk management sector and director of a branch office; he also has experience with working in the financial sector of the Gorenje Group.

Both candidates meet all conditions defined in the Rules of Procedure of the Supervisory Board of Poslovni sistem Mercator, d.d. The candidates also submitted their statements of consent with their candidacy for company Supervisory Board members.

The candidates are not members of any other managerial or supervisory bodies in the Republic of Slovenia, except for those stated in the explanation.

Ljubljana, June 8th 2010

Supervisory Board Chairman:
Robert Šega

Appendices to item 6 of the agenda

- Statements of consent on appointment
- Candidates' CVs



VII. Information for the shareholders

1. Total number of shares and voting rights as at the day of Shareholders Assembly convocation

As at the day of Shareholders Assembly convocation, the company has 3,765,361 ordinary registered no par value shares. Pursuant to the relevant legislation, each ordinary share carries one vote for its owner at the Shareholders Assembly. As at the day of Shareholders Assembly convocation, the company has 42,192 treasury shares which do not carry voting rights.

2. Information on additional items of the agenda

Shareholders whose combined shareholdings amount to one twentieth (five percent) of share capital, may request in writing after the convocation of the Shareholders Assembly an additional item of the agenda. A written proposal of the resolution on which the Shareholders Assembly should decide, or an explanation of the agenda item in case no resolution is adopted with regard to a particular agenda item, shall be attached to the request. It shall suffice to send the request to the company no later than seven days after the announcement of Shareholders Assembly convocation.

Pursuant to Article 298, Paragraph 3 of the Companies Act (ZGD-1), the company Management Board shall announce those additional agenda items that are requested by the shareholders no later than seven days after the announcement of Shareholders Assembly convocation.

The shareholders may submit the requests for additional items of the agenda to the company by electronic mail, to the address skupscina@mercator.si. Requests for additional agenda item submitted by electronic mail must be sent as a scanned image file attached to the e-mail message. The image file must include a handwritten signature of the natural person; in case of legal persons, such documents shall include the handwritten signature of the company representative as well as the stamp of the person, if applicable. The company has the right to check the identity of the shareholder or, the person conferring the power of attorney by e-mail, as well the authenticity of the signature.

The additional agenda item shall only be discussed at the Shareholders Assembly if it is announced in the same way as the Shareholders Assembly convocation, no later than 14 days before the Shareholders Assembly; otherwise, it shall be discussed at the first subsequent Shareholders Assembly. The Management Board will provide in the same deadline and in the same way an announcement of the consolidated copy of the agenda.

3. Information on shareholders proposals

The shareholders may submit, in writing, resolution proposals to each item of the agenda. A shareholder proposal will only be announced by the company Management Board if the shareholder submits within seven days after the convocation of the Shareholders Assembly to the company a reasonably justified proposition, along with the statement of whether the shareholder will counter the proposal by the managerial/supervisory body and if the Supervisory Board intends to convince other shareholders to vote for her/his proposal. The shareholder shall not be required to justify an election proposal.



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The shareholders may also submit the resolution and election proposals to the company by electronic mail, to the address skupscina@mercator.si. Resolutions or voting proposals submitted by electronic mail must be sent as a scanned image file attached to the e-mail message. The image file must include a handwritten signature of the natural person; in case of legal persons, such documents shall include the handwritten signature of the company representative as well as the stamp of the person, if applicable. The company has the right to check the identity of the shareholder or, the person conferring the power of attorney by e-mail, as well the authenticity of the signature.

The Management Board shall not announce the shareholder's proposal and the pertaining explanation in the following cases:

- if announcement of the proposal would constitute a criminal or minor offence;
- if the proposal could lead to a Shareholders Assembly resolution that would be in breach of the legislation or the provisions of the Articles of Association;
- if the explanation of the proposal includes obviously wrong or misleading information or insults in its key points;
- if the shareholder's proposal with the same contents has already been submitted to the company Shareholders Assembly;
- if the same shareholder's proposal with essentially the same explanation has been submitted at at least two company Shareholders Assemblies in the last five years, and if less than one twentieth (five percent) of the represented share capital voted in favour of such proposal;
- if the shareholder makes it clear that she/he would not attend the Shareholders Assembly and would not be represented there; or
- if the shareholder has not upheld her or his submitted proposal at the Shareholders Assembly in the last two years, or did not do so via proxy.

The Management Board shall not announce the explanation to the proposal if it includes more than 3,000 characters. The Management Board has the right to announce any proposal and their respective explanations in a summary, if several shareholders submit their proposals on the same issue. Shareholder proposals that are not submitted to the company within seven days after the announcement of the Shareholders Assembly convocation and are presented at latest at the Shareholders Assembly shall be discussed at the Assembly.

4. Information on the shareholder's right to information

The Management Board shall provide reliable information on company affairs at the Shareholders Assembly, if such information is required for assessment of the agenda items. Upon questions posed by several shareholders with regard to the same issue, the Management Board may submit the information in a combined reply. The Management Board will submit information on legal and business relations of the company with its subsidiaries, if this is deemed necessary for assessment of the agenda.

Regardless of the provisions from the previous paragraph, the Management Board shall not be required to submit information in the following cases:

- if submitting the information is, by sound economic judgment, of such nature that it could cause damage to the company or an associated company;
- if the information is related to balancing and assessment methods, when the description of such methods in the appendix suffices for assessment of property, finance, and performance aspects of the company corresponding to the actual circumstances;



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- if submitting such information would constitute a criminal or minor offence or incompliance with sound business practice;
- if the information has already been announced on the company website in the FAQ section at least seven days before the Assembly.

If a shareholder is provided with information outside the Shareholders Assembly, the same information shall be submitted to any other shareholder upon their request, even if such information is not deemed necessary for assessment of the agenda item. If a shareholder is not provided with the required information at the Shareholders Assembly, they may request that their question and the reason for which access to information was denied be entered into the Assembly minutes.

5. Attendance conditions and assertion of voting rights

The Assembly may be attended and voted at only by those shareholders who register their attendance in writing in such way that the Management Board receive their application no later than three days before the Shareholders Assembly, i.e. by July 10th 2010, and who are entered as shareholders in the central register of dematerialized securities as at COB (close of business) of July 9th 2010. The application shall be submitted by regular mail to the address Mercator, d. d., Dunajska cesta 107, Ljubljana, Tajništvo pravnega sektorja (Legal Affairs Secretary Office). The applications to the Shareholders Assembly cannot be submitted using electronic means. Only applications with original signatures of the shareholders or their proxies shall be accepted and deemed valid. The Shareholders Assembly application form is available at the company website, and it is freely available at the company headquarters at Dunajska cesta 107, Ljubljana (ground floor), each work day from the day of announcement of the convocation to the day of the Shareholders Assembly convention, from 9 AM to 12 noon.

Each shareholder with the right to attend the Shareholders Assembly may also appoint a proxy to attend the Shareholders Assembly on their behalf and exercise their voting right. The authorization must be submitted to the company in writing. The authorization shall remain in custody of the company. Proxy voting form is available at the company website; it is also freely available at the company headquarters at Ljubljana, Dunajska cesta 107 (ground floor), each work day from the day of announcement of the convocation to the day of the Shareholders Assembly convention, from 9 AM to 12 noon. The authorization may also be submitted to the company by electronic mail, to the address skupscina@mercator.si, scanned into an image file and attached to the e-mail message. Such document shall include a handwritten signature of the natural person; in case of legal persons, such documents shall include the handwritten signature of the company representative as well as the stamp of the person, if applicable. The company has the right to check the identity of the shareholder or, the person conferring the power of attorney by e-mail, as well the authenticity of the signature. The shareholders may also revoke the authorization in the same way it was submitted, anytime until the day of the Shareholders Assembly.

The shareholders or their proxies or attorneys shall be obliged to prove their identity upon request by presenting a personal identification document and written authorization; in addition, statutory representatives shall also be required to present an extract from the judicial or business register.



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The shareholders are kindly requested to check in at the Shareholders Assembly reception office upon their arrival, no later than half hour before the beginning, to confirm their presence with their signatures on the list of attendants and to claim their voting devices. The hall where the Shareholders Assembly is to take place will be open 30 minutes before the beginning of the session.

The Shareholders Assembly is convened for 1 PM. In case of absence of quorum at such time, the Assembly shall be rescheduled for 2 PM on the same day at the same place, regardless of the share of total share capital represented at the Assembly.

Management Board President
Žiga Debeljak

Supervisory Board Chairman
Robert Šega

POSLOVNI SISTEM MERCATOR, d.d.

ARTICLES OF ASSOCIATION

OF

POSLOVNI SISTEM MERCATOR, d.d.

On the basis of the Companies Act (Official Gazette of the RS Nos. 30/93, 29/94 and 82/94) the General Meeting of the company POSLOVNI SISTEM MERCATOR, d.d., on the 30 May 1995 (the thirtieth of May one thousand nine hundred and ninety-five) adopted the Articles of Association of the joint-stock company Poslovni sistem Mercator, d.d., while at the 1st (first) General Meeting of Poslovni sistem Mercator, d.d. upon entry of the company ownership transformation in the Court Register on 23 November 1995 (the twenty-third of November one thousand nine hundred and ninety-five), at the 2nd (second) meeting on 19 December 1996 (the nineteenth of December one thousand nine hundred and ninety-six), at the 3rd (third) meeting on 20 June 1997 (the twentieth of June one thousand nine hundred and ninety-seven), at the 4th (fourth) meeting on 17 November 1998 (the seventeenth of November one thousand nine hundred and ninety-eight), at the 8th (eighth) meeting on 31 May 2002 (the 31st of May two thousand and two), at the 13th (thirteenth) meeting on 27 June 2007 (the twenty-seventh of May two thousand and seven) and at the 16th meeting held on July 13th 2010 (the thirteenth of July two thousand and ten) its amendments and supplements were adopted, and thus the final text is worded as follows:

ARTICLES OF ASSOCIATION
OF THE JOINT-STOCK COMPANY
POSLOVNI SISTEM MERCATOR, D.D.

I. GENERAL PROVISIONS

Article 1 (one)

These Articles of Association define:

- general provisions,
- name and residence resp. name and seat of founders,
- name and seat of the company,
- representation,
- company activity,
- share capital amount, share number,
- company bodies,
- restraint of trade,
- measures for increase and decrease of share capital,
- possible ways of balance profit use
- relations in the group,
- company dissolution,
- business secret,
- rules and other company acts,
- informing of shareholders,
- transitional and final provisions.

Article 2 (two)

Based on the Law on Enterprises (Official Gazette of the SFRY Nos. 77/88, 40/89) the former members of SOZD MERCATOR-KIT, n.sub.o. on managing bodies in the period from 5 (the fifth) and 27 December 1989 (the twenty-seventh of December one thousand nine hundred and eighty-nine) concluded the Contract on foundation of Poslovni sistem Mercator, d.d., Ljubljana as a composite form of enterprise integration.

By the end of 1992 (one thousand nine hundred and ninety-two) the unpayable transfers of the members' social capital to the holding enterprise were registered which thus became a majority owner of members. In this way the actual group has been formed concentrating social capital among its sources of assets.

The Programme of ownership transformation of Poslovni sistem Mercator, d.d., Ljubljana was adopted by the General Meeting of Poslovni sistem Mercator, d.d., Ljubljana on the 19 (nineteenth) May and 9 September 1994 (the ninth of September one thousand nine hundred and ninety-four); according to this Programme 40 (fourty) % of social capital is designated to three funds and 60 (sixty) % to public sale of shares. On the 28 September 1994 (the twenty-eighth of September one thousand nine hundred and ninety-four) it was approved by the Agency of the Republic of Slovenia for Reconstructing and Privatization. The public sale of shares of Poslovni sistem Mercator, d.d., Ljubljana was carried out in the period from 20 (the twentieth) October to 18 November 1994 (the eighteenth of November one thousand nine hundred and ninety-four).

Article 3 (three)

The Companies Act is used directly unless otherwise determined by these Articles of Association.

Article 4 (four)

Poslovni sistem Mercator, d.d. is a business company organized as a joint-stock company performing a gainful activity and appearing on the market with the objective of profit making.

The company is a legal entity registered in the court register and has all authorizations in legal transactions.

The company is responsible for its liabilities with its total property, whereas shareholders bear no responsibility for the liabilities of the company.

The company has been founded for an indefinite period.

Article 5 (five)

Poslovni sistem Mercator is an actual group in which the company Poslovni sistem Mercator d.d. is a controlling company. The companies of the group are those companies in which the controlling company owns directly or indirectly the majority share or the majority of voting rights, and which are under its actual unified management.

The group Poslovni sistem Mercator has been founded with the aim of:

- profit increase in each group company and the group as a whole,
- common balanced development of all companies,
- the best and the greatest possible supply of consumer goods and services in Slovenia,
- greater competitiveness, efficiency and successfulness,
- guidance of goods flows,
- coordinated appearance on home and foreign markets in purchase and sale,
- financing of current operating and development with joint means,
- security, joint liquidity and the best possible yield in money transactions.

Poslovni sistem Mercator, d.d. as a holding company of the group directs and coordinates goods and market flows in the group, consolidates financial resources of members for securing current financial operations and investments and coordinates the development of members, develops mutual business connections and establishes their organizational and technological progress.

When speaking about company or group bodies, the same bodies are meant.

II. NAME AND SEAT OF FOUNDER

Article 6 (six)

In the sense of the company transformation according to the Company Law, the company founders are as follows:

- Development Fund of the Republic of Slovenia, Ljubljana, Kotnikova 28 (twenty-eight),
- Old-Age Pension and Disablement Insurance Capital Fund, Ljubljana, Mala ulica 5 (five),
- Slovenian Compensation Fund, Ljubljana, Dunajska 22 (twenty-two),
- 14 (fourteen) agricultural cooperatives as per the list and the company MERCATOR-ROŽNIK, d.d., Ljubljana,
- natural persons as per the list.

III. NAME AND SEAT OF THE COMPANY

Article 7 (seven)

Name of the company: POSLOVNI SISTEM MERCATOR, d.d. (hereinafter: company).

Shortened name of the company: MERCATOR, d.d.

A constituent part of the company is a collective logo MERCATOR representing a common exterior sign of affiliation to the group.

The collective logo "M" comprises a mark resp. symbol made up of an abstract symbol of stylized letter "M" and a logo Mercator in Folio Extra Bold type font. The obligatory colours in colour execution are: symbol - red (pantone 1935), logo - grey (pantone 425).

The use of the collective logo MERCATOR by members and in legal transactions is determined by rules adopted by the Management Board.

The full or the shortened name and seat of the company is used on company stamps.

Article 8 (eight)

The seat of the company is in Ljubljana.

IV. REPRESENTATION

Article 9 (nine)

The Management Board acts for and represents the company against third persons unlimitedly.

Article 10 (ten)

Upon previous consent of the Supervisory Board, the Management Board can grant a power of attorney to one or more persons.

V. COMPANY ACTIVITY

Article 11 (eleven)

Company activities include the following:

- 01.110 Growing of cereals (except rice), leguminous crops and oil seeds
- 01.120 Growing of rice
- 01.130 Growing of vegetables and melons, roots and tubers
- 01.140 Growing of sugar cane
- 01.150 Growing of tobacco
- 01.160 Growing of fiber crops
- 01.190 Growing of other non-perennial crops
- 01.210 Growing of grapes
- 01.220 Growing of tropical and subtropical fruits
- 01.230 Growing of citrus fruits
- 01.240 Growing of pome fruits and stone fruits
- 01.250 Growing of other tree and bush fruits and nuts
- 01.260 Growing of oleaginous fruits
- 01.270 Growing of beverage crops
- 01.280 Growing of spices, aromatic, drug and pharmaceutical crops
- 01.290 Growing of other perennial crops
- 01.300 Plant propagation
- 01.610 Support activities for crop production
- 01.620 Support activities for animal production, excluding veterinary
- 01.630 Post-harvest crop activities
- 01.640 Seed processing for propagation
- 02.100 Silviculture and other forestry activities

02.200 Logging
02.300 Gathering of wild growing non-wood products
02.400 Support services to forestry
10.130 Production of meat and poultry meat products
10.310 Processing and preserving of potatoes
10.320 Manufacture of fruit and vegetable juice
10.390 Processing and preserving of fruit and vegetables not elsewhere classified
10.410 Manufacture of oils and fats
10.520 Manufacture of ice cream
10.710 Manufacture of bread; manufacture of fresh pastry goods and cakes
10.720 Manufacture of rusks and biscuits; manufacture of preserved pastry goods and cakes
10.730 Manufacture of macaroni, noodles, couscous and similar farinaceous products
10.850 Manufacture of prepared meals and dishes
10.890 Manufacture of other food products not elsewhere classified
11.010 Distilling, rectifying and blending of spirits
11.020 Manufacture of wine from grape
13.300 Finishing of textiles
14.130 Manufacture of other outerwear
16.100 Sawmilling and planing of wood
16.220 Manufacture of assembled parquet floors
16.230 Manufacture of other builders' carpentry and joinery
17.230 Manufacture of paper stationery
18.120 Printing not elsewhere classified
18.140 Binding and related services
23.200 Manufacture of refractory products
23.410 Manufacture of ceramic household and ornamental articles
23.420 Manufacture of ceramic sanitary fixtures
23.430 Manufacture of ceramic insulators and insulating fittings
23.440 Manufacture of other technical ceramic products
23.490 Manufacture of other ceramic products not elsewhere classified
25.120 Manufacture of doors and windows of metal
25.620 Machining
25.930 Manufacture of wire products, chain and springs
25.940 Manufacture of fasteners and screw machine products
33.120 Repair of machinery
41.100 Development of building projects
41.200 Construction of residential and non-residential buildings
42.110 Construction of roads and motorways
42.120 Construction of railways and underground railways
42.130 Construction of bridges and tunnels
42.210 Construction of utility projects for fluids
42.220 Construction of utility projects for electricity and telecommunications
42.910 Construction of water projects
42.990 Construction of other civil engineering projects not elsewhere classified
43.110 Demolition
43.120 Site preparation

43.130 Test drilling and boring
43.210 Electrical installation
43.220 Plumbing, heat and air conditioning installation
43.290 Other construction installation
43.310 Plastering
43.320 Joinery installation
43.330 Floor and wall covering
43.341 Glazing
43.342 Painting
43.390 Other building completion and finishing
43.910 Roofing activities
43.990 Other specialized construction activities not elsewhere classified
45.110 Sale of cars and light motor vehicles
45.190 Sale of other motor vehicles
45.200 Maintenance and repair of motor vehicles
45.310 Wholesale trade of motor vehicle parts and accessories
45.320 Retail trade of motor vehicle parts and accessories
45.400 Sale, maintenance and repair of motorcycles and related parts and accessories
46.110 Agents involved in the sale of agricultural raw materials, live animals, textile raw materials and semi-finished goods
46.120 Agents involved in the sale of fuels, ores, metals and industrial chemicals
46.130 Agents involved in the sale of timber and building materials
46.140 Agents involved in the sale of machinery, industrial equipment, ships and aircraft
46.150 Agents involved in the sale of furniture, household goods, hardware and ironmongery
46.160 Agents involved in the sale of textiles, clothing, fur, footwear and leather goods
46.170 Agents involved in the sale of food, beverages and tobacco
46.180 Agents specialized in the sale of other particular products not elsewhere classified
46.190 Agents involved in the sale of a variety of goods
46.210 Wholesale of grain, unmanufactured tobacco, seeds and animal feeds
46.220 Wholesale of flowers and plants
46.230 Wholesale of live animals
46.240 Wholesale of hides, skins and leather
46.310 Wholesale of fruit and vegetables
46.320 Wholesale of meat and meat products
46.330 Wholesale of dairy products, eggs and edible oils and fats
46.340 Wholesale of beverages
46.350 Wholesale of tobacco products
46.360 Wholesale of sugar and chocolate and sugar confectionery
46.370 Wholesale of coffee, tea, cocoa and spices
46.380 Wholesale of other food, including fish, crustaceans and molluscs
46.390 Non-specialized wholesale of food, beverages and tobacco
46.410 Wholesale of textiles
46.420 Wholesale of clothing and footwear
46.430 Wholesale of electrical household appliances
46.440 Wholesale of china and glassware and cleaning materials
46.450 Wholesale of perfume and cosmetics

46.460 Wholesale of pharmaceutical goods
 46.470 Wholesale of furniture, carpets and lighting equipment
 46.480 Wholesale of watches and jewellery
 46.490 Wholesale of other household goods
 46.510 Wholesale of computers, computer peripheral equipment and software
 46.520 Wholesale of electronic and telecommunications equipment and parts
 46.610 Wholesale of agricultural machinery, equipment and supplies
 46.620 Wholesale of machine tools
 46.630 Wholesale of mining, construction and civil engineering machinery
 46.640 Wholesale of machinery for the textile industry and of sewing and knitting machines
 46.650 Wholesale of office furniture
 46.660 Wholesale of other office machinery and equipment
 46.690 Wholesale of other machinery and equipment
 46.710 Wholesale of solid, liquid and gaseous fuels and related products
 46.720 Wholesale of metals and metal ores
 46.730 Wholesale of wood, construction materials and sanitary equipment
 46.740 Wholesale of hardware, plumbing and heating equipment and supplies
 46.750 Wholesale of chemical products
 46.760 Wholesale of other intermediate products not elsewhere classified
 46.770 Wholesale of waste and scrap
 46.900 Non-specialized wholesale trade
 47.110 Retail sale in non-specialized stores with food, beverages or tobacco predominating
 47.190 Other retail sale in non-specialized stores
 47.210 Retail sale of fruit and vegetables in specialized stores
 47.220 Retail sale of meat and meat products in specialized stores
 47.230 Retail sale of fish, crustaceans and molluscs in specialized stores
 47.240 Retail sale of bread, cakes, flour confectionery and sugar confectionery in specialized stores
 47.250 Retail sale of beverages in specialized stores
 47.260 Retail sale of tobacco products in specialized stores
 47.290 Other retail sale of food in specialized stores
 47.301 Retail sale of own motor fuels
 47.302 Agents involved in the retail of motor fuels
 47.410 Retail sale of computers, peripheral units and software in specialized stores
 47.420 Retail sale of telecommunications equipment in specialized stores
 47.430 Retail sale of audio and video equipment in specialized stores
 47.510 Retail sale of textiles in specialized stores
 47.520 Retail sale of hardware, paints and glass in specialized stores
 47.530 Retail sale of carpets, rugs, wall, and floor coverings in specialized stores
 47.540 Retail sale of electrical household appliances in specialized stores
 47.590 Retail sale of furniture, lighting equipment and other household articles not elsewhere classified in specialized stores
 47.610 Retail sale of books in specialized stores
 47.621 Retail sale of newspapers and magazines in specialized stores
 47.622 Retail sale of paper and stationery in specialized stores

47.630 Retail sale of music and video recordings in specialized stores
47.640 Retail sale of sporting equipment in specialized stores
47.650 Retail sale of games and toys in specialized stores
47.710 Retail sale of clothing in specialized stores
47.720 Retail sale of footwear and leather goods in specialized stores
47.730 Dispensing chemist in specialized stores
47.740 Retail sale of medical and orthopaedic goods in specialized stores
47.750 Retail sale of cosmetic and toilet articles in specialized stores
47.761 Retail sale of flowers, plants, seeds, fertilizers, pet animals and pet food in specialized stores
47.762 Retail sale of gardening equipment and pets in specialized stores
47.770 Retail sale of watches and jewellery in specialized stores
47.781 Retail sale of eyeglasses in specialized stores
47.782 Retail sale of artistic products in specialized stores
47.789 Other retail sale of new goods in specialized stores
47.790 Retail sale of second-hand goods in stores
47.810 Retail sale via stalls and markets of food, beverages and tobacco products
47.820 Retail sale via stalls and markets of textiles, clothing and footwear
47.890 Retail sale via stalls and markets of other goods
47.910 Retail sale via mail order houses or via Internet
47.990 Other retail sale not in stores, stalls or markets
49.310 Urban and suburban passenger land transport
49.320 Taxi operation
49.391 Intercity and other road passenger transport
49.392 Cable car operation
49.410 Freight transport by road
49.420 Removal services
52.100 Warehousing and storage
52.210 Service activities incidental to land transportation
52.220 Service activities incidental to water transportation
52.230 Service activities incidental to air transportation
52.240 Cargo handling
52.290 Shipping and Other transportation support activities
53.200 Other postal and courier activities
55.100 Hotels and similar accommodation
55.201 Children and other holiday homes
55.202 Tourist farm houses with lodging
55.203 Letting of private tourist rooms
55.204 Mountain refuges and youth hostels
55.209 Other short-stay accommodation
55.300 Camping grounds, recreational vehicle parks and trailer parks
55.900 Student and other accommodation
56.101 Restaurants and inns
56.102 Snack bars and similar
56.103 Sweetshops and coffee-houses
56.104 Provisory food-serving stands
56.105 Tourist farm houses without lodging

56.210 Event catering activities
56.290 Other food service activities
56.300 Beverage serving activities
58.110 Book publishing
58.120 Publishing of directories and mailing lists
58.130 Publishing of newspapers
58.140 Publishing of journals and periodicals
58.190 Other publishing activities
58.210 Publishing of computer games
58.290 Other software publishing
59.200 Sound recording and music publishing activities
60.100 Radio broadcasting
60.200 Television programming and broadcasting activities
62.010 Computer programming activities
62.020 Computer consultancy activities
62.030 Computer facilities management activities
62.090 Other information technology and computer service activities
63.110 Data processing, hosting and related activities
63.120 Web portals
63.990 Other information service activities not elsewhere classified
64.190 Other monetary intermediation
64.200 Activities of holding companies
64.300 Trusts, funds and similar financial entities
64.910 Financial leasing
64.920 Other credit granting
64.990 Other financial service activities, except insurance and pension funding not elsewhere classified
66.110 Administration of financial markets
66.120 Security and commodity contracts brokerage
66.190 Other activities auxiliary to financial services, except insurance and pension funding
66.300 Fund management activities
68.100 Buying and selling of own real estate
68.200 Renting and operating of own or leased real estate
69.101 Legal representation
69.103 Other legal activities
69.200 Accounting, bookkeeping and auditing activities; tax consultancy
70.100 Activities of head offices
70.210 Public relation and communication activities
70.220 Business and other management consultancy activities
71.111 Architectural planning
71.112 Landscape architecture, urban and other planning
71.121 Geo-engineering and related activities
71.129 Other engineering activities and related technical consultancy
71.200 Technical testing and analysis
72.110 Research and experimental development on biotechnology
72.190 Other research and experimental development on natural sciences and engineering
72.200 Research and experimental development on social sciences and humanities

73.110 Advertising agencies
73.120 Media representation
73.200 Market research and public opinion polling
74.100 Specialized design activities
74.200 Photographic activities
74.300 Translation and interpretation activities
74.900 Other professional, scientific and technical activities not elsewhere classified
77.110 Renting and leasing of cars and light motor vehicles
77.120 Renting and leasing of trucks
77.210 Renting and leasing of recreational and sports goods
77.220 Renting of video tapes and disks
77.290 Renting and leasing of other personal and household goods
77.310 Renting and leasing of agricultural machinery and equipment
77.320 Renting and leasing of construction and civil engineering machinery and equipment
77.330 Renting and leasing of office machinery and equipment (including computers)
77.340 Renting and leasing of water transport equipment
77.350 Renting and leasing of air transport equipment
77.390 Renting and leasing of other machinery, equipment and tangible goods not elsewhere classified
77.400 Leasing of intellectual property and similar products, except copyrighted works
78.100 Activities of employment placement agencies
78.200 Temporary employment agency activities
78.300 Other human resources provision
79.110 Travel agency activities
79.120 Tour operator activities
79.900 Other reservation service and related activities
80.100 Private security activities
80.200 Security systems service activities
80.300 Investigation activities
81.210 General cleaning of buildings
81.220 Other building and industrial cleaning activities
81.290 Other cleaning activities
81.300 Landscape service activities
82.110 Combined office administrative service activities
82.190 Photocopying, document preparation and other specialized office support activities
82.200 Activities of call centers
82.300 Organization of conventions and trade shows
82.910 Activities of collection agencies and credit bureaus
82.920 Packaging activities
82.990 Other business support service activities not elsewhere classified
85.320 Technical and vocational secondary education
85.510 Sports and recreation education
85.520 Cultural education
85.590 Other education not elsewhere classified
85.600 Educational support activities
90.010 Performing arts
90.020 Support activities to performing arts

93.110 Operation of sports facilities
93.120 Activities of sport clubs
93.190 Other sports activities
93.299 Other amusement and recreation activities not elsewhere classified
95.110 Repair of computers and peripheral equipment
95.120 Repair of communication equipment
95.210 Repair of consumer electronics
95.220 Repair of household appliances and home and garden equipment
95.230 Repair of footwear and leather goods
95.250 Repair of watches, clocks and jewelry
95.290 Repair of other personal and household goods
96.010 Washing and (dry-) cleaning of textile and fur products

VI. SHARE CAPITAL

Article 12 (twelve)

The share capital of the company amounts to EUR 157,128,514.53 (one hundred and fifty-seven million one hundred and twenty-eight thousand five hundred and fourteen euros 53/100) and is divided into 3.765.361 (three million seven hundred and sixty-five three hundred and sixty-one) ordinary registered no-par value shares.

According to the regulations the shares are expressed in book-entry form and represent the shares of the same class within the meaning of the Companies Act (ZGD-1). All shares have been fully paid.

Article 13 (thirteen)

As at 1 January 1993 (the first of January one thousand nine hundred and ninety-three) the share capital of the company was divided in shares of the following marks:

1,377,575 (one million three hundred and seventy-seven thousand five hundred and seventy-five) ordinary shares marked A, serial numbers from 0,000,001 (one) to 1,377,575 (one million three hundred and seventy-seven thousand five hundred and seventy-five) of the total nominal value SIT 13,775,750,000 (thirteen billion seven hundred and seventy-five million seven hundred and fifty thousand tolar) representing 39.68 (thirty-nine point sixty-eight)% of the total share capital;

2,094,265 (two million ninety-four thousand two hundred and sixty-five) ordinary shares marked G, serial numbers from 1,377,576 (one million three hundred and seventy-seven thousand five hundred and seventy-six) to 3,471,840 (three million four hundred and seventy-one thousand eight hundred and forty) of the total nominal value SIT 20,942,650,000 (twenty billion nine hundred and forty-two million six hundred and fifty thousand) representing 60.32 (sixty point thirty-two) % of the total share capital.

The shareholder is not allowed to transfer the shares marked A until 5 December 1995 (the fifth of December one thousand nine hundred and ninety-five) to any foreign legal or natural person or

domestic legal person predominantly owned by a foreign legal or natural person without the Agency consent.

After this date the share marks A and G will be eliminated.

Article 14 (fourteen)

Ordinary shares:

- grant proportional right to management and dividend,
- are registered,
- are transferable,
- are issued in book-entry form,
- in case of the company bankruptcy or liquidation grant the right to the payment of a proportional share from bankrupt's resp. liquidation assets.

Article 15 (fifteen)

The transfer of registered shares will be performed validly by the transfer entry in shareholder's register based on the document of payment resp. transfer or decree on succession, unless otherwise determined by a legal or executive order.

VII. COMPANY BODIES

a) GENERAL MEETING

Article 16 (sixteen)

The Shareholders Assembly consists of the shareholders who assert their rights in the company affairs at the Assembly.

The Assembly may be attended and voted at only by those shareholders who register their attendance no later than at the end of the fourth day before the Shareholders Assembly, and who are entered as shareholders in the central register of dematerialized securities as at the end of the fourth day before the Assembly.

At the Assembly, the shareholders may also assert their rights arising from their shareholding via proxy. Power of attorney / authorization to the proxy shall be submitted to the company in writing and such documents shall remain in the custody of the company.

The shareholders may also appoint a proxy to represent them at the Assembly by electronic means. An authorization form for asserting the voting right via proxy is available at the company website. The authorization / power of attorney may be submitted to the company by electronic mail to the address specified in the relevant Convocation of the Shareholders Assembly, scanned into an image file and attached to the e-mail message. Such document shall include a handwritten signature of the natural person; in case of legal persons, such documents shall include the handwritten signature of the company representative as well as the stamp of the person, if applicable. The company has the right to check the identity of the shareholder or, the proxy conferring the power of attorney by e-mail, as well the authenticity of the signature.

The shareholders may also employ the method described in the previous paragraph to submit to the company any requests for additional items on the agenda and resolution proposals to the items

on the agenda, including voting proposals. The company has the right to check the identity of the shareholder or, the proxy conferring the power of attorney by e-mail, as well the authenticity of the signature."

Article 17 (seventeen)

The General Meeting decides on:

1. In relation to the Management Board:
 - it can express a no confidence vote to the president and (or) member(s) of the Management Board;
 - decides on granting discharge to the Management Board or to an individual Member of the Management Board;
 - exceptionally it can decide on business management issues, if required by the Management Board,
2. In relation to the Supervisory Board:
 - it elects and discharges members of the Supervisory Board representing the interests of shareholders;
 - it decides on assigning a discharge paper to the Supervisory Board or to an individual member of the Management Board;
 - decides on the amount of attendance fees or other compensations and rewards for the services of Supervisory Board members;
3. In relation to the annual report and performance:
 - it decides on the adoption of the annual report if the Supervisory Board has not approved the annual report or in case that Management Board and the Supervisory Board have ceded the decision on annual report adoption to the General Meeting.
 - it decides on profit distribution according to the proposal of Management Board and the Supervisory Board;
4. In relation to the Articles of Association:
 - it decides on amendments to the Articles of Association.
5. In relation to the share capital and shares:
 - it decides on measures for capital increase and decrease, which are not within the competence of the Management Board and of the Supervisory Board according to these Articles of Association.

6. In relation to the status changes:
 - it decides on company dissolution and status changes (merger, affiliation, splitting, change of company form).
7. In relation to operations auditing:
 - it decides on auditor appointment.
8. On other matters according to the law and these Articles of Association.

For the adoption of decision the majority of shareholders' votes cast (simple majority) is necessary, with the exception of decisions referring to the change of Articles of Association, share capital, status changes, exclusion of priority right at new share emission, expressing of no confidence vote to the Management Board, discharge and question of business management, and in other matters determined by the law or the Articles of Association when a three-quarter or a larger majority (qualified majority) is necessary for the adoption of a decision.

Article 18 (eighteen)

The Shareholders Assembly shall be convened in all cases provided by law or the Articles of Association, or when such convocation is deemed to benefit the company.

The Shareholders Assembly shall, as a rule, be convened by the Management Board; alternatively, it may be convened by the Supervisory Board.

The Shareholders Assembly shall be convened when this is requested from the Management Board by shareholders whose combined shares amount to one twentieth of the total share capital. In such case, the request for convocation shall be submitted complete with agenda, resolution proposal for each proposed item on the agenda on which the Shareholders Assembly should vote, or an explanation of the agenda item if no resolution is adopted with regard to a particular agenda item; all proposals should be submitted in writing. If the Shareholders Assembly is not convened no later than in two months from the receipt of the request, the shareholders who filed the request may request from the relevant court to authorize them to convene the Shareholders Assembly.

Article 19 (nineteen)

Convocation of the Shareholders Assembly, including the contents stipulated by the relevant regulations and legislation, shall be publicly announced at least 30 days before the day of the Shareholders Assembly in the Delo daily paper, on the company's website, and in other way when required by relevant regulations or legislation."

Article 20 (twenty)

As a rule the General Meeting holds a session in the company seat, but it can also be held at any other place determined by the convener.

The General Meeting is conducted by the president elected by shareholders among them upon the proposal of the convener.

Article 21 (twenty-one)

At the Assembly, a list of all shareholders present or represented, and their representatives, shall be compiled. The list shall include first and last name, residence, and the number of shares for each of the attendants.

The list shall be compiled based on the submitted attendance applications or powers of attorney, and based on the statement of record from the central register of dematerialized securities.

The list, signed by the Management Board President, shall be made available for viewing to the attendants before the vote; or, the attendants shall be allowed to view the list on an electronic medium.

Article 22 (twenty-two)

The General Meeting decisions are effective if shareholders with voting rights representing at least fifteen percent of the represented share capital are present (the first summons).

In the summons it is determined when the repeated meeting will take place if at the first summons the quorum is not reached. At the repeated session the General Meeting decisions are effective notwithstanding the amount of the represented share capital (the second summons).

b) MANAGEMENT

Article 23 (twenty-three)

The company is directed by the Management Board for the benefit of the company, independently and on its own responsibility.

The Management Board is constituted of the president and members. Upon proposal of the president of the Management Board, their number, sphere of work and authorizations are determined by the Supervisory Board of the company with the Management Act.

The Management Board President and each member of the Management Board individually and unlimitedly represent the company.

Article 24 (twenty-four)

A member of the Management Board can be a person who, besides legal conditions, fulfils the conditions determined by the Supervisory Board of the company.

Article 25 (twenty-five)

The Management Board adopts decisions as a rule unanimously, otherwise by ordinary majority of all the members where each member owns one vote. In case of equal vote number, the vote of the president is decisive.

Article 26 (twenty-six)

In capacity of an advisory body the Management Board summons a conference of directors of all group companies with intention to obtain their opinions on all important questions of business, development and current policy it is preparing and to determine the way of decisions realization.

Article 27 (twenty-seven)

The president and the member of the Management Board are nominated by the Supervisory Board, the latter on proposal of the president of the Management Board for the 5-year period with the possibility of unlimited repeated nomination.

The repeated nomination must not be performed earlier than one year prior to the term expiry.

The Supervisory Board may dismiss a particular member or the president of the Management Board in case a major violation of his obligations is established, or that he is not capable of business management, or else, he is dismissed if General Meeting expresses a no confidence vote , except in case when no confidence vote has been expressed without founded reasons, or if other economic and business reasons are involved (major changes in shareholders' structure, reorganization, new product introduction, larger activity change ,etc.).

The President, or a member of the Management Board, is not entitled to any compensation in the first three cases form the above paragraphs of this article, in case of dismissal for economic or business reasons; however, he is entitled to the compensation determined by the Agreement on managing function execution.

Article 28 (twenty-eight)

The Management Board of the company:

1. In the field of management:
 - it determines a three-year development strategy and the annual plan of the company;
 - it manages the company.
2. In acting for and representing:
 - it acts for and represents the company and is responsible for the legality of the work;
3. Competences and responsibilities in relation to the General Meeting:
 - it realizes decisions adopted by the General Meeting and prepares measures on its request;
 - it summons the General Meeting;
 - in agenda announcement, together with the Supervisory Board, it gives
 - proposals of decisions for each agenda point upon which the General Meeting should decide (except in members of the Supervisory Board votes and in appointment of an auditor);
 - at the General Meeting it informs the shareholders on company matters which are the subject of the agenda;
 - it enforces the nullity of a General Meeting decision.
4. Competences and responsibilities in relation to the Supervisory Board:
 - it reports to the Supervisory Board on planned business policy, profitability of the company, operating, turnover, financial situation, on business operations which can significantly influence the profitability and solvency and on all other questions concerning the operations of the company and its associated companies;
 - it presents to the Supervisory Board the annual report drawn up within two months after the end of a business year;
 - it can demand that the president summons the Supervisory Board session.
5. In relation to the performance
 - it prepares the proposal on the balance profit utilization;
 - it can pay out interim dividend which must not exceed a 50 percent amount remaining from the foreseen profit after creation of reserves and not more than 50 percent profit from the previous year; payment must be granted by the Supervisory Board;
6. In relation to the announcement of data and notifications of the company:
 - it decides which data are important for shareholders and must, therefore, be published;
 - it cares for announcement of all the necessary data in the company magazine and of those important for the public.
7. It presents to the court all the necessary data for entry in the court register.
8. In relation to share capital and shares:
 - it can increase the share capital according to these Articles of Association
9. In relation to group companies;

- it nominates representatives of the Poslovni sistem Mercator, d.d. for the sessions of group companies General Meetings;
- it gives instructions to representatives of the Poslovni sistem Mercator, d.d. in bodies of group companies;
- in group companies where Poslovni sistem Mercator d.d. is the only shareholder or partner it performs the founder's function;
- it defines criteria for concluding contracts, salary levels and other earnings for members of the Boards of Management of group companies.

10. It performs other tasks in accordance with the law and these Articles of Association.

Article 29 (twenty-nine)

The amount of profit belonging to each member of the company's Management Board is determined by the Supervisory Board on the basis of the General Meeting's decision.

Article 30 (thirty)

A member of the Management Board must act in managing business with the concern of a conscientious and honest economist, must protect business secret of the company and Poslovni sistem Mercator, d.d., respect the clause on loyalty and restraint of trade.

c) SUPERVISORY BOARD

Article 31 (thirty- one)

The company has a Supervisory Board consisting of up to 12 (twelve) members. One half of the Members representing shareholders' interests is elected by the General Meeting.

A number of members of the Supervisory Board is determined by the General Meeting by the Supervisory Board Election Act.

A member of the Supervisory Board, who represents workers, acts in the interest of all workers within competences of the Supervisory Board in accordance with the special law and these Articles of Association.

Article 32 (thirty- two)

Members of the Supervisory Board are elected for a four-year period and can be re-elected.

The Management Board must immediately announce each replacement of members of the Supervisory Board and enter the change in the register.

Article 33 (thirty- three)

The president of the Supervisory Board and his deputy are appointed by members of the Supervisory Board among members representing shareholders' interests. The deputy has authorities of the president if the president is restrained.

The president of the Supervisory Board performs primarily the following tasks:

- he conducts and summons sessions of the Supervisory Board,
- he signs minutes of the sessions of the Supervisory Board,
- he represents the company against members of the Management Board meaning he signs contracts with members of the Management Board.

Article 34 (thirty- four)

The Supervisory Board adopts its resolutions in sessions in the form of decisions, but it can also function directly while supervising and controlling documentation.

The Minutes must be kept on work of the Supervisory Board.

The Supervisory Board can nominate one or more commissions with intention to prepare proposals of decisions and to care for their realization. A commission cannot decide on questions which are within the Supervisory Board competence.

The Supervisory Board can authorize experts resp. officers who are also invited to the session for analysing professional questions.

Article 35 (thirty- five)

The General Meeting can discharge members of the Supervisory Board elected by the General Meeting, before the expiry of the term:

- on their own request,
- if they are no more capable of performing their functions,
- if they perform their functions in a careless and harmful way,
- for other reasons which are important for the company business.

For a decision on discharge at least three-quarter majority of cast votes is necessary.

Article 36 (thirty- six)

The Supervisory Board has especially the following competences:

1. In relation to the Management Board:

- it supervises the company business and adopts reports of the Management Board;
- it supervises and controls the books and documents of the company
- it gives consent to decisions of the Management Board when requested by the law and these Articles of Association;
- it gives consent to the three-year development strategy and to the annual plan of the company;

- it can at any time request from the Management Board a report on any question connected to the company business which has an important influence on company position;
- it appoints, discharges resp. dismisses the president and members of the Management Board ;

- it determines earnings of members of the Management Board of the company;
- it gives consent to members of the Management Board for performing gainful activity in the field of company operation and grants loans to members of the Management Board and procurators;

2. In relation to the General Meeting:

- it can summon a General Meeting;
- it submits to the General Meeting the report on the results of annual report audit and, together with the Management Board, the proposal for balance profit utilization; - it creates opinion to the report of the Management Board on relations with group companies and submits it to the General Meeting;
- it prepares together with the Management Board (and alone for elections of members of the Supervisory Board and auditor) a proposal for decisions in the agenda announcement for each agenda point, upon which the General Meeting should decide.

3. In connection to the annual report:

- it approves the annual report and prepares the report on the audit of the annual report.

4. In connection to the relations between the Supervisory Board and the company:

- it approves contracts between a member of the Supervisory Board and the company

5. In connection with the Articles of Association of the company:

- it conforms their wording to the valid decisions of the General Meeting.

The Supervisory Board further decides on all other matters according to the law, these Articles of Association and general acts of the company.

Article 37 (thirty- seven)

As a rule, a session of the Supervisory Board is convened by the president of the Supervisory Board at his judgment, but he must convene it immediately on the initiative of a member of the Supervisory Board or the Management Board. A session must take place in two weeks after the summons.

If the president does not accept the initiative, a member or the Management Board themselves can convene the Supervisory Board and propose the agenda.

As a rule, the Supervisory Board must be convened at least once quarterly, while it must be convened obligatorily once in a half- year.

The sessions of the Supervisory Board are attended by the members of the Supervisory Board, the Management Board and the invited experts and referees.

Article 38 (thirty- seven)

The Supervisory Board has a quorum if at least a half of members is present at deciding.

The adoption of decisions of the Supervisory Board in writing, by phone, by cable or by similar technical means is admissible only with agreement of all the members of the Supervisory Board.

For the validity of decision of the Supervisory Board, the majority of cast votes is necessary. In the event of equality of votes, the vote of the president shall be decisive.

A member of the Supervisory Board does not participate in deciding on matters which concern him, but this is not valid for the elections of the president of the Supervisory Board and his deputy.

Article 39 (thirty- nine)

Supervisory Board members may be compensated or rewarded for their services; such compensation and rewards shall be voted on by the Shareholders Assembly. Payment should be appropriate given the tasks and duties of the Supervisory Board Members and given the company's financial position. Members of any Supervisory Board committees shall be compensated with one half of the monthly amount received by the Supervisory Board members, as well as attendance fee and the right to claim remuneration of costs in the same amount that applies for the work of the Supervisory Board."

Article 40 (forty)

Members of the Management Board must act in managing business with concern of conscientious and honest economist and must protect business secret of the company.

The provisions of these Articles of Association on protection of business secret and on restraint of trade for the Management Board are analogously used also for members of the Supervisory Board.

VIII. RESTRAINT OF TRADE

Article 41 (forty-one)

Members of the Management Board and members of the Supervisory Board as well as procurators are not allowed to participate as partners of the unlimited liability company, as general partners in limited partnership, partners and managers of the limited liability company, as members of the Management Board and the Supervisory Board and the procurators, and also not as workers in any other company or as an entrepreneur with the activity which is or could be in competitive relation to the activity of Poslovni sistem Mercator, d.d.

Only the Supervisory Board of Poslovni sistem Mercator, d.d., can define conditions on which the persons from the paragraph one hereof are allowed to participate in a competitive company.

Article 42 (forty-two)

Without the consent of the Supervisory Board, members of the Management Board are not allowed to carry out any gainful activity in the field of the company activity, and are also not allowed to conclude deals for their own or third-party account which would have negative influence on the interests of the company resp. Poslovni sistem Mercator, d.d.

IX. MEASURES FOR INCREASE OF SHARE CAPITAL

a) Increase of share capital by stakes

Article 43 (forty-three)

The increase of share capital by stakes can only be performed by the issue of new shares. The increase of share capital is decided by the General Meeting with three-quarters of votes at decision making of represented share capital.

The share capital cannot be increased as long as the former stakes are not fully paid, unless only an insignificant part remained unpaid. The share capital can be increased also by actual investments.

In case the share subscriber gets in arrears with the payment of money contributions, he is obliged to pay default interest which is 10 percentage points higher than the legal ones.

Article 44 (forty-four)

The former shareholders have, in proportion to their shares in share capital, a preferential right to subscription of new shares. A term for realization of this right is at least 14 days.

The Management Board must announce the issue amount of new shares and the term from the above paragraph.

A preferential right can be fully or partially excluded only by decision on increase of share capital. In this case, besides legal requirements, the three-quarter majority is necessary for decision at decision making of represented share capital.

Article 45 (forty-five)

The Management Board and the president of the Supervisory Board must file the decision on increase of share capital for entry in the register.

The increase of share capital enters into force as of the date of entry in the register.

New shares must not be issued prior to the entry of decision on increase of share capital in the register.

b) Conditional increase of share capital

Article 46 (forty-six)

The General Meeting can adopt the decision on conditional increase of share capital only for:

1. exercising the right of holders of convertible bonds for shares or realization of the preferential right to the purchase of new shares,
2. preparation of merger of several companies, or in order to ensure compensation for dismissal to shareholders in connection with company's status change, when the compensation for dismissal can according to the law stipulations be ensured in shares;
3. exercising the company workers' rights to the receipt of new shares from profit and to ensure the optional entitlement of purchasing the shares provided by the company to the members of Management Board, Supervisory Board and to the employees of the company and of the associated companies.

The nominal amount of conditionally increased share capital must not exceed one half of capital existing at the moment of decision making.

Provisions of these Articles of Association on pre-emptive right to the purchase of new shares shall apply mutatis mutandis also to convertible bonds. A pre-emptive right is exercised by a written statement, issued in duplicate, pursuant to the law.

Article 47 (forty-seven)

For validity of the decision on conditional increase of share capital the majority of at least three quarters of the represented share capital is necessary at decision making.

In the General Meeting decision on conditional increase of capital it must be precisely determined for which intention the share capital is being conditionally increased, who are the beneficiaries of conditional increase of share capital and the issue amount or the scales for calculation of this amount.

Shares can be issued only after the entry of decision on conditional increase of share capital in the court register.

By share issue the share capital is increased.

c) Authorized capital

Article 48 (forty-eight)

In the scope of the amendments and supplements to the Articles of Association of Poslovni sistem Mercator d.d. and upon previous consent of the Supervisory Board, the Management Board is authorised to increase the share capital up to 20% of share capital, subscribed on the date the decision was adopted, within five years after the entry of the amended Articles of Association, adopted at the thirteenth (13th) regular General Meeting, into the register, by issuing new shares; it can also exclude the pre-emptive right to subscribe new shares under the following conditions:

- the newly issued shares are used for acquiring shares or interests in other companies or assets in the framework of strategic alliances;
- the exclusion of the pre-emptive right is approved by the Supervisory Board of the company;
- before issuing new shares, the Management Board informs the shareholders of the reasons for issuing new shares and the reasons for excluding the pre-emptive right, which are published through the stock exchange system;
- in the framework of the implementation of individual strategic alliances, the acquirer of the newly issued shares or the group of acquirers of the newly issued shares does not acquire more than 10 (ten) percent of the company's share capital;
- an independent financial advisor issues a positive opinion on the fairness of the issue of new shares from the point of view of the shareholders and the company, and Management Board informs the shareholders of it by publishing it through the stock exchange system within 30 (thirty) days of concluding a binding agreement on the issue of new shares.

d) Increase of share capital from the company assets

Article 49 (forty-nine)

The General Meeting can decide for the share capital to be increased by transformation of other items of its own capital into the share capital.

The decision from the paragraph one hereof is adopted in the same way as the decision on increase of share capital with investments.

The decision on increase can be passed after approval of the annual report for the last business year.

Article 50 (fifty)

Unless otherwise determined in the decision on increase, new shares participate in profit of complete business year in which the decision on increase of share capital has been passed.

Article 51 (fifty-one)

The items of its own capital which are transformed into share capital must be stated in the last balance sheet or in the interim balance sheet.

The transformation of other own capital items into the share capital is not permitted in case that the balance of sheet representing the basis for transformation states net loss transfer or net loss for a separate year.

Article 52 (fifty-two)

As of the date of registration of the decision on increase of capital from the company assets the new shares are considered to be fully paid and can actually be issued.

After the entry of the decision on increase of share capital in the register, the Management Board is obliged to announce immediately the invitation to shareholders to take over their new shares.

The invitation must contain all the data and the warning as determined by the law.

X. MEASURES FOR DECREASE OF SHARE CAPITAL

Article 53 (fifty-three)

The share capital can be decreased:

- by combining the shares, if the minimum issue amount of the shares after the decrease in share capital fails to reach the lowest corresponding value (market value) allowed.
- by withdrawing the shares.

For validity of the decision on decrease of share capital the majority of at least three quarters of the represented share capital is necessary at decision making.

In the decision it shall be determined why the share capital is decreased and the way of share capital decrease.

With the entry of the decision on share capital decrease in the register, the share capital is decreased. The decision shall be announced.

XI. UTILIZATION OF BALANCE PROFIT

Article 54 (fifty-four)

A business year of the company is a calendar year.

In drawing up the annual report the Management Board should propose the utilization of balance profit. The balance profit can be used for:

- payment to shareholders,
- formation of other reserves from the profit,
- payment to the members of Management Board.

The General Meeting can bring a resolution on balance profit utilization, determining that balance profit will not be distributed to shareholders, but transferred into the next period as the transferred profit, so that the entire or part of the balance profit remains undistributed.

Shareholders' shares in profit are determined in proportion to corresponding amounts of shares.

XII. RELATIONS IN THE GROUP

Article 55 (fifty-five)

Relations in the group mean the actual dependence of group companies on the controlling company. The latter under unified management controls the affiliated companies.

A group company is autonomous in organizing its business and other functions and is independent in entering marketing business relations following its business interests within the obligatory instructions for the unified management.

Article 56 (fifty-six)

Decisions of the General Meeting, the Supervisory Board and the Group Management Board, are considered as obligatory instructions for unified management, unless it is explicitly determined in an individual decision that they are not binding.

Article 57 (fifty-seven)

Group companies are organized and managed on the basis of obligatory instructions determined by the group bodies according to the law.

Article 58 (fifty-eight)

Poslovni sistem Mercator, d.d. as the controlling company of the group must not exercise its influence to induce a group company to carry out a legal business harmful to itself, or to do or to waive something to its disadvantage, unless the controlling company should compensate the damage.

If the company carries out a legal business harmful to itself, or does or waives something to its disadvantage, the Management Board of the group company must evaluate the detrimental effect of its action and the height of the loss at the latest in 30 days from the conclusion of business resp. services or waiver of a legal act according to instruction of the group, and present a report in writing to the Management Board and the Supervisory Board of the group. If within this period the Management Board of the group company evaluates the detrimental effect of its action, but cannot estimate the loss, it is obliged to do it at the latest within one year from the conclusion of business resp. service or waiver of a legal act, otherwise it cannot claim the loss compensation.

The Management Board and the Supervisory Board must state the findings in 3 months, and at the latest in the annual report, and if the loss occurred, how it will be compensated.

Loss compensation must be settled already during the year and at the latest until the end of the business year in which the group company presented in writing to the group the height of the loss, whereas the group must secure the priority for this compensation and its source.

If the group does not compensate the loss until the end of the business year, a group company holds a compensation claim against the group. Besides the group company also the shareholders

and the company creditors hold a compensation claim, regardless of the loss they have suffered through the company detriment.

Article 59 (fifty-nine)

Beside the annual report, the Group Management Board must prepare the report on relations in the group in the sense of this paragraph for the previous business year.

Article 60 (sixty)

All the goods, rights and benefits deriving from their membership in the group are accessible to group companies on equal conditions.

Article 61 (sixty-one)

Group companies, in accordance with the corporate graphic image, design their name by putting the word MERCATOR in the first place followed by the company name. All parts of the company name must be equal as regards the design and size of letters, and there is a - (dash) between the parts.

The Management Board can exceptionally determine that an individual group company does not design its company name as defined in the above paragraph hereof.

XIII. COMPANY DISSOLUTION

Article 62 (sixty-two)

A company is dissolved for reasons and according to procedure determined by the law.

XIV. BUSINESS SECRET

Article 63 (sixty-three)

On proposal of the Management Board the Supervisory Board of the company, with written decision, determines:

- which company data are considered as business secret,
- the circle of persons who must protect the company business secret,
- by whom and how the confidential data are preserved,
- deciding on time and the way how the confidential data are communicated to other persons,
- the responsibility of persons who are obliged to protect the confidential data.

XV. RULES AND OTHER COMPANY ACTS

Article 64 (sixty-four)

Besides the Articles of Association, the company acts are as follows:

- collective contract,
- the rules
- rules of procedure,
- organization guidelines.
 - working instructions
 - other general acts.

These acts can be company acts or group acts in the sense of Article 56 (fifty-six) of the Articles of Association.

XVI. INFORMING OF SHAREHOLDERS

Article 65

The company informs shareholders on all matters important for realization of their rights and liabilities in the daily newspaper Delo and in electronic form.

XVII. TRANSITIONAL AND FINAL PROVISIONS

Article 66

As of the date of implementation of these Articles of Association the Agreement on foundation of Poslovni sistem Mercator, d.d., Ljubljana as of 27 December 1989 (the twenty-seventh of December one thousand nine hundred and eighty-nine) with amendments and supplements as of 23 May 1990 (the twenty-third of May one thousand nine hundred and ninety), 4 October 1991 (the fourth of October one thousand nine hundred and ninety-one), 28 February 1992 (the twenty-eighth of February one thousand nine hundred and ninety-two) and 25 February 1993 (the twenty-fifth of February one thousand nine hundred and ninety-three), and Articles of Association of Poslovni sistem Mercator, d.d., Ljubljana as of 6 February 1990 (the sixth of February one thousand nine hundred and ninety) with amendments and supplements as of 23 May 1990 (the twenty-third of May one thousand nine hundred and ninety), 4 October 1991 (the fourth of October one thousand nine hundred and ninety-one), 28 February 1992 (the twenty-eighth of February one thousand nine hundred and ninety-two) and 25 February 1993 (the twenty-fifth of February one thousand nine hundred and ninety-three) cease to be valid.

Article 67

As of the date of entry in the court register the company takes over all assets, rights and liabilities of the hitherto company named Poslovni sistem Mercator, d.d., Ljubljana with seat in Ljubljana, Dunajska 107 (one hundred and seven, registered in the court register under the registration entry No. 1/2785/00 (one slash two thousand seven hundred and eighty-five slash zero zero) as of 29 December 1989 (the twenty-ninth of December one thousand nine hundred and eighty-nine).



KPMG poslovno svetovanje (business consulting), d.o.o.

Železna cesta 8a
SI - 1000 Ljubljana
Slovenija

Phone: +386 (1) 236 43 00
Fax: +386 (1) 236 43 49
E-mail: poslovno.svetovanje@kpmg.si

Recipients:

Shareholders of the company Mercator, d.d.

Supervisory Board of the company Mercator, d.d.

Opinion on the disposal of shares of the company Mercator, d.d., for the purpose of acquisition of the company Interier, d.o.o.

The Management Board of the company Mercator, d.d., requested from us to study as independent financial advisors the financial aspects of the following transaction:

- disposal of treasury shares (189 shares) for the purpose of acquisition of the company Interier, d.o.o.,

and to present our opinion on the correctness and justification of the transaction from the viewpoint of the company Mercator, d.d., and its shareholders.

In order to produce our opinion, we have performed the following:

- reviewed the acquisition documentation and analyzed the operations of the company Interier, d.o.o. Based on this analysis, the operations of the said company were assessed, and the value and terms of the transaction were reviewed.

Based on the documentation studied and reviewed, and the analyses conducted, it is our opinion and conclusion that the terms of disposal of treasury shares for the purpose of acquisition of the company Interier, d.o.o., are fitting and acceptable, and that, considering economic and financial terms, they are financial justified.

Ljubljana, April 30th 2009

KPMG poslovno svetovanje, d.o.o.

Director:

Nevenka Kržan, B.A. Economics

[signed]

Pursuant to Article 247 of the Companies Act (hereinafter referred to as ZGD-1) and in reference to Articles 221 and 337 of the ZGD-1, the Management Board of the company POSLOVNI SISTEM MERCATOR, d.d., Dunajska cesta 107, Ljubljana (hereinafter referred to as the Company), submits the following

Report on the reasons for proposing full omission of the preemptive right in disposal of treasury shares

The Shareholders Assembly is proposed to grant to the Company an authorization to acquire and dispose of treasury shares. According to the proposed authorization, the Company may only acquire treasury shares in regulated market, thus fully observing the principle of equal treatment of all shareholders as provided in Article 221 of the ZGD-1. The purchase price shall not exceed the average daily price per share at the Ljubljana Stock Exchange, d.d. in the most recent full calendar month before the day of their acquisition, plus ten percent, and shall not be lower than EUR 41.73, which is the corresponding value per share in the Company's share capital.

Based on the proposed authorization, the Company may acquire treasury shares only for the purpose of subsequently trading them for the shares or ownership holdings of other companies of any other business or financial property, or for sale to a strategic investor. Hence, the Company shall be allowed to use the treasury shares as a source for financing any new acquisitions of shares on other companies, or other property, or for disposal to a strategic partner, if the Company finds such transaction compliant with the business interests and strategic policies of the Company.

When using treasury shares for the purposes referred to above, preemptive right and the principle of equal treatment of all shareholders cannot be observed as in such case, shares can only be disposed to previously known persons – holders of funds of strategic partners. For the same reason, such disposal of shares cannot be effected in the regulated capital markets. Therefore, the authorization explicitly states that the shareholders' preemptive right in case of disposal of treasury shares shall be fully omitted. Each disposal of shares for the proposed purposes requires previous consent by the Supervisory Board; furthermore, such transactions must be reported to the Shareholders Assembly at the first ensuing session when an opinion by an independent financial advisor must also be submitted on the fairness and justification of the transactions from the aspect of the Company shareholders (so-called fairness option). Thus, it shall be guaranteed that the Company will indeed dispose of treasury shares only for the purposes of pursuing the planned strategic goals without hurting the interests of the shareholders.

Full omission of the preemptive right in disposal of treasury shares in the ways defined in the proposed Shareholders Assembly authorization is in the best economic interest of the Company; moreover, the authorization clearly defines the terms and procedures of disposal of treasury shares in such way to protect the interests of all shareholders. Therefore, it is our view that omission of the preemptive right of the existing shareholders is justified, as it is the only way to attain the goal that is objectively in the best interest of the Company.

The authorization for acquisition and disposal of treasury shares was already granted to the Company at the 12th regular Shareholders Assembly on May 17th 2006, for the period of eighteen months. As this period has already expired, a new authorization is proposed.

Ljubljana, June 8th 2010

Management Board President:
Žiga Debeljak

STATEMENT PURSUANT TO ARTICLE 255/2 OF THE COMPANIES ACT

The undersigned MATJAŽ KOVAČIČ

h e r e b y d e c l a r e

that no circumstances exist as referred to in Paragraph 2, Article 255 of the Companies Act (ZGD), which would preclude my performance of the duties of the Supervisory Board member at the company POSLOVNI SISTEM MERCATOR, D.D.

I furthermore declare that I agree with my appointment as a Supervisory Board member at the company POSLOVNI SISTEM MERCATOR, D.D.

Maribor, May 10th 2010

Signature:

[signed]

Miro Medvešek
Podlimbarskega 36
1000 Ljubljana

TRANSLATION OF ORIGINAL DOCUMENT

Poslovni sistem Mercator d d.
Dunajska cesta 107
Ljubljana
mr. Robert Šega, Supervisory Board Chairman

STATEMENT

The undersigned Miro Medvešek, Podlimbarskega 36, Ljubljana, born May 5th 1964 in Koper, EMŠO (unique personal identification number) 0505964500236, hereby declare that I agree that the company Supervisory Board propose to the Shareholders Assembly my election and appointment as a Supervisory Board member at the company Poslovni sistem Mercator, d.d.

I furthermore declare that no circumstances exist which would, pursuant to the provisions of the Companies Act (ZGD-1) preclude or oppose my appointment.

Ljubljana, May 7th 2010

Miro Medvešek
[signed]

Curriculum Vitae

Matjaž Kovačič

Personal information

- Date and place of birth: August 28th 1968 in Maribor

Education and training

- 1975 enters the Bratov Polančič elementary school in Maribor
- 1983 completes the elementary school and enrolls the SŠPKU, today called the Third Gymnasium
- 1987 completes high school and enrolls VEKŠ in Maribor (today called Faculty of Business and Economics)
- 1987 - 1989 First degree, majoring in Analysis and Planning
- 1989 - 1991 Second degree, majoring in Money and banking
- 1992 defense of graduation paper called "Analysis of creditworthiness of a company, on the case of Gorenje Metalplast, d.o.o."

Work experience

- 1991 employment at Gorenje Metalplast d.o.o.
- 1992 chief financial officer (finance director) of Gorenje Metalplast d.o.o.
- 1992 - 1995 financial officer at the parent company Gorenje, Gorenje koncern, d.o.o., currently Gorenje, d.d.
- 1995 head of risk management sector at Nova KBM, d.d. (a commercial bank)
- 1996 head of branch office Ptuj of the Nova KBM, d.d.
- 1997 Management Board member at NKBM, d.d.
- 2005 CEO / Management Board President at NKBM, d.d.

Status

- Married, father of one son and one daughter
- Resides in Štrihovec

Curriculum Vitae

Personal information:

Name	Miro Medvešek
Place and date of birth	Koper, May 5 th 1964
Residence	Ljubljana, Podlimbarskega 36
Nationality	Slovenian
E-mail	miro.medvesek@gmail.com
Phone	+386 31 317 149

Education:

January 1991	Faculty of Economics, Ljubljana, B.A. Economics
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Work experience:

2008 -	Svetovanje M, d.o.o. – director
2004 - 2008	Nova Ljubljanska banka, d.d. (a commercial bank) – officer with power of attorney (authorized officer)
2000 - 2004	Nova Ljubljanska banka, d.d. – head of Investment banking sector
1997 - 2000	Zavarovalnica Triglav, Insurance Company – head of Securities management office
1993 - 1997	Medvešek-Pušnik, d.d. (Stock Brokerage Company) – Management Board President
1991 - 1992	Portfolio, d.o.o. – director
1990- 1991	Ljubljanska banka – Gospodarska banka (Commercial Bank) – apprentice – stock broker

Knowledge of foreign languages:

English	Independent user (listening, spoken, and written)
Croatian, Serbian	Independent user (listening, spoken, and written)

Miscellaneous personal information / hobbies:

Sports: cycling, jogging, volleyball, skiing, swimming;

Hobbies: plays guitar

[signed]

Attendance Form

(First and last name, or company name of the shareholder)

(Address)

(Place and postal code)

(Unique personal identification number – for natural persons only)*

MERCATOR, d.d.
Dunajska 107
1000 LJUBLJANA
Tajništvo pravnega sektorja
(Secretary office of the legal affairs)

ATTENDANCE APPLICATION

for the 16th regular Shareholders Assembly of MERCATOR, d.d.

The undersigned: _____
(First and last name of the shareholder, or first and last name of company representative and company name of the shareholder)

hereby announce

my attendance at the 16th Shareholders Assembly of the company MERCATOR, d.d., convened for Tuesday, July 13th 2010, at 1 PM at the company head offices in Ljubljana at Dunajska cesta 107.

I shall attend the said Shareholders Assembly (circle accordingly):

- personally
- by proxy

Date and place: _____

(Handwritten signature of the shareholder or their representative, and stamp of the legal person, if applicable)

Appendix:

- authorization for representation at the Shareholders Assembly (only for attendance by proxy)
- extract from judicial or business register (for legal persons)

** Unique personal identification number – EMŠO – as a piece of personal information may only be used for the purpose of attendance and exercising the rights at the Shareholders Assembly. By signing this statement, the shareholder agrees to the use and processing of this information for the purposes of the Shareholders Assembly. The shareholder has the right to view, copy by hand or machine, amend, edit, block, or delete this information.*

Authorization Form

(First and last name, or company name of the shareholder)

(Address)

(Place and postal code)

(Unique personal identification number – for natural persons only)*

MERCATOR, d.d.
Dunajska 107
1000 LJUBLJANA
Tajništvo pravnega sektorja
(Secretary office of the legal affairs)

AUTHORIZATION / POWER OF ATTORNEY

for attendance and exercising of voting right
at the 16th regular Shareholders Assembly of MERCATOR, d.d.

The undersigned: _____
(First and last name of the shareholder, or first and last name of company representative and company name of the shareholder)

hereby authorize

(First and last name, address, and Unique personal identification number of the proxy)

to attend on my behalf and exercise the voting right at the 16th Shareholders Assembly of the company MERCATOR, d.d., convened for Tuesday, July 13th 2010 at 1 PM at the company head offices in Ljubljana at Dunajska cesta 107, for all shares of the issuer Mercator, d.d., code MELR, of which I am the shareholder. Upon request by the party convening the Assembly, the proxy shall provide proof of his or her identity by presenting a personal identification document.

Date and place: _____

(Handwritten signature of the shareholder or their representative, and seal of the legal person, if applicable)

** Unique personal identification number – EMŠO – as a piece of personal information may only be used for the purpose of attendance and exercising the rights at the Shareholders Assembly. By signing this statement, the shareholder agrees to the use and processing of this information for the purposes of the Shareholders Assembly. The shareholder has the right to view, copy by hand or machine, amend, edit, block, or delete this information.*