

ARTICLES OF ASSOCIATION OF THE PUBLIC LIMITED/JOINT STOCK COMPANY POSLOVNI SISTEM MERCATOR D.D.

Pursuant to the Companies Act (Official Journal of the Republic of Slovenia 30/93, 29/94, and 82/94), the Shareholders Assembly of the company POSLOVNI SISTEM MERCATOR d.d. adopted on May 30, 1995 (thirtieth of May, nineteen ninety-five) the Articles of Association of the public limited company / joint stock company Poslovni sistem Mercator d.d.; at the 1st (first) Shareholders Assembly of Poslovni sistem Mercator d.d. following the registration of the restructuring of company ownership into the Court Register on November 23, 1995 (twenty-third of November, nineteen ninety-five), at the 2nd (second) Shareholders Assembly on December 19, 1996 (nineteenth of December, nineteen ninety-six), at the 3rd (third) Shareholders Assembly on June 20, 1997 (twentieth of June, nineteen ninety-seven), at the 4th (fourth) Shareholders Assembly on November 17, 1998 (seventeenth of November, nineteen ninety-eight), at the 8th (eighth) Shareholders Assembly on May 31, 2002 (thirty-first of May, two thousand two), at the 13th (thirteenth) Shareholders Assembly on June 27, 2007 (twenty-seventh of June two thousand seven), at the 16th (sixteenth) Shareholders Assembly on July 13, 2010 (thirteenth of July, two thousand ten), at the 18th (eighteenth) Shareholders Assembly on March 30, 2012 (thirtieth of March two thousand twelve), at the 19th (nineteenth) Shareholders Assembly on June 18, 2013 (eighteenth of June, two thousand thirteen), at the 20th (twentieth) Shareholders Assembly held on August 29, 2014 (twenty-ninth of August, two thousand fourteen), pursuant to the Supervisory Board resolution dated October 23, 2014 (twenty-third of October, two thousand fourteen), based on the resolution from the 21st (twenty-first) Shareholders Assembly session on October 21, 2014 (twenty-first of October, two thousand fourteen); at the 26th (twenty-sixth) Shareholders Assembly session held on June 5, 2019 (fifth of June, two thousand nineteen), and at the 28th (twenty-eighth) Shareholders Assembly held on July 26, 2021 (twenty-sixth of July, two thousand twenty-one), changes and amendments thereto were adopted, so that pursuant to Supervisory Board resolution dated July 27, 2021 (twenty-seventh of July, two thousand twenty-one), based on the resolution from the 28th (twenty-eighth) Shareholders Assembly dated July 26, 2021 (twenty-sixth of July, two thousand twenty-one), and based on the resolution from the 29th (twenty-ninth) Shareholders Assembly dated September 1, 2021 (first of September, two thousand twenty-one), the consolidated copy therefore has the following wording:

ARTICLES OF ASSOCIATION OF THE PUBLIC LIMITED/JOINT STOCK COMPANY POSLOVNI SISTEM MERCATOR D.D.

I. GENERAL PROVISIONS

Article 1 (one)

These Articles of Association define:

- general provisions,

- name and residence, or name and seat of founders,
- name and seat of the company,
- representation,
- company activity,
- share capital amount, share number,
- company bodies,
- restraint of trade/no-compete clause,
- measures for increase and decrease of share capital,
- possible ways to use or allocate the distributable profit,
- relations in the group,
- company dissolution,
- business secret,
- rules and other company acts,
- informing of shareholders,
- transitional and final provisions.

Article 2 (two)

Pursuant to the Law on Enterprises (Official Journal of the SFRY No. 77/88, 40/89) the former members of SOZD MERCATOR-KIT n.sub.o. signed at the respective sessions of their managerial bodies, held in the period from December 5 (fifth of December) and December 27, 1989 (twenty-seventh of December, nineteen hundred eighty-nine), the Agreement on the Incorporation of Poslovni sistem Mercator d.d., Ljubljana as a composite form of enterprise integration.

By the end of 1992 (nineteen hundred ninety-two) the unpayable transfers of the members' social capital to the holding enterprise were registered, which thus became the majority owner of members. Thus, the actual corporate group was formed, concentrating social capital among its liabilities.

The Poslovni sistem Mercator d.d., Ljubljana, Ownership Transformation Program was adopted by the Shareholders Assembly of Poslovni sistem Mercator d.d., Ljubljana, on May 19 (nineteenth of May) and September 9 (ninth of September) 1994 (nineteen hundred ninety-four), and approved by the Agency of the Republic of Slovenia for Restructuring and Privatization on September 28, 1994 (the twenty-eighth of September nineteen hundred ninety-four). According to this Program, 40 (forty) percent of social capital was transferred to three funds, and 60 (sixty) % was allocated for public offering of shares. Public offering of shares of Poslovni sistem Mercator d.d., Ljubljana, took place in the period from October 20 (twentieth) to November 18 (eighteenth) 1994 (nineteen hundred 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 corporate entity organized as a joint-stock (or public limited) company, engaging in for-profit activity and competing in the market with the objective to make profit.

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

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

The company was founded for an indefinite period of time.

Article 5 (five)

Poslovni sistem Mercator is the actual corporate group in which the company Poslovni sistem Mercator d.d. is the controlling company. The companies of the Group are those companies in which the controlling company holds, directly or indirectly, the majority share or the majority of voting rights, and which are subject to its actual single management.

The group Poslovni sistem Mercator was founded with the following objectives and purposes:

- to increase profit in each of the Group companies and the Group as a whole;
- to foster common and balanced development of all companies;
- to provide the best and the most extensive possible supply of fast-moving consumer goods and services in Slovenia;
- to improve competitiveness, efficiency and performance;
- to direct material flows/flows of goods;
- to compete in a coordinated manner in home domestic and international markets, both in sourcing and in sales;
- to finance current operations and development with shared funds;
- to provide security, overall liquidity, and the highest possible return in cash management.

Poslovni sistem Mercator d.d. as the parent company of the Group, directs and coordinates flows of goods and market flows within the corporate group, consolidates financial resources of members to fund current financial operations and investment, and coordinates the development of members, develops mutual business relations, and fosters their organizational and technological progress.

When referring to the corporate bodies of the company or the corporate group, the same corporate bodies are referred to.

I I . NAME AND SEAT OF THE FOUNDER

Article 6 (six)

In the sense of the company transformation pursuant to the Companies Act, the company founders are the following:

- Development Fund of the Republic of Slovenia, Ljubljana, Kotnikova 28 (twenty-eight),
- Kapitalski sklad pokojninskega in invalidskega zavarovanja (Pension and Disability Insurance Fund), Ljubljana, Mala ulica 5 (five),
- Slovenski odškodninski sklad (Slovenian Compensation Fund), Ljubljana, Dunajska 22 (twenty-two),
- 14 (fourteen) agricultural cooperatives as per list, and the company MERCATOR-ROŽNIK d.d., Ljubljana,
- natural persons as per list.

I I I . NAME AND SEAT OF THE COMPANY

Article 7 (seven)

The Company name is: POSLOVNI SISTEM MERCATOR d.d. (hereinafter referred to as the Company)

Abbreviated name of the Company: MERCATOR d.d.

A constituent part of the company name is the logo MERCATOR representing a common exterior sign of affiliation with the Group.

The collective logo "M" comprises a mark resp. symbol consisting of an abstract symbol of stylized letter "M" and the Mercator logo in the Folio Extra Bold typeface/font. The obligatory colours in the visual identity are symbol - red (pantone 1935 – one thousand nine hundred thirty-five), logo - grey (pantone 425 – four hundred and twenty-five).

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

The full or the abbreviated name and seat of the company shall be used on company stamps.

Article 8 (eight)

The seat of the company is in Ljubljana.

I V . REPRESENTATION

Article 9 (nine)

The Management Board shall act on behalf of and represent the Company relative to third parties without limitations.

Article 10 (ten)

Subject to previous consent of the Supervisory Board, the Management Board can grant 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 fibre 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
- 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 Other processing and preserving of fruit and vegetables
- 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 Other printing services
 18.140 Binding and related services
 19.200 Manufacture of refined petroleum products
 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
 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
 35.140 Trade of electricity
 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 specialised in the sale of other particular products
- 46.190 Agents involved in the sale of a variety of goods
- 46.210 Wholesale of grain, non-manufactured 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-specialised 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
- 46.770 Wholesale of waste and scrap
- 46.900 Non-specialised 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 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 n.e.c.
 64.200 Activities of holding companies
 64.910 Financial leasing
 64.920 Other credit granting
 64.990 Other financial service activities, except insurance and pension funding not elsewhere classified
 66.190 Other activities auxiliary to financial services, except insurance and pension funding
 68.100 Buying and selling of own real estate
 68.200 Renting and operating of own or leased real estate
 68.320 Management of real estate on a fee or contract basis
 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 n.e.c.
 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 centres
 82.300 Organisation 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 n.e.c.
 85.320 Technical and vocational secondary education
 85.510 Sports and recreation education
 85.520 Cultural education
 85.590 Other education n.e.c.
 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 jewellery
 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 224,144,994.19 (two hundred twenty-four million one hundred forty-four thousand nine hundred ninety-four point one nine euros) and it is divided into 6,257,610 (six million two hundred fifty-seven thousand six hundred ten) ordinary registered no-par value shares.

For 2,325,582 (two million three hundred twenty-five thousand five hundred eighty-two) shares, an in-kind contribution was provided in the form of debt to equity swap amounting to EUR 200,000,000.00 (two hundred million euros 00/100), pertaining to the company borrowing based on the loan agreement dated June 26, 2014 (twenty-sixth of June, two thousand fourteen), signed between the company POSLOVNI SISTEM MERCATOR d.d. as the borrower and the companies Agrokor Investments B.V. and Agrokor d.d. as the creditors; the contribution was provided by the shareholder Agrokor Investments B.V., Prins Bernhardplein 200 (two hundred), 1097 (one thousand ninety-seven) JB, Amsterdam, the Kingdom of the Netherlands.

For 166,667 (one hundred sixty-six thousand six hundred sixty-seven) shares, an in-kind contribution was provided in the form of debt to equity swap amounting to EUR 6,000,012.00 (six million twelve euros), representing a part of the receivable pertaining to the repayment of principal from the loan agreement titled "EUR 220.000.000 (two hundred twenty million euro) Super Subordinated Loan Agreement" dated June 26, 2014 (twenty-sixth of June, two thousand fourteen), concluded between the company POSLOVNI SISTEM MERCATOR d.d. as the borrower and the companies Agrokor Investments B.V. and Agrokor d.d. as the creditors, with regard to which Agrokor d.d. as the initial creditor paid out to the company POSLOVNI SISTEM MERCATOR d.d., based on the said agreement, a loan with the principal amount of EUR 20,000,000.00 (twenty million euros), and receivables of the creditor Agrokor d.d., pertaining to the said loan agreement, were subsequently transferred to the company FORTENOVA GRUPA d.d., and the shareholder FORTENOVA GRUPA d.d., Marijana Čavića 1 (one), 10000 (ten thousand) Zagreb, Republic of Croatia, provided the in-kind contribution.

According to relevant 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 January 1, 1993 (the first of January nineteen hundred ninety-three), the share capital of the company was divided in shares of the following symbols:

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), with a total nominal value of SIT 13,775,750,000 (thirteen billion seven hundred and seventy-five million seven hundred and fifty thousand tolar), accounting for 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), with a total nominal value of SIT 20,942,650,000 (twenty billion nine hundred and forty-two million six hundred and fifty thousand), accounting for 60.32 (sixty point thirty-two) % of the total share capital.

The shareholder shall not be allowed to transfer the shares marked A until December 5, 1995 (the fifth of December nineteen hundred 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's consent.

After this date, the share symbols/marks A and G shall 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 bankruptcy or liquidation assets.

Article 15 (fifteen)

The transfer of registered shares shall be validly effected by the entry of such transfer into the share register, based on proof of subscription/payment or decree of distribution, unless otherwise determined by a legal or executive order.

V I I . **CORPORATE BODIES**

a) SHAREHOLDERS ASSEMBLY

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 seventh 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 shall have 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 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 shall have 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 Shareholders Assembly shall decide on the following issues:

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 from liability to the Management Board or to an individual Member of the Management Board;
 - exceptionally it can decide on business management issues, if requested by the Management Board.
2. In relation to the Supervisory Board:
 - it elects and relieves of duty the members of the Supervisory Board representing the interests of shareholders;
 - it decides on granting discharge from liability to the Supervisory Board or to an individual member of the Management Board;
 - decides on the amount of attendance fees or other compensation and reward 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 the Management Board and the Supervisory Board have ceded the decision on annual report adoption to the Shareholders Assembly;
 - it decides on profit distribution according to the proposal by the Management Board and the Supervisory Board.
4. In relation to the Articles of Association:
 - it decides on changes and amendments to the Articles of Association.
5. With regard to share capital and shares:
 - it decides on measures for capital increase and decrease.
6. In relation to the status changes:
 - it decides on company dissolution and status changes (merger, affiliation, splitting up or spin off, 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.

Majority of shareholders' votes cast (simple majority) shall be necessary for a decision to be adopted, with the exception of decisions referring to changes and amendments of the Articles of Association, share capital, status changes, omission of priority (pre-emptive) right in cases of new share emission, relieving of duty (termination of office), and in other matters as specified by the law or the Articles of Association, in which cases a three-quarter or a larger majority (qualified majority) shall be necessary for a decision to be adopted.

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 shareholding amounts 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 is to 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 within no more than 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.

The party convening the Shareholders Assembly may specify in the convocation thereof that the shareholders may attend the Assembly and vote before the Assembly or at the Assembly by using electronic means, without their physical presence (electronic Assembly/general meeting).

If an electronic Assembly is held, then the following rules shall be observed in particular:

- the technical solution for the electronic Assembly shall enable the broadcast of video (image) and sound of the entire Assembly;
- the company shall provide suitable conditions and method for establishing the identity of the shareholders or their proxies, and for safe electronic communication, in a way that does not make participation difficult for the shareholders due to disproportionate requirements;
- the technical solution should enable the shareholders to vote on Assembly proposals, raise questions, hold a discussion, send counterproposals or propose additional agenda items, announcing intent to challenge resolutions, and other corporate actions related to a Shareholders Assembly/General Meeting;
- the technical solution shall ensure safe electronic communication;
- required publicity shall be provided with regard to the electronic Assembly, with adequate notification in the Shareholders Assembly convocation.

The company Management Board shall be authorized to specify in further detail the rules of the procedure for participation and voting at the electronic Assembly, and other aspects of the execution of the electronic Assembly, and disclose such rules on the company website.

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 website, and in other way when required by relevant regulations or legislation.

Article 20 (twenty)

As a rule, the Shareholders Assembly shall hold the session at the company head offices, but it may also be held at any other place determined by the convening party.

The Shareholders Assembly shall be presided over by a chairperson elected by the shareholders upon the proposal of the convening party.

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 President of the Management Board, 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)

Shareholders Assembly resolutions shall be effective if shareholders with voting rights representing at least fifteen percent of the represented share capital are present (the first convocation/summons).

It shall be specified in the convocation when the Shareholders Assembly is to reconvene if quorum is not reached at the first convocation. At the reconvened session, the Shareholders Assembly resolutions shall be effective regardless of the amount of the share capital represented (the second convocation).

b) MANAGEMENT BOARD

Article 23 (twenty-three)

The Management Board shall manage the company to the benefit of the company, independently and on its own responsibility.

The Management Board shall consist of a president and members. The number of Management Board members, their field of responsibility, and their powers and authorizations shall be proposed by the Management Board President and approved by the Supervisory Board with the Management Board Act.

The Management Board President and each member of the Management Board shall represent the company individually and without limitations.

Article 24 (twenty-four)

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

Article 25 (twenty-five)

As a rule, the Management Board shall adopt decisions and resolutions unanimously; should this not be possible, decisions and resolutions shall be adopted by simple majority of all the members; each member shall be entitled to one vote. In case of an equal number of votes, the vote of the chairperson shall be the deciding vote.

Article 26 (twenty-six)

In the capacity of an advisory body, the Management Board may convene a conference or council of managing directors of all Group companies/subsidiaries, in order to obtain their opinions on all important issues regarding operations, development, and current policy the Management Board is preparing, and to specify the way in which the resolutions are to be implemented.

Article 27 (twenty-seven)

The president and the members of the Management Board shall be appointed by the Supervisory Board. The Management Board members shall be appointed based on a proposal by the Management Board President. Both the Management Board President and members shall be appointed for a 5-year term, with the possibility of unlimited re-appointment.

Re-appointment may not take place sooner than one year prior to the expiry of the current term of office.

The Supervisory Board may dismiss a particular member or the President of the Management Board in case of a major violation of their obligations, in case they are not capable of business management, or if the Shareholders Assembly expresses a no confidence vote, except if such

no confidence vote is obviously based on unfounded reasons, or if other economic and business reasons are involved (major changes in shareholder structure, reorganization, new product introduction, major change in activity etc.).

The President, or a member of the Management Board, shall not be entitled to any compensation in the first three cases from the above paragraph of this article; in case of dismissal for economic or business reasons, however, he or she shall be entitled to compensation as specified by the Manager Employment Contract.

Article 28 (twenty-eight)

The Management Board of the company:

1. In the field of management:

- shall specify the three-year development strategy and the annual plan of the company;
- shall manage the company.

2. In acting for and representing:

- shall act on behalf of and represent the company, and shall be responsible for the legality of the work.

3. Powers and responsibilities in relation to the Shareholders Assembly:

- it shall implement or pursue the resolutions adopted by the Shareholders Assembly, and prepare measures upon request by the Shareholders Assembly;
- it shall convene the Shareholders Assembly;
- it shall submit, in cooperation with the Supervisory Board, a resolution proposal for each agenda item on which the Shareholders Assembly is to vote (except for appointment of Supervisory Board members and appointment of the auditor); the resolution proposals shall be presented in the announcement of the agenda;
- at the Shareholders Assembly, it shall inform the shareholders on company affairs that are the subject of the agenda;
- it shall enforce the nullity of a Shareholders Assembly resolution.

4. Competences and responsibilities in relation to the Supervisory Board:

- it shall report to the Supervisory Board on planned business policy, company performance and profits, revenue, financial position, on business operations or transactions that could have a material impact on the profits/returns and solvency, and on all other issues concerning the operations of the Company and its associated companies or subsidiaries;
- it shall present to the Supervisory Board the annual report drawn up within two months after the end of a business year;
- it may demand that the Chairperson convene a Supervisory Board session.

5. In relation to the business performance:

- it shall prepare the proposal on the allocation of distributable profit;
- it may pay out, subject to Supervisory Board approval, interim dividend which shall not exceed 50 (fifty) percent of the amount remaining of the profit after creation of reserves, and which shall not exceed 50 (fifty) percent of the profit from the previous year.

6. In relation to the announcement of information and notifications by the Company:

- it shall decide which information is important for shareholders and must therefore be publicly disclosed;
- it shall make sure that all necessary information is announced in the company newsletter, and that all information of relevance for the public are duly disclosed.

7. It shall present to the court all necessary information for entry into the court register.

8. With regard to share capital and shares:

- it may increase the share capital in compliance with these Articles of Association.

9. In relation to Group companies/subsidiaries;

- it shall appoint the representatives of Poslovni sistem Mercator d.d. for the Shareholders Assembly sessions of Group companies;
- it shall provide instructions to representatives of the Poslovni sistem Mercator d.d. sitting on bodies of other Group companies;
- in Group companies where Poslovni sistem Mercator d.d. is the sole shareholder or partner, it shall perform the function of the founder;
- it shall define the criteria for concluding contracts, specifying the amount of salaries and other earnings of the members of managerial bodies at the Group companies.

10. It shall perform 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 Management Board shall be specified by the Supervisory Board based on the Shareholders Assembly resolution.

Article 30 (thirty)

A member of the Management Board shall conduct business with the diligence of a good and fair manager, protect the business secrets of the company and Poslovni sistem Mercator d.d. and respect the clause on loyalty and restraint of trade/no-compete clause.

c) SUPERVISORY BOARD

Article 31 (thirty-one)

The company has a Supervisory Board consisting of nine (9) members, of which three (3) are worker representatives.

All six (6) Supervisory Board members representing shareholders shall be elected by the Shareholders Assembly; worker representatives shall be appointed by the Workers Council pursuant to the special legislation; the company shall be informed about the appointment of Supervisory Board members by the Workers Council.

Article 32 (thirty-two)

Supervisory Board members shall be appointed for a term of four years, and they shall be eligible for re-election.

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

Article 33 (thirty-three)

Supervisory Board chairperson and his or her deputy shall be appointed by the Supervisory Board members, among the members representing the interest of the shareholders. The deputy shall have the same powers and authorizations as the chairperson during the latter's absence.

The Supervisory Board Chairperson shall perform primarily the following tasks:

- preside over and convene the Supervisory Board sessions,
- sign Supervisory Board session minutes,
- represents the company in relations with Management Board members, including signing of contracts with the Management Board members.

Article 34 (thirty-four)

The Supervisory Board shall adopt its decisions in the form of resolutions; in addition, it can act directly by reviewing and examining the documentation.

Minutes of Supervisory Board's work shall be kept.

The Supervisory Board can nominate one or more committees with intention to prepare proposals of resolutions and to control their implementation. A committee may not make any decisions on issues within the responsibility of the Supervisory Board.

The Supervisory Board may authorize experts or consultants to analyze particular expert issues; these experts or consultants may also be invited to attend the Supervisory Board session.

Article 35 (thirty-five)

The Shareholders Assembly may prematurely dismiss (terminate the term of office of) the Supervisory Board members:

- upon their own request,
- if they are no longer capable of performing their functions,
- if they perform their functions in a negligent or harmful way,
- for other reasons of relevance to the company business.

For a resolution on termination of office at least three-quarter majority of cast votes shall be required.

Article 36 (thirty-six)

The Supervisory Board shall have in particular the following powers, or competences:

1. In relation to the Management Board:

- it shall supervise the company operations/business and adopt reports by the Management Board;
- it shall supervise and review the statements and documents of the Company;
- it shall approve Management Board decisions or resolutions when required by the law and these Articles of Association;
- it shall approve the Company three-year development strategy and annual plan;
- it may at any time request from the Management Board a report on any issue related to the company business, which has a material impact on the Company position;
- it shall appoint and dismiss (terminate the term of office of) the President and members of the Management Board;
- it shall determine the receipts (compensation and rewards) of the members of the Company Management Board;
- it shall provide consent to members of the Management Board for performing for-profit activity in the field of company operations, and grant loans to Management Board members and procurators;
- it shall approve the Management Board decisions or resolutions on the subscription of shares in the share capital or in voting rights, or other acquisition and control, either by founding, increase or decrease of share capital, acquisition/purchase or otherwise, in a single transaction or more, in another legal entity/person, if such share represents 25 (twenty-five) percent or more of the share capital or voting rights in such legal person or if the acquisition price (or consideration) to be paid for such share exceeds EUR 5,000,000 (five million) or the equivalent thereof in any other currency as per the average rate of the Bank of Slovenia at the day of the decision;
- it shall approve the Management Board decisions or resolutions to increase or decrease the company share in the share capital or voting rights of another person/entity, in a single transaction or several transactions, which would increase or decrease the Company shareholding in the share capital or voting rights in such person by 10 (ten) percentage points or more;
- it shall approve the Management Board resolutions or decisions to sell, transfer, lease, or to dispose or use in any other way the Company real property portfolio, acquisition or lease thereof, if the value of such property exceeds EUR 5,000,000 (five million euros) or the equivalent amount in any other currency as per the average rate of the Bank of Slovenia as at the day of the decision; however, the Supervisory Board may specify by

adopting a relevant resolution a lower value of property for which the Supervisory Board's approval shall be required.

2. In relation to the Shareholders Assembly:

- it shall convene the Shareholders Assembly;
- it shall submit to the Shareholders Assembly the report on the results of annual report audit and, together with the Management Board, the proposal for allocation of distributable profit;
- it shall provide its opinion to the report of the Management Board on relations with Group companies and submits such report to the Shareholders Assembly;
- it shall prepare, working with the Management Board (and alone for appointment of Supervisory Board members and Company auditor), a resolution proposal for each item of the agenda, on which the Shareholders Assembly is to vote.

3. With regard to the annual report:

- it shall approve the annual report and prepare the report on the annual report audit.

4. Regarding the relations between the Supervisory Board and the company:

- it shall approve contracts between a member of the Supervisory Board and the Company.

5. In relation to the Company Articles of Association:

- it shall update the wording of the Articles of Association to include the valid and effective resolutions of the Shareholders Assembly.

The Supervisory Board shall also decide on all other issues pursuant to the law, these Articles of Association, and general Company acts and by-laws.

Article 37 (thirty-seven)

As a rule, a Supervisory Board session shall be convened by the Supervisory Board Chairperson at her or his discretion. The Supervisory Board Chairperson shall convene a Supervisory Board session immediately upon request by a Supervisory Board or Management Board member. A session must take place within two weeks after the convocation.

If the president does not accept any such request, a Supervisory Board member or the Management Board may convene the Supervisory Board and propose the agenda.

As a rule, the Supervisory Board shall be convened at least once per quarter and no less than once per every half of each year.

Supervisory Board sessions shall be attended by Supervisory Board and Management Board members, and invited experts or individuals presenting relevant reports; the Supervisory Board may also invite other persons to be present during discussion of particular agenda items, if their presence is required for such discussion.

Article 38 (thirty-seven)

The presence of at least one half of Supervisory Board members shall be required in any decision-making in order to constitute quorum.

Supervisory Board resolutions may be adopted in writing, by telephone, telegraph, or by using similar technology, only if all Supervisory Board members agree to such method.

In order to adopt a decision and for the Supervisory Board decision to be valid, majority of the votes cast shall be required. In case of an equal number of votes, the vote of the chairperson shall be the deciding vote.

A member of the Supervisory Board shall not participate in the vote on matters which concern her or him. This, however, does not apply to the vote on the Supervisory Board Chairperson and his or her 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. The amount of payment shall be in an appropriate ratio relative to the tasks of the Supervisory Board members and the company's financial status. 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 fees 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 shall manage the Company business and affairs with the due care and diligence of a good manager, and protect the Company business secrets.

The provisions of these Articles of Association on protection of business secret and on restraint of trade for the Management Board shall be used analogously for Supervisory Board members as well.

VIII. **RESTRAINT OF TRADE / NON-COMPETE CLAUSE**

Article 41 (forty-one)

Members of the Management Board, members of the Supervisory Board, and procurators shall not be allowed to participate as partners of an unlimited liability company, as general partners in limited partnership, partners and managers of a limited liability company, as members of the Management Board and the Supervisory Board, procurators, nor as workers, in any other company or as entrepreneurs 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. shall define the terms and conditions on which the persons from paragraph one hereof shall be allowed to take part in a competing company.

Article 42 (forty-two)

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

IX. **MEASURES FOR INCREASE OF SHARE CAPITAL**

- a) a) Increase of share capital by contributions

Article 43 (forty-three)

The increase of share capital by contributions may only be carried out by issue of new shares. The increase of share capital shall be approved by the Shareholders Assembly with a qualified majority of three-quarters of votes of the share capital represented in such vote.

Share capital cannot be increased as long as the previous contributions are fully paid up, unless only an insignificant part has remained unpaid. The share capital may also be increased by in-kind contributions.

If a share subscriber is in default with the payment of cash contribution, such subscriber shall be obliged to pay default interest at a rate that is 10 percentage points higher than the statutory default interest rate.

Article 44 (forty-four)

The former shareholders shall have, in proportion to their shares in share capital, a pre-emptive right to subscribe the new shares. At least 14 (fourteen) days shall be allowed for asserting such right.

The Management Board shall announce the issue amount of the new shares and the deadline as specified in the above paragraph.

The priority/pre-emptive right may be fully or partially omitted only by resolution on the increase of share capital. In such case, besides legal requirements, a three-quarter majority of represented share capital shall be necessary for the resolution to be adopted.

Article 45 (forty-five)

The Management Board and the Supervisory Board Chairperson shall file the resolution on the increase of share capital for entry to the register.

The increase of share capital shall be effective as of the date of entry into the register.

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

b) b) Conditional increase of share capital

Article 46 (forty-six)

The Shareholders Assembly can adopt the decision on conditional increase of share capital only for:

1. exercising the right of holders of convertible bonds to exchange such bonds for equity/shares, or for assertion of pre-emptive (priority) right to subscription (acquisition) of new shares;
2. preparation of merger of several companies, or in order to ensure compensation for dismissal to shareholders with regard to company's status transformation, when the compensation for dismissal is payable in shares, pursuant to the relevant legislation;
3. exercising the company workers' rights to the receipt of new shares based on profit-sharing provisions, and to ensure the option entitlements to acquisition of shares provided by the company to the members of Management Board, Supervisory Board, and to the employees of the company or an associated company.

The nominal amount of conditionally increased share capital shall not exceed one half of capital existing at the time of adoption of such resolution.

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

Article 47 (forty-seven)

The resolution on conditional increase of share capital shall be valid if voted for by at least a three-quarter majority of the share capital represented in the vote.

The Shareholders Assembly resolution on conditional capital increase shall precisely specify the purpose of the conditional capital increase, the beneficiaries of the conditional increase of share capital, and the issue amount or the criteria for calculation of such amount.

Shares may only be issued after the entry of the resolution on conditional increase of share capital into the court register.

Share capital shall be increased by issue of new shares.

c) Approved capital

Article 48 (forty-eight)

REMOVED/STRUCK

d) Increase of share capital from the company assets

Article 49 (forty-nine)

The Shareholders Assembly shall have the option to decide to increase the share capital by transformation of other items of its own capital into share capital.

The resolution from the Paragraph 1 (one) hereof shall be adopted in the same way as the resolution on increase of share capital with contributions.

The decision on the increase may be passed after approval of the annual report for the most recent business year before the share capital increase.

Article 50 (fifty)

Unless specified otherwise in the resolution on increase, new shares shall participate in the profit the entire business year in which the resolution on the increase of share capital is adopted.

Article 51 (fifty-one)

The equity items that are transformed into share capital shall be reported in the most recent balance sheet or in the interim balance sheet.

The transformation of other equity items into the share capital shall not be permitted if the balance sheet representing the basis for transformation reports a net retained loss or net loss for a particular year.

Article 52 (fifty-two)

It shall be deemed as of the date of registration of the resolution on the increase of capital from the company assets that the new shares are fully paid up and can actually be issued.

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

The invitation shall include all information and the caveat as required 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.

In order for the resolution on share capital decrease to be valid, a qualified majority of at least three quarters of the share capital represented in the vote shall be required.

The resolution shall specify the reasons for the decrease of share capital and the method of share capital decrease.

With the entry of the resolution on share capital decrease into the register, the share capital shall be deemed decreased. The decision shall be announced.

X I . ALLOCATION OF DISTRIBUTABLE PROFIT

Article 54 (fifty-four)

A business year of the company is a calendar year.

The annual report, as developed by the Management Board, shall also include a proposal on the allocation/utilization of distributable profit.

The distributable profit may be used for:

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

The Shareholders Assembly may decide by a resolution on the allocation of distributable profit not to distribute the profit to the shareholder but rather to retain it for the following period as retained earnings, by leaving the entire distributable profit or a part thereof unallocated.

Shareholders' shares in profit shall be proportionate to the corresponding amounts of shares held.

X I I . RELATIONS WITHIN THE CORPORATE GROUP

Article 55 (fifty-five)

Relations within the corporate group mean the actual dependence of Group companies on the controlling company. The controlling company shall provide single and uniform management of its subsidiaries.

A group company (corporate subsidiary) shall be autonomous in organizing its business and other functions and it shall be independent in entering marketing business relations following its business interests within the obligatory instructions for unified/single management.

Article 56 (fifty-six)

Resolutions and decisions of the Shareholders Assembly, the Supervisory Board and the Group Management Board, shall be considered obligatory instructions of unified management, unless it is expressly specified in a particular decision or resolution that it is not binding.

Article 57 (fifty-seven)

Group companies shall be organized and managed based on obligatory instructions specified by the Group's corporate bodies, according to the law.

Article 58 (fifty-eight)

Poslovni sistem Mercator d.d. as the controlling company of the Group shall not exercise its influence to induce a Group company to carry out any legal transaction harmful to such company, or to perform an action or refrain from any action to its disadvantage, unless the controlling company should compensate the damage resulting from such action or omission thereof.

If the company carries out a legal transaction harmful to itself, or performs an action or refrains from an action to its disadvantage, the management of the Group company shall evaluate the detrimental effect of such action and the amount of loss so incurred within no more than 30 (thirty) days from the completion of such transaction or action or omission thereof pursuant to instructions provided by the corporate 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 so no later than within one year from the completion of such transaction or action or omission thereof; otherwise, compensation for the loss cannot be claimed.

The Management Board and the Supervisory Board shall report on the findings within 3 months, and no later than in the annual report, complete with information on how the loss would be compensated if it is determined to have occurred.

Loss compensation shall be settled in the course of the year and no later than by end of the fiscal year in which the Group company presented in writing to the corporate group the amount of the loss. On the part of the Group, such settlement (compensation) shall have priority and the required funds shall be secured.

If the Group does not compensate the loss until the end of the business year, the Group company shall report a compensation claim against the Group. In addition to Group company, the compensation claim shall also be held by the company shareholders and creditors, regardless of the loss they may have suffered as a result of the loss incurred by the company.

Article 59 (fifty-nine)

In addition to the annual report, the Group Management Board shall also prepare a report on the relations within the corporate group in the sense of this paragraph for the previous business year.

Article 60 (sixty)

All goods, rights and benefits based on the membership in the corporate group shall be equally accessible to all Group companies, on equal terms and conditions.

Article 61 (sixty-one)

Group companies, in accordance with the corporate visual identity, shall design their company name by putting the word MERCATOR in the first place, followed by the company name. All parts of the company name shall be equal in terms of design and size of letters, and there shall be a dash (-) between the parts of the name.

The Management Board may exceptionally decide that a particular group is not required to design its company name as defined in the above paragraph.

XIII. **COMPANY DISSOLUTION**

Article 62 (sixty-two)

A company may be dissolved for reasons and according to procedures determined by the law.

XIV. **CONFIDENTIALITY/BUSINESS SECRETS**

Article 63 (sixty-three)

The Supervisory Board shall specify with a written resolution, based on a proposal by the Management Board, the following:
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)

In addition to the Articles of Association, the company acts include the following: collective labour agreement, rules and regulations, rules of procedure, organization guidelines, working instructions other general acts.

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

XVI. **NOTIFICATION OF SHAREHOLDERS**

Article 65 (sixty-five)

The company shall inform its shareholders on all matters of relevance for asserting their rights and obligations in the Delo daily newspaper and in electronic form.

XVII. **TRANSITORY AND FINAL PROVISIONS**

Article 66 (sixty-six)

As of the date of enactment and effectiveness of these Articles of Association, the Agreement on Founding of Poslovni sistem Mercator d.d., Ljubljana, dated December 27, 1989 (twenty-seventh of December, nineteen hundred eighty-nine), as amended on May 23, 1990 (twenty-third of May, nineteen hundred ninety), October 4, 1991 (fourth of October, nineteen hundred ninety-one), February 28, 1992 (twenty-eighth of February, nineteen hundred ninety-two), and February 25, 1993 (twenty-fifth of February, nineteen hundred ninety-three), and Articles of Association of Poslovni sistem Mercator d.d., Ljubljana, dated February 6, 1990 (sixth of February nineteen hundred ninety), as amended on May 23, 1990 (twenty-third of May, nineteen hundred ninety), October 4, 1991 (fourth of October, nineteen hundred ninety-one), February 28, 1992 (twenty-eighth of February, thousand nine hundred and ninety-two), and February 25, 1993 (twenty-fifth of February, nineteen hundred ninety-three) shall cease to be effective.

Article 67 (sixty-seven)

As of the date of entry into the court register, the Company shall take over all assets, rights and liabilities of its predecessor, i.e., the company Poslovni sistem Mercator d.d., Ljubljana, headquartered 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) dated 29 December 1989 (the twenty-ninth of December nineteen hundred and eighty-nine).

Ljubljana, July 27, 2021 (twenty-seventh of July, two thousand twenty-one)

Signature and seal of the notary public: