



## **24th regular Shareholders Assembly**

Pursuant to the Rules and Regulations of the Ljubljana Stock Exchange, d.d, and the relevant legislation, and pursuant to Articles 18 and 19 of the Articles of Association of the company Poslovni sistem Mercator, d.d., Article 295, Paragraph 2 of the Companies Act (ZGD-1), resolution by the company Management Board dated April 11, 2017, the resolution by the company Supervisory Board dated April 25, 2017, the Management Board hereby convenes the

**24th regular Shareholders Assembly to take place on June 15, 2017  
at 3.30 p.m. at the company headquarters in Ljubljana, Dunajska cesta 107**

The company Poslovni sistem Mercator, d.d., announces material for Shareholders Assembly: Convocation of the Shareholders Assembly, Material for Shareholders Assembly, Attendance Form and Authorization Form.

The Annual report of the Mercator Group and the company Poslovni sistem Mercator, d.d., for the year 2016 is also an integral part of the material for the 24th regular Shareholders Assembly and was published on April 26, 2017, on SEOnet under the category Annual report.

This announcement will be published on the company's website at [www.mercatorgroup.si](http://www.mercatorgroup.si) as of May 12, 2017, and will remain posted for a period of at least five years.

Poslovni sistem Mercator, d.d.,  
Management Board



**Mercator**

Pursuant to Articles 18 and 19 of the Articles of Association of the company POSLOVNI SISTEM MERCATOR d.d., Article 295, Paragraph 2, of the Companies Act (ZGD-1), Rules and Regulations of the Ljubljana Stock Exchange d.d., resolution by the company Management Board dated April 11, 2017, and the resolution by the company Supervisory Board dated April 25, 2017, the Management Board hereby convenes the

**24<sup>th</sup> regular Shareholders Assembly,  
on June 15, 2017, at 3.30 p.m.  
at the company headquarters in Ljubljana, Dunajska cesta 107**

## **I. AGENDA AND RESOLUTION PROPOSALS**

### **1. Opening of the Shareholders Assembly and appointment of the Shareholders Assembly chairperson**

RESOLUTION PROPOSAL:

*Pavle Pensa, attorney at law from Ljubljana, shall be appointed Chairman of the Shareholders Assembly.*

#### **Explanation of the resolution proposal:**

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 2016 fiscal year; information on the compensation and rewards of the members of managerial and supervisory bodies; information on the Supervisory Board evaluation procedure; and granting discharge from liability to the company Supervisory Board and Management Board.**

RESOLUTION PROPOSAL:

A) Granting discharge from liability to the company Supervisory Board for the fiscal year 2016

*The Shareholders Assembly grants discharge from liability to the company Supervisory Board for the fiscal year 2016.*

B) Granting discharge from liability to the company Management Board for the fiscal year 2016

*The Shareholders Assembly grants discharge from liability to the company Management Board for the fiscal year 2016.*

**Explanation of the resolution proposals:**

Since the company Poslovni sistem Mercator d.d. did not generate profit in 2016, the Shareholders Assembly shall not make any decisions with regard to allocation thereof. The Shareholders Assembly shall be informed that as at December 31, 2016, net loss for the fiscal year amounted to EUR 77,447,405. Retained earnings were negative at the end of 2016, at EUR 1,801,709. The company covered the distributable loss amounting to EUR 79,249 thousand to the debit of reversal of revaluation adjustment to equity.

In 2016, we continued our activities of focusing on our core activity, i.e. fast-moving consumer goods retail. Consistently with the strategic policies of divesting our non-core operations, we successfully completed the divestment process for our Modiana operations in September and for Intersport operations in December. These two activities were divested in all markets of our operations. In 2016, we further intensified the activities to improve Mercator's competitiveness in the entire region. Thus, Slovenia, Serbia, and Montenegro remain the key markets of our operations, while after the completion of divestment processes in 2016, our operations in Croatia and Bosnia and Herzegovina only include real estate operations. In 2016, we continued to develop a multi-level offer of high-quality and well-priced products. After the refurbishments, our store formats are even closer to the modern consumers in terms of equipment, offer, extra services, and working hours.

In 2016, revenue of the company Poslovni sistem Mercator d.d. amounted to EUR 1,348,229 thousand, which is 3.9% less than in 2015. EUR 1,321,092 thousand of our total revenue was generated in continued operations while the rest pertains to the Modiana operations that were divested in September 2016.

In April 2016, the company Poslovni sistem Mercator d.d. signed an agreement to purchase land for the construction of a new logistics and distribution centre (LDC) in Ljubljana, scheduled to open in 2019.

In 2016, there were not any changes in the composition of the Supervisory Board. There have been, however, changes in the composition of the Management Board. Igor Maroša submitted his statement of resignation from the position of a Management Board member, based on which his term of office as Management Board was terminated as of April 30, 2016. He was replaced by Igor Mamuza who was appointed Management Board member in charge of Mercator Operations Slovenia as of April 1, 2016. Drago Kavšek submitted his statement of resignation from the position of a Management Board member, and completed his term of office as of December 31, 2016. As of January 1, 2017, the Management Board of Poslovni sistem Mercator d.d. included two members: Toni Balažič as Management Board president and Igor Mamuza as Management Board member. On April 5, 2017, the Supervisory Board of Poslovni sistem Mercator d.d. relieved, consensually and without any fault-based grounds or liability, Toni Balažič from the position of Management Board president, and appointed Tomislav Čizmić as his the new Management Board president. On April 9, 2017, the Supervisory Board of Poslovni sistem Mercator d.d. appointed Draga Cukjati as Management Board member in charge of finance and IT. The company Management Board thus operates with the following composition: Tomislav Čizmić as president of the Management Board; and Draga Cukjati and Igor Mamuza as Management Board members.

### **3. Appointment of a certified auditing company for the year 2017**

**RESOLUTION PROPOSAL:**

*The auditing company DELOITTE REVIZIJA d.o.o. Dunajska cesta 165, Ljubljana, shall be appointed as the company auditor for 2017.*

**Explanation of the resolution proposal:**

The resolution proposal is based on the Supervisory Board proposal. Pursuant to Article 281 of the Companies Act (ZGD-1), the Supervisory Board shall propose the candidate for the company auditor.

The auditing company proposed for appointment has relevant auditing experience in the fields of activity of the company, and references both in Slovenia and abroad.

### **4. Information about the resignation of Supervisory Board members**

**RESOLUTION PROPOSAL:**

*The Shareholders Assembly is informed about the following resignations:*

- *on April 25, 2017, Mr Ante Todorić resigns as the Supervisory Board Chairman and Supervisory Board member representing shareholder interests, effective as of April 25, 2017;*
- *on April 25, 2017, Mr Ivan Crnjac resigns as the Supervisory Board member representing shareholder interests, effective as of April 25, 2017.*

**Explanation of the resolution proposal:**

On April 25, 2017, Mr Ante Todorić and Mr Ivan Crnjac submitted their statements of resignation from the position of Supervisory Board members, effective as of April 25, 2017.

### **5. Appointment of new Supervisory Board members**

**RESOLUTION PROPOSALS:**

- A) Appointment of a new Supervisory Board member  
*The Shareholders Assembly appoints Ante Ramljak as Supervisory Board member representing the interests of shareholders, for a 4-year term of office commencing with the day of appointment by the Shareholders Assembly.*
- B) Appointment of a new Supervisory Board member  
*The Shareholders Assembly appoints Vladimir Bošnjak as Supervisory Board member representing the interests of shareholders, for a 4-year term of office commencing with the day of appointment by the Shareholders Assembly.*

**Explanation to the resolution proposal to item 5 A:**

It is proposed to the Shareholders Assembly to appoint Mr Ante Ramljak as Supervisory Board member.

Mr Ante Ramljak is a special authorized management representative of the Agrokor Group. He was appointed to this position by the Commercial Court in Zagreb based on the "Lex Agrokor". Mr Ante Ramljak graduated in 1985 at the Faculty of Maritime Studies in Rijeka, and in 1994 at the Faculty of Economics in Zagreb. He started his professional career in 1992 at the local stock brokerage company Investco as a financial analyst and project manager. In 1996, he was hired as project manager at the corporate finance department at CA IB Zagreb; from 1998 and from 2002, he was the Management Board president at the said bank. In 2007, he was appointed director of the company Quaestus Savjetovanje, and in 2011 he was hired as a consultant to the Deputy Prime Minister of the Government of the Republic of Croatia, and Minister of Economy and Energy. Since 2014, he has been the director of the company Texo Management d.o.o., dealing in particular with financial consulting on mergers and acquisitions and status changes of companies.

The proposed candidate has provided his consent for candidacy and a written statement declaring that there are no circumstances opposing his appointment pursuant to the provisions of the Companies Act (ZGD-1).

#### **Explanation to the resolution proposal to item 5 B:**

It is proposed to the Shareholders Assembly to appoint Mr Vladimir Bošnjak as Supervisory Board member.

After graduating in 1996 at the Concordia College, Moorhead, Minnesota, he completed his MBA studies at the Pennsylvania State University in 1997. He started his professional career at Merrill Lynch, North Dakota, and continued as the head of new financial products at the Zagreb Stock Exchange. From there, he joined in 2000 the company CA IB Zagreb, where he worked as an analyst, then as assistant director of corporate finance, and finally as the director of corporate finance. In 2007 and 2008, he was a partner in the company TO ONE d.o.o., in charge of corporate finance. In August 2008, he was hired by Hypo Alpe-Adria-Bank, first as director of corporate finance and then as director of restructuring. In 2011, he was appointed Management Board president of HETA Asset Resolution, holding the position until May 2016. He is currently employed as executive director of strategy and capital markets at Agrokor d.d.

The proposed candidate has provided his consent for candidacy and a written statement declaring that there are no circumstances opposing his appointment pursuant to the provisions of the Companies Act (ZGD-1).

Resolution to the agenda item 1 is proposed by the Management Board; resolution to agenda item 2 is proposed by the Management Board and the Supervisory Board; and the resolutions to agenda items 3, 4, and 5 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 explanations thereto, Annual Report complete with Supervisory Board Report and the statement of corporate governance, and other documents specified 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 business day from the day of announcement of the Shareholders Assembly convocation to the day of the Shareholders Assembly session from 9 a.m. to 12 noon. All documentation referred to above will also

be available on the company website at <http://www.mercatorgroup.si>. Convocation of the Shareholders Assembly, explanation of the resolution proposals, and other materials are also published on the website of the Ljubljana Stock Exchange d.d. (<http://seonet.ljse.si>). Information provided in Article 296 of the Companies Act (ZGD-1), Paragraph 3, and detailed information on the rights of the shareholders with regard to submitting any requests for additional agenda items, counter-proposals to proposed resolutions, election/voting proposals, and shareholder rights to information (Article 298, Paragraph 1; Article 300, Paragraph 1; and Articles 301 and 305 of the Companies Act ZGD-1) is 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 vote/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, Paragraph three 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](mailto: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 it is submitted to the company within seven days after the convocation of the Shareholders Assembly, complete with a reasonably justified proposition, along with the statement that the shareholder/proposing party will counter the proposal by the Management or Supervisory Board and that she or he 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 has 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](mailto:skupscina@mercator.si).

Requests for additional agenda items and resolution or election/voting proposals submitted by electronic mail shall be sent as a scanned image file attached to the e-mail message. The image file 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 seal of the legal 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.

#### **Shareholder's right to information**

Shareholders shall be 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 at only by those shareholders who register their attendance in writing in such way that the Management Board receive their application no later than at close of business on the fourth day before the Shareholders Assembly, i.e. by the end of June 11, 2017, and who are registered as shareholders in the central register of dematerialized securities as at close of business of June 11, 2017. 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 shall be available at the company website, and freely available at the company headquarters in Ljubljana, at Dunajska cesta 107, ground floor, each business day from the day of announcement of the convocation to the day of the Shareholders Assembly convention, from 9 a.m. 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 power of attorney/authorization shall be submitted to the company in writing. The power of attorney/authorization shall remain in possession 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 workday from the day of announcement of the convocation to the day of the Shareholders Assembly session, from 9 a.m. to 12 noon. The power of attorney/authorization may also be submitted to the company by electronic mail, to the address [skupscina@mercator.si](mailto: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 seal of the legal 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 revoke the power of attorney/authorization in the same way it was submitted, at any time 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/power of attorney; in addition, statutory representatives shall also be required to present an extract from the judicial or business register.

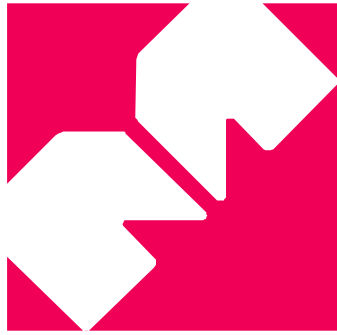
As at the day of Shareholders Assembly convocation, the company has 6,090,943 ordinary registered no par value shares. Pursuant to the relevant legislation, each ordinary share carries one vote for its owner at the Shareholders Assembly. As at the day of Shareholders Assembly convocation, the company 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 of the convention / session, 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 3.30 p.m. In case of absence of quorum at such time, the Assembly shall be rescheduled for 4.30 p.m. on the same day at the same place, regardless of the percentage of total share capital represented at the Assembly.

President of the Management Board  
Tomislav Čizmić

Deputy Supervisory Board Chairman  
Matej Lahovnik



# Mercator

## **DOCUMENTATION**

for the 24<sup>th</sup> regular Shareholders Assembly  
of the company Mercator d.d.

May 2017





**Mercator**

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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. Convocation of the Shareholders Assembly
3. Shareholders Assembly registration form
4. Proxy form



**Mercator**

**Materials 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. to adopt the following

**Resolution:**

***Pavle Pensa, attorney at law from Ljubljana, shall be appointed Chairman of the Shareholders Assembly.***

**Explanation:**

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.

Ljubljana, May 8, 2017

Board president:

Management

Tomislav Čizmić



**Mercator**

**Materials 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 2016 FISCAL YEAR; INFORMATION ON THE COMPENSATION AND REWARDS OF THE MEMBERS OF MANAGERIAL AND SUPERVISORY BODIES; INFORMATION ON THE SUPERVISORY BOARD EVALUATION PROCEDURE; AND GRANTING DISCHARGE FROM LIABILITY TO THE COMPANY SUPERVISORY BOARD AND MANAGEMENT BOARD.**

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

**Resolutions:**

- C) Granting discharge from liability to the company Supervisory Board for the fiscal year 2016**

*The Shareholders Assembly grants discharge from liability to the company Supervisory Board for the fiscal year 2016.*

- D) Granting discharge from liability to the company Management Board for the fiscal year 2016**

*The Shareholders Assembly grants discharge from liability to the company Management Board for the fiscal year 2016.*

**Explanation:**

Since the company Poslovni sistem Mercator d.d. did not generate profit in 2016, the Shareholders Assembly shall not make any decisions with regard to allocation thereof. The Shareholders Assembly shall be informed that as at December 31, 2016, net loss for the fiscal year amounted to EUR 77,447,405. Retained earnings were negative at the end of 2016, at EUR 1,801,709. The company covered the distributable loss amounting to EUR 79,249 thousand to the debit of reversal of revaluation adjustment to equity.

In 2016, we continued our activities of focusing on our core activity, i.e. fast-moving consumer goods retail. Consistently with the strategic policies of divesting our non-core operations, we successfully completed the divestment process for our Modiana operations in September and for

Intersport operations in December. These two activities were divested in all markets of our operations. In 2016, we further intensified the activities to improve Mercator's competitiveness in the entire region. Thus, Slovenia, Serbia, and Montenegro remain the key markets of our operations, while after the completion of divestment processes in 2016, our operations in Croatia and Bosnia and Herzegovina only include real estate operations. In 2016, we continued to develop a multi-level offer of high-quality and well-priced products. After the refurbishments, our store formats are even closer to the modern consumers in terms of equipment, offer, extra services, and working hours.

In 2016, revenue of the company Poslovni sistem Mercator d.d. amounted to EUR 1,348,229 thousand, which is 3.9% less than in 2015. EUR 1,321,092 thousand of our total revenue was generated in continued operations while the rest pertains to the Modiana operations that were divested in September 2016.

In April 2016, the company Poslovni sistem Mercator d.d. signed an agreement to purchase land for the construction of a new logistics and distribution centre (LDC) in Ljubljana, scheduled to open in 2019.

In 2016, there were not any changes in the composition of the Supervisory Board. There have been, however, changes in the composition of the Management Board. Igor Maroša submitted his statement of resignation from the position of a Management Board member, based on which his term of office as Management Board was terminated as of April 30, 2016. He was replaced by Igor Mamuza who was appointed Management Board member in charge of Mercator Operations Slovenia as of April 1, 2016. Drago Kavšek submitted his statement of resignation from the position of a Management Board member, and completed his term of office as of December 31, 2016. As of January 1, 2017, the Management Board of Poslovni sistem Mercator d.d. included two members: Toni Balažič as Management Board president and Igor Mamuza as Management Board member. On April 5, 2017, the Supervisory Board of Poslovni sistem Mercator d.d. relieved, consensually and without any fault-based grounds or liability, Toni Balažič from the position of Management Board president, and appointed Tomislav Čizmić as his the new Management Board president. On April 9, 2017, the Supervisory Board of Poslovni sistem Mercator d.d. appointed Draga Cukjati as Management Board member in charge of finance and IT. The company Management Board thus operates with the following composition: Tomislav Čizmić as president of the Management Board; and Draga Cukjati and Igor Mamuza as Management Board members.

Ljubljana, May 8, 2017

President and CEO:  
Tomislav Čizmić

Deputy Supervisory Board Chairman:  
Matej Lahovnik

Appendix to item 2 of the agenda:

- 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



**Mercator**

**Materials pertaining to item three of the agenda**

**APPOINTMENT OF A CERTIFIED AUDITING COMPANY FOR THE YEAR 2017**

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

**Resolution:**

***The auditing company DELOITTE REVIZIJA d.o.o., Dunajska cesta 165, Ljubljana, shall be appointed as the company auditor for 2017.***

**Explanation:**

The resolution proposal is based on the Supervisory Board proposal. Pursuant to Article 281 of the Companies Act (ZGD-1), the Supervisory Board shall propose the candidate for the company auditor.

The auditing company proposed for appointment has relevant auditing experience in the fields of activity of the company, and references both in Slovenia and abroad.

Ljubljana, May 8, 2017

Deputy Supervisory Board Chairman:  
Matej Lahovnik



**Mercator**

**Materials pertaining to item four of the agenda**

**INFORMATION ABOUT THE RESIGNATION OF SUPERVISORY BOARD MEMBERS**

The Supervisory Board proposes to the Shareholders Assembly of the company MERCATOR d.d. to adopt the following

**Resolution:**

***The Shareholders Assembly is informed about the following resignations:***

- ***on April 25, 2017, Mr Ante Todorić resigns as the Supervisory Board Chairman and Supervisory Board member representing shareholder interests, effective as of April 25, 2017;***
- ***on April 25, 2017, Mr Ivan Crnjac resigns as the Supervisory Board member representing shareholder interests, effective as of April 25, 2017.***

**Explanation:**

On April 25, 2017, Mr Ante Todorić and Mr Ivan Crnjac submitted their statements of resignation from the position of Supervisory Board members, effective as of April 25, 2017.

Ljubljana, May 8, 2017

Deputy Supervisory Board Chairman:  
Matej Lahovnik



**Mercator**

Materials pertaining to item five of the agenda

**APPOINTMENT OF NEW SUPERVISORY BOARD MEMBERS**

The Supervisory Board proposes to the Shareholders Assembly of the company MERCATOR d.d. to adopt the following

**Resolutions:**

***A) Appointment of a new Supervisory Board member***

***The Shareholders Assembly appoints Ante Ramljak as Supervisory Board member representing the interests of shareholders, for a 4-year term of office commencing with the day of appointment by the Shareholders Assembly.***

***B) Appointment of a new Supervisory Board member***

***The Shareholders Assembly appoints Vladimir Bošnjak as Supervisory Board member representing the interests of shareholders, for a 4-year term of office commencing with the day of appointment by the Shareholders Assembly.***

**Explanation:**

**A)** It is proposed to the Shareholders Assembly to appoint Mr Ante Ramljak as Supervisory Board member.

Mr Ante Ramljak is a special authorized management representative of the Agrokor Group. He was appointed to this position by the Commercial Court in Zagreb based on the "Lex Agrokor". Mr Ante Ramljak graduated in 1985 at the Faculty of Maritime Studies in Rijeka, and in 1994 at the Faculty of Economics in Zagreb. He started his professional career in 1992 at the local stock brokerage company Investco as a financial analyst and project manager. In 1996, he was hired as project manager at the corporate finance department at CA IB Zagreb; from 1998 and from 2002, he was the Management Board president at the said bank. In 2007, he was appointed director of the company Quaestus Savjetovanje, and in 2011 he was hired as a consultant to the Deputy Prime Minister of the Government of the Republic of Croatia, and Minister of Economy and Energy. Since 2014, he has been the director of the company Texo Management d.o.o., dealing in particular with financial consulting on mergers and acquisitions and status changes of companies.

The proposed candidate has provided his consent for candidacy and a written statement declaring that there are no circumstances opposing his appointment pursuant to the provisions of the Companies Act (ZGD-1).

**B)** It is proposed to the Shareholders Assembly to appoint Mr Vladimir Bošnjak as Supervisory Board member.

After graduating in 1996 at the Concordia College, Moorhead, Minnesota, he completed his MBA studies at the Pennsylvania State University in 1997. He started his professional career at Merrill Lynch, North Dakota, and continued as the head of new financial products at the Zagreb Stock Exchange. From there, he joined in 2000 the company CA IB Zagreb, where he worked as an analyst, then as assistant director of corporate finance, and finally as the director of corporate finance. In 2007 and 2008, he was a partner in the company TO ONE d.o.o., in charge of corporate finance. In August 2008, he was hired by Hypo Alpe-Adria-Bank, first as director of corporate finance and then as director of restructuring. In 2011, he was appointed Management Board president of HETA Asset Resolution, holding the position until May 2016. He is currently employed as executive director of strategy and capital markets at Agrokor d.d.

The proposed candidate has provided his consent for candidacy and a written statement declaring that there are no circumstances opposing his appointment pursuant to the provisions of the Companies Act (ZGD-1).

Ljubljana, May 8, 2017

Deputy Supervisory Board Chairman:  
Matej Lahovnik



## **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 6,090,943 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 vote/decide, or an explanation of the agenda item in case no resolution is to be 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 three 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 the Shareholders Assembly convocation.

The shareholders may submit their requests for additional items of the agenda to the company by electronic mail, to the address [skupscina@mercator.si](mailto: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 seal 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 additional agenda item may 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 shareholder 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

whether the shareholder intends to convince other shareholders to vote for her/his proposal. The shareholder shall not be required to justify an election proposal.

The shareholders may also submit the resolution and election proposals to the company by electronic mail, to the address [skupscina@mercator.si](mailto:skupscina@mercator.si). Resolution or election/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 seal 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 an 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 evidently incorrect 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 two or more 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 judgement, of such nature that it could cause injury 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;
- if submitting such information would constitute a criminal or minor offence or non-compliance 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 at close of business on the fourth day before the Shareholders Assembly, i.e. by the end (close of business) of June 11, 2017, and who are registered as shareholders in the central register of dematerialized securities as at close of business of June 11, 2017. 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 shall be available at the company website, and freely available at the company headquarters in Ljubljana, at Dunajska cesta 107, ground floor, each business 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 power of attorney/authorization shall be submitted to the company in writing. The power of attorney/authorization shall remain in possession of the company. Proxy voting form is available at the company website; it is also available free of charge at the company headquarters in Ljubljana, at Dunajska cesta 107, ground floor, each business day from the day of announcement of the convocation to the day of the Shareholders Assembly session, from 9 AM to 12 noon. The power of attorney/authorization may also be submitted to the company by electronic mail, to the address [skupscina@mercator.si](mailto: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 seal of the legal

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 revoke the power of attorney/authorization in the same way it was submitted, at any time 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/power of attorney; in addition, statutory representatives shall also be required to present an extract from the judicial or business register.

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 of the convention / session, 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 3.30 p.m. In case of absence of quorum at such time, the Assembly shall be rescheduled for 4.30 p.m. on the same day at the same place, regardless of the percentage of total share capital represented at the Assembly.

Ljubljana, May 8, 2017

Management Board president:  
Tomislav Čizmić

*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 cesta 107**  
**1000 LJUBLJANA**  
**(Office of the legal affairs secretary)**

**ATTENDANCE APPLICATION**

**for the 24nd 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 24nd regular Shareholders Assembly (general meeting) of the company MERCATOR, d.d., convened for Thursday, June 15, 2017, at 3.30 PM at the company head offices in Ljubljana, Dunajska cesta 107.

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

- in person
- by proxy

Date and place: \_\_\_\_\_

\_\_\_\_\_  
(Handwritten signature of the shareholder or their representative, and seal 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 shall have the right to view, copy by hand or machine, amend, edit, block, or delete this information.*

Proxy 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 cesta 107**  
**1000 LJUBLJANA**  
**(Office of the legal affairs secretary)**

## PROXY AUTHORIZATION LETTER

**for attendance and exercising of voting right at the 24nd 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 my voting right at the 24nd regular Shareholders Assembly (general meeting) of the company MERCATOR, d.d., convened for Thursday, June 15, 2017, at 3.30 PM at the company head offices in Ljubljana at Dunajska cesta 107, based on all shares of the issuer Mercator, d.d., symbol MELR, of which I am the owner. 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 shall have the right to view, copy by hand or machine, amend, edit, block, or delete this information.*