

LIVAR, d.d.  
Ljubljanska cesta 43  
1295 Ivančna Gorica

Ivančna Gorica, November 2014

On the basis of Article 15 of the Statute of Livar, d.d., Ivančna Gorica (hereinafter referred to as: Company), the Management Board herewith resolves to call the

## **22nd GENERAL ASSEMBLY MEETING**

which shall be held on **17<sup>th</sup> December 2014** in the conference room at the Company's registered office address, Ljubljanska cesta 43, 1295 Ivančna Gorica, the scheduled time of commencement being **10.00** hours. The following agenda items shall be considered:

### **1. Establishment of a quorum, opening of the General Assembly meeting and election of Assembly members**

The Management Board and the Supervisory Board propose the adoption of the following resolution:

- It is established that the General Assembly has a quorum.
- Darinka Porenta has been elected President of the General Assembly.
- Mitja Gabrovec and Melita Bračič have been appointed to count votes at the General Assembly.
- Notary Irena Florjančič Cirman shall be present at the General Assembly meeting.

### **2. Amendments to the Company's Articles of Association (hereinafter: Articles of Association)**

The Management Board and the Supervisory Board propose the adoption of the following resolutions:

2.1. The following amendments to the Articles of Association shall be adopted:

- In Article 1, the term "Management" shall be replaced by "Management Board".
- In the 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> paragraphs of Article 4, the term "Management" shall be replaced by "Management Board".
- In the 3<sup>rd</sup> paragraph of Article 8, the words "the Supervisory Board on a proposal from the Management" shall be replaced by "the Management Board".
- The subheading "MANAGEMENT" shall be replaced by "MANAGEMENT BOARD".
- Article 9 shall be amended to read as follows:

#### **Composition and term of office**

The Company has a Management Board that manages the Company, supervises business transactions and performs other tasks in accordance with the law and the Articles of Association.

The Management Board consists of 3 members. 2 members are elected by the General Meeting, and the works council is entitled to elect 1 member. Until the works council elects its member, the Management Board shall be considered to be operating in its full composition – that is, after 2 Management Board members have been elected by the General Meeting.

All Management Board members shall have equal rights and duties. In exercising their functions, they shall not be bound by any instructions from individual shareholders or groups of shareholders, the works council, trade unions, Company's creditors or other interested parties.

The works council shall inform the General Meeting of the appointment of a Management Board member at the first Ordinary General Meeting.

The term of office of Management Board members elected by the General Meeting shall be up to 6 years, with the possibility of reappointment. The term of office of each Management Board member shall be definitely decided by a resolution of the General Meeting. The term of office of the Management Board member appointed by the works council shall be 4 years, with the possibility of reappointment.

If a Management Board member ceases to hold office prior to the expiration of his/her term of office, a new member to hold office for the remainder of the term shall be elected at the next General Meeting or the next meeting of the works council.

#### **Conditions for members**

All Management Board members must fulfil the conditions set out in the Companies Act. In addition, the Management Board member appointed by the works council must also fulfil the conditions set out in the Worker Participation in Management Act.

#### **Chairman and Deputy Chairman**

The Management Board shall have a Chairman and a Deputy Chairman. They shall be appointed by the Management Board by a majority of votes cast by its members. Only a Management Board

member elected by the General Meeting may be appointed as Chairman of the Management Board.

#### **Convocation and decision-making**

Management Board meetings shall be convened as the need arises, in any event at least every three months. Management Board meetings shall normally take place at the Company's registered office.

The Management Board shall adopt resolutions at its meetings with physical presence of its members. Its meetings shall be closed to the public. A Management Board member who cannot attend a meeting in person may take part in the Management Board's decision-making by giving a written ballot to another member of the Management Board.

If the Chairman of the Management Board so decides, resolutions may be passed through written correspondence, telephone calls, and via electronic or other comparable means if no other member raises an objection. Management Board members shall raise such objections within the deadline set by the Chairman of the Management Board.

Each Management Board member shall have one vote. The Management Board is quorate when at least 2 members are present at the time of passing resolutions. A majority vote is required for a resolution of the Management Board to be valid. In the event of a tied vote, the Chairman of the Management Board shall have the casting vote.

#### **Rules of Procedure of the Management Board**

The rules and methods of the conduct of business by the Management Board shall be specified in Rules of Procedure, which shall be adopted by the Management Board with a majority of votes cast by all its members.

#### **Remuneration**

Remuneration of Management Board members (other than executive directors) shall be determined by the General Meeting.

#### **Conflict of interest**

If there is a potential conflict of interest in relation to a member of the Management Board, the member shall immediately inform the Chairman of the Management Board thereof. The Chairman shall immediately inform the Management Board of any potential conflict of interest. The member subject to a conflict of interest shall abstain from discussing and voting on the matter. In justified cases, the Chairman of the Management Board may require members to declare any conflict of interest regarding the matter to be voted upon. If more than half of Management Board members have a conflict of interest, the relevant matter shall be decided by the General Meeting.«

- The subheading "SUPERVISORY BOARD" shall be replaced by "EXECUTIVE DIRECTORS".
- Article 10 shall be amended to read as follows:

#### **Appointment and powers**

Executive Directors may be appointed by the Management Board.

The Company shall have 1 Executive Director who is also a member of the Management Board. The Executive Director who is also a member of the Management Board shall be appointed with a majority of votes cast by the members of the Management Board. The Chairman of the Management Board may not hold the position of the Executive Director.

The Executive Director who is also a member of the Management Board shall be appointed for a term not exceeding his/her term of office granted by the General Meeting, and may be reappointed after the expiry of the term. His/her term of office shall be definitely determined by a resolution of the Management Board.

The Management Board may, by majority vote, appoint an Executive Director who is not a member of the Board; the number of such members is unlimited.

Executive Directors must comply with the conditions set out in the Companies Act. Additional terms and conditions for Executive Directors shall be laid down by a resolution of the Management Board.

The Management Board may recall Executive Directors at any time.

The Management Board shall decide whether to conclude or approve a contract of employment between the Company and an Executive Director as well as whether to terminate the contract; such contracts shall be signed, on behalf of the Company, by the Chairman of the Management Board.

The Management Board may delegate the following tasks to Executive Directors:

- management of the current business;
- registering entries and submission of documents to the Register;
- management of bookkeeping, and
- drawing up annual reports.

In performing their tasks, Executive Directors must follow the directions and limitations set by the Company's General Meeting, the Management Board, the Articles of Association and the Rules of Procedure for Executive Directors. A more detailed division of powers between the Management Board and Executive Directors shall be set out in the Rules of Procedure of the Management

Board.

The Management Board may grant power of procuration by a majority of votes cast by its members.

#### **Representation of the Company**

The Executive Director who is a member of the Management Board is also a representative of the Company and shall represent the Company independently and without restrictions.

The powers of Executive Directors who are not members of the Management Board shall be decided by the Management Board.

#### **Supervision and restrictions**

The Management Board supervises the work of Executive Directors. To this end, Executive Directors shall report to the Board on a regular basis.

The Management Board shall cooperate with Executive Directors on the basis of mutual trust and in line with the Company's interests.

The Management Board may give instructions to Executive Directors and impose additional restrictions.

#### **Rules of Procedure**

The rules and methods of the conduct of tasks and duties by Executive Directors shall be set out in Rules of Procedure adopted by the Management Board; these Rules of Procedure shall not contravene the Rules of Procedure of the Management Board.

- Articles 11, 12 and 13 shall be deleted in full.
- In Article 14, the 3<sup>rd</sup> paragraph shall be amended to read as follows: "The Management Board convenes the General Meeting at its own initiative or at the request of shareholders representing at least 5% (five percent) of the Company's share capital. In the latter case, shareholders shall also provide the Management Board with an explanation of the purpose and reason for the convocation".
- The 4<sup>th</sup> paragraph of Article 14 shall be deleted.
- In the 2<sup>nd</sup> paragraph of Article 16, the words "the Company's Management" shall be replaced by "the Company".
- In the 6<sup>th</sup> indent of the 1<sup>st</sup> paragraph of Article 17, the words "Supervisory Board" shall be replaced by "Management Board".
- In Article 18, the 2<sup>nd</sup> sentence of the 2<sup>nd</sup> paragraph shall be amended to read as follows: "The Management Board shall submit the audited annual report and the audit report to the General Meeting, together with a verification report on the annual report and a proposal for the distribution of profits".
- In the 3<sup>rd</sup> paragraph of Article 18, the words "The Management is authorized" shall be replaced by "The Management Board is authorized", and the sentence "Payment of dividends shall be approved by the Supervisory Board." in the 4<sup>th</sup> paragraph of Article 18 shall be deleted.
- In the 2<sup>nd</sup> paragraph of Article 21, the words "Management is responsible" shall be replaced by "Management Board is responsible".

2.2. After the implementation of the adopted amendments to the Articles of Association, including the deletion of articles, the remaining articles shall be renumbered accordingly and the resulting consolidated text of the Articles of Association shall be adopted.

2.3. Amendments to the Articles of Association and the new management system shall become effective on 17 December 2014.

### **3. Recall of Supervisory Board members, termination of office, appointment of Management Board members, determination of remuneration of Management Board members**

The Management and the Supervisory Board propose the adoption of the following resolutions:

#### **3.1. Recall of Supervisory Board members**

Mr Vojko Rovere, Mr Janko Čevka and Mr Janko Šteharnek will be recalled from their office of Supervisory Board members (capital representatives) on 17 December 2014, and their term of office as Supervisory Board members will be terminated on 17 December 2014.

#### **3.2. Termination of office**

The General Meeting notes that, due to the transition to the one-tier management system, the office of workers' representatives on the Supervisory Board, Mr Mitja Škrbec and Mr Jože Strmole, will also be terminated on 17 December 2014.

### 3.3. Appointment of Management Board members

The following individuals will be appointed members of the Company's Management Board on 17 December 2014:

- Mr Vojko Rovere, for a period of 6 years;
- Mr Jože Kaligaro, MBA, for a period of 6 years.

### 3.4. Determination of remuneration of Management Board members

Members of the Management Board are entitled to remuneration for performing their functions and to reimbursement for expenses incurred in the performance of their functions:

- remuneration: the Chairman of the Management Board shall receive a monthly fixed fee in the gross amount of EUR 1,500.00, and other members of the Management Board shall receive a monthly fixed fee in the gross amount of EUR 200.00;
- reimbursement: members of the Management Board are entitled to reimbursement payable in the same amount and manner as reimbursements to other employees of the Company.

Remuneration and reimbursement of expenses to members of the Management Board shall be paid to members' bank accounts by the 20<sup>th</sup> of the month for the previous month.

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## Information for shareholders

### Right to be informed and availability of materials for the general meeting

At general meetings, the shareholders may exercise their right to be informed under Paragraph 1, Article 305 of the Companies Act (ZGD-1).

The materials for the general meeting, including proposed resolutions for adoption with notes and other materials referred to in Paragraph 2, Article 297a of the Companies Act (ZGD-1), are made available to shareholders for inspection at the secretariat of the Management Board at the Company's registered office, every weekday from 9 am to 12 am, from the date of publication of the notice to convene the general meeting until the date of the general meeting. The agenda and other materials for the general meeting are available to the shareholders on the Company website, [www.livar.si](http://www.livar.si). In accordance with Company statute, the notice to convene a general meeting is also published on the website of the Agency of the Republic of Slovenia for public records and services for publication by Companies Act.

### Amendments to the agenda

Following the publication of the notice to convene the general meeting, the shareholders who hold at least one twentieth of the share capital may request in writing that an additional item be added to the agenda. The request must be accompanied by a resolution proposal in writing on which the general meeting should decide, or, if the general meeting does not adopt resolutions related to the particular item on the agenda, an explanatory note to the agenda. It is sufficient that the request is sent no later than seven days following the publication of this notice to convene the general meeting to the address: Ljubljanska cesta 43, 1295 Ivančna Gorica, or to the e-mail address: [darinka.porenta@livar.si](mailto:darinka.porenta@livar.si). Additional items on the agenda and its final version will be published in accordance with Article 298 of the Companies Act (ZGD-1).

### Shareholders' proposals

The shareholders may propose resolutions relating to any item on the agenda in writing by sending the proposals to the address: LIVAR, d.d., Ljubljanska cesta 43, 1295 Ivančna Gorica, or to the e-mail address: [darinka.porenta@livar.si](mailto:darinka.porenta@livar.si). The shareholder's proposals shall be published and communicated in accordance with Article 296 of the Companies Act (ZGD-1), if the shareholder has sent the Company a reasonably grounded proposal within seven days following the publication of the notice to convene the general meeting and provided the notification that at the general meeting he or she intends to object the proposals made by the Management Board or the Supervisory Board and that he or she will bring other shareholders to vote for his or her proposal.

The requests for additional items on the agenda and resolution proposals sent to the Company by e-mail must be sent in scanned form as attachments and contain an original signature of the legal representative and stamp or seal of the legal entity if one is used. The Company shall have the right to verify the identity of the shareholder or authorized person submitting the request or proposal via e-mail, as well the authenticity of their signatures.

**Shareholders' right to be informed**

At the general meeting, the shareholders may pose questions and request information on Company matters if required for consideration of the agenda, as well as exercise their right to be informed in accordance with Paragraph 1, Article 305 of the Companies Act (ZGD-1).

**Conditions for attending the general meeting**

Only those shareholders that are registered as shareholders at the central register of dematerialized securities at KDD – Centralna klirinško depotna družba, d.d., Ljubljana, at the end of the fourth day prior to the date of convening of the general meeting (cut-off date) may attend the general meeting and exercise the voting right. The shareholders must register their attendance in writing no later than on December 13, 2014.

The registration must be sent by mail to the address: LIVAR, d.d., Ljubljanska cesta 43, 1295 Ivančna Gorica. Only registrations with original signatures and registrations that have been sent via registered mail no later than on December 13, 2014, shall be taken into account and considered valid.

Any shareholder that has the right to attend the general meeting may name an authorized person to attend the general meeting in his or her name and exercise the voting right. The authorization must be made in writing and must be submitted to the Company, where it will remain deposited. The authorization must contain an original signature of the private person; in case of a legal entity, the authorization must contain the original signature of the legal representative and the seal or stamp of the legal entity if one is used. The Company shall reserve the right to verify the authenticity of the shareholder or authorized person submitting the authorization. Shareholders may withdraw the authorization in the same manner in which the authorization was given up until the date of the general meeting.

At request, the shareholders or their legal representatives or authorized persons must identify themselves by way of a personal identification document and written authorization, as well as an extract from the judicial/business records in case of legal representatives.

All Company shareholders or their representatives are kindly invited to arrive at the location of the general meeting at least half an hour prior to the opening of the general meeting.

We are looking forward to seeing you.

Alenka Rabuza  
Chairman of the Management Board