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

Ivančna Gorica, November 2014

Subject: Item 1 on the agenda of the 22nd General Meeting of the Livar d.d. company, Ivančna Gorica (hereinafter referred to as: the Company)

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.

Rationale for the proposed resolution:
The presence of the authorised delegate or delegation of the General Assembly and of a technical assistant is a necessary condition for conducting a General Assembly meeting. Minutes of the General Assembly meeting are required to be notarised in accordance with the Companies Act (Ur. l. RS (Official Gazette of the Republic of Slovenia), No. 65/09 and further). Therefore, a notary must also be present at the meeting.

Vojko Rovere
Chairman of the Supervisory Board

Alenka Rabuza
Chairman of the Management Board

LIVAR, Proizvodnja in obdelava ulitkov d.d, Ljubljanska cesta 43,
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Telefon: +386 (01) 786 99 00, telefax: +386 (01) 787 73 81, http://www.livar.si
Družba je registrirana pri okrožnem sodišču v Ljubljani, št. Vložka 1/13026/00
Osnovni kapital 6.069.276,00€, mat. št. 5504813, dav. št. 58984771
Predsednik nadzornega sveta: Vojko Rovere

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

Ivančna Gorica, November 2014

Subject: Item 2 on the agenda of the 22nd General Meeting of the Livar d.d. company, Ivančna Gorica (hereinafter referred to as: the Company)

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 2nd, 3rd and 4th paragraphs of Article 4, the term "Management" shall be replaced by "Management Board".
- In the 3rd 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.

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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

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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 3rd 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 4th paragraph of Article 14 shall be deleted.
- In the 2nd paragraph of Article 16, the words “the Company’s Management” shall be replaced by “the Company”.
- In the 6th indent of the 1st paragraph of Article 17, the words “Supervisory Board” shall be replaced by “Management Board”.
- In Article 18, the 2nd sentence of the 2nd 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 3rd 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 4th paragraph of Article 18 shall be deleted.
- In the 2nd 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

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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.

Justification of the draft resolutions:
Due to the change in the Company's management system, i.e. the transition from the two- to one-tier management system, it is proposed that the existing Articles of Association be amended. The Companies Act (Official Gazette of the Republic of Slovenia, No. 65/09 et seq.) stipulates that one-tier management system is a system where the company is managed by the Management Board and Executive Director(s) appointed by the Board. Due to the proposed amendments to the Articles of Association, articles will be renumbered accordingly and the resulting consolidated text of the Articles of Association should be adopted. To enable immediate transition to the new management system, it is proposed that the amendments to the Articles of Association and the one-tier management system should become effective on 17 December 2014.

Material:
- consolidated text of the Company's Articles of Association

Vojko Rovere
Chairman of the Supervisory Board

Alenka Rabuza
Chairman of the Management Board

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ARTICLES OF ASSOCIATION OF
THE PUBLIC LIMITED-LIABILITY COMPANY LIVAR, d.d.
(consolidated text)

NAME AND REGISTERED OFFICE

Article 1

Name: LIVAR, Proizvodnja in obdelava ulitkov, d.d.
Abbreviated name: LIVAR, d.d.
Registered office: Ivančna Gorica
The business address of the Company shall be determined by the Management Board.

COMPANY'S ACTIVITIES

Article 2

The activities of the Company include:
24.510 Casting of iron
24.520 Casting of steel
24.530 Casting of light metals
24.540 Casting of other non-ferrous metals
25.110 Manufacture of metal structures and parts of structures
25.2 Manufacture of tanks, reservoirs and containers of metal
25.500 Forging, pressing, stamping and roll-forming of metal; powder metallurgy
25.611 Metallic coating of metals
25.619 Other coating and treatment of metals
25.620 Machining
25.710 Manufacture of cutlery
25.73 Manufacture of tools
25.910 Manufacture of steel drums and similar containers
25.920 Manufacture of light metal packaging
25.930 Manufacture of wire products, chain and springs
25.940 Manufacture of fasteners and screw machine products
25.990 Manufacture of other fabricated metal products n.e.c.
28.130 Manufacture of other pumps and compressors
28.140 Manufacture of taps and valves
28.150 Manufacture of bearings, gears, gearing and driving elements for mechanical power transmission
28.210 Manufacture of ovens, furnaces and furnace burners
28.290 Manufacture of other general-purpose machinery n.e.c.
28.300 Manufacture of agricultural and forestry machinery
28.410 Manufacture of metal forming machinery
28.490 Manufacture of other machine tools
28.910 Manufacture of machinery for metallurgy

28.920 Manufacture of machinery for mining, quarrying and construction----------
38.320 Recovery of sorted materials----------
41.200 Construction of residential and non-residential buildings----------
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 ----------
43.110 Demolition ----------
43.120 Site preparation ----------
43.390 Other building completion and finishing ----------
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
46.180 Agents specialised in the sale of other particular products----------
46.190 Agents involved in the sale of a variety of goods ----------
46.390 Non-specialised wholesale of food, beverages and tobacco ----------
46.490 Wholesale of other household goods ----------
46.610 Wholesale of agricultural machinery, equipment and supplies----------
46.710 Wholesale of solid, liquid and gaseous fuels and related products ----------
46.720 Wholesale of metals and metal ores ----------
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----------
47.110 Retail sale in non-specialized stores with food, beverages or tobacco predominating ----------
47.190 Other retail sale in non-specialised stores----------
47.301 Retail sale of own automotive fuel ----------
47.302 Agents involved in retail sale of automotive fuel in specialized stores ----------
47.410 Retail sale of computers, peripheral units and software in specialized stores ------
47.789 Other retail sale of new goods in specialized stores n.e.c.----------
47.790 Retail sale of second-hand goods in stores ----------
47.990 Other retail sale not in stores, stalls or markets----------
49.410 Freight transport by road ----------
52.100 Warehousing and storage----------
52.210 Service activities incidental to land transportation----------
52.240 Cargo handling----------
53.200 Other postal and courier activities ----------
55.204 Mountain refuges and youth hostels ----------

56.290 Other food services ----------
68.100 Buying and selling of own real estate ----------
68.200 Renting and operating of own or leased real estate ----------
69.200 Accounting, bookkeeping and auditing activities; tax consultancy ----------
70.220 Business and other management consultancy activities----------
71.129 Other engineering activities and related technical consultancy ----------
71.200 Technical testing and analysis ----------
72.1 Research and experimental development on natural sciences and engineering ------
72.2 Research and experimental development on social sciences and humanities---------
73.200 Market research and public opinion polling----------
74.300 Translation and interpretation activities ----------
77.320 Renting and leasing of construction and civil engineering machinery and equipment ----------
77.390 Renting and leasing of other machinery, equipment and tangible goods n.e.c. ----
82.110 Combined office administrative service activities ----------
82.190 Photocopying, document preparation and other specialized office support activities. ----------
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SHARE CAPITAL ----------

Article 3----------

The Company's share capital amounts to EUR 6,069,276.00 (six million sixty-nine thousand two hundred and seventy-six 00/100) and is divided into 6,069,276 (six million sixty-nine thousand two hundred and seventy-six) ordinary registered no-par value shares. Each no-par value share represents an equal stake and corresponding amount of the Company's share capital. The stake and corresponding amount of share capital are determined on the basis of the number of issued no-par value shares. ----------
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Share capital in the amount of EUR 4,551,957.00 (four million five hundred and fifty-one thousand nine hundred and fifty-seven 00/100) was paid up by means of a contribution in kind by the shareholder VIMPRO posredništvo d.o.o. on the basis of the following documents: ----------

- *receivable under the Loan Agreement No. K 1306/2010 (one-three-zero-six-two-zero-one-zero) of 30 June 2010 (thirtieth of June two thousand and ten), Annex No. 1 (one) of 29 December 2010 (twenty-ninth of December two thousand and ten) and Annex No. 2 (two) of 9 February 2011 (ninth of February two thousand and eleven), all concluded between UniCredit Banka Slovenija d.d. and LIVAR Proizvodnja in obdelava ulitkov, d.d., acquired by the creditor VIMPRO posredništvo d.o.o. under the Receivables Purchase Agreement concluded with UniCredit Banka Slovenija d.d. on 21 December 2012 (twenty-first of December two thousand and twelve),* ***in the amount of outstanding and unpaid principal of EUR 688,693.47 (six hundred and eighty-eight thousand six hundred and ninety-three 47/100)****;*----------

- *receivable under the Loan Agreement No. K 2186/2011 (two-one-eight-six-two-zero-one-one) of 8 September 2011 (eighth of September two thousand and eleven) and Annex No. 1 (one) of 25 October 2011 (twenty-fifth of October two thousand and eleven), both concluded between UniCredit Banka Slovenija d.d. and LIVAR Proizvodnja in obdelava ulitkov, d.d., acquired by the creditor VIMPRO posredništvo d.o.o. under the Receivables Purchase Agreement concluded with UniCredit Banka Slovenija d.d. on 21 December 2012 (twenty-first of December two thousand and twelve),* ***in the amount of outstanding and unpaid principal of EUR 1,898,010.53 (eight hundred and ninety-eight thousand and ten 53/100)****;----------*
- *receivable under the Loan Agreement No. 9995284 (nine-nine-nine-five-two-eight-four) of 14 December 2004 (fourteenth of December two thousand and four) and its Annexes, all concluded between HYPO ALPE-ADRIA-BANK d.d. and LIVAR Proizvodnja in obdelava ulitkov, d.d., acquired by the creditor VIMPRO posredništvo d.o.o. under the Receivables Purchase Agreement concluded with HYPO ALPE-ADRIA-BANK d.d. on 21 December 2012 (twenty-first of December two thousand and twelve),* ***in the amount of outstanding and unpaid principal of EUR 637,170.35 (six hundred and thirty-seven thousand one hundred and seventy 35/100)****; ----------*
- *receivable under the Loan Agreement No. 59901801 (five-nine-nine-zero-one-eight-zero-one) of 8 June 2005 (eighth of June two thousand and five) and its Annexes, all concluded between HYPO ALPE-ADRIA-BANK d.d. and LIVAR Proizvodnja in obdelava ulitkov, d.d., acquired by the creditor VIMPRO posredništvo d.o.o. under the Receivables Purchase Agreement concluded with HYPO ALPE-ADRIA-BANK d.d. on 21 December 2012 (twenty-first of December two thousand and twelve),* ***in the amount of outstanding and unpaid principal of EUR 317,643.45 (three hundred and seventeen thousand six hundred and forty-three 45/100)****;----------*
- *receivable under the Loan Agreement No. 59901852 (five-nine-nine-zero-one-eight-five-two) of 28 June 2005 (twenty-eighth of June two thousand and five) and its Annexes, all concluded between HYPO ALPE-ADRIA-BANK d.d. and LIVAR Proizvodnja in obdelava ulitkov, d.d., acquired by the creditor VIMPRO posredništvo d.o.o. under the Receivables Purchase Agreement concluded with HYPO ALPE-ADRIA-BANK d.d. on 21 December 2012 (twenty-first of December two thousand and twelve),* ***in the amount of outstanding and unpaid principal of EUR 201,883.00 (two hundred and one thousand eight hundred and eighty-three 00/100)****;----------*
- *receivable under the Loan Agreement No. 59907148 (five-nine-nine-zero-seven-one-four-eight) of 22 February 2010 (twenty-second of February two thousand and ten) and its Annexes, all concluded between HYPO ALPE-ADRIA-BANK d.d. and LIVAR Proizvodnja in obdelava ulitkov, d.d., acquired by the creditor VIMPRO posredništvo d.o.o. under the Receivables Purchase Agreement concluded with HYPO ALPE-ADRIA-BANK d.d. on 21 December 2012 (twenty-first of December two thousand and twelve),* ***in the amount of outstanding and***

unpaid principal of EUR 160,416.74 (one hundred and sixty thousand four hundred and sixteen 74/100);----------

- *receivable under the Loan Agreement No. 59901231 (five-nine-nine-zero-one-two-three-one) of 13 April 2004 (thirteenth of April two thousand and four) and its Annexes, all concluded between HYPO ALPE-ADRIA-BANK d.d. and LIVAR Proizvodnja in obdelava ulitkov, d.d., acquired by the creditor VIMPRO posredništvo d.o.o. under the Receivables Purchase Agreement concluded with HYPO ALPE-ADRIA-BANK d.d. on 21 December 2012 (twenty-first of December two thousand and twelve),* ***in the amount of outstanding and unpaid principal of EUR 623,139.46 (six hundred and twenty-three thousand one hundred and thirty-nine 46/100)***;----------
- *receivable under the Loan Agreement No. 59909987 (five-nine-nine-zero-nine-nine-eight-seven) of 28 September 2012 (twenty-eighth of September two thousand and twelve) and its Annexes, all concluded between HYPO ALPE-ADRIA-BANK d.d. and LIVAR Proizvodnja in obdelava ulitkov, d.d., acquired by the creditor VIMPRO posredništvo d.o.o. under the Receivables Purchase Agreement concluded with HYPO ALPE-ADRIA-BANK d.d. on 21 December 2012 (twenty-first of December two thousand and twelve),* ***in the amount of outstanding and unpaid principal of EUR 25,000.00 (twenty-five thousand 00/100)***. ----------

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Shares are issued in book-entry form. Each ordinary no-par value share entitles the holder to:----------

- participate in the management of the Company ----------
- a pro rata division of profits (dividend)----------
- a proportional share of any assets remaining after the liquidation or bankruptcy of the Company.----------

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All shares are of the same class and are paid in full. ----------

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INCREASES AND REDUCTIONS OF SHARE CAPITAL ----------

Article 4----------

General Meeting decides whether to increase share capital by way of issuing new shares and on the type and class of shares by a majority vote of ¾ (three-fourths) of the share capital represented. Existing shareholders have a pre-emptive right to subscribe to new shares in proportion to their stakes in the Company's share capital. The pre-emptive right may be excluded only by a resolution of the General Meeting adopted by a majority of at least ¾ (three-fourths) of the votes cast. ----------

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The Company's Management Board shall publish a notice in a daily newspaper, inviting existing shareholders to the subscription and payment of new shares in proportion to their current participation, no later than 14 (fourteen) days from the General Meeting's resolution on the increase of share capital by way of issuing new shares. Existing

shareholders must subscribe to newly issued shares no later than 30 (thirty) days from the date of publication of the public newspaper notice, unless otherwise specified in the relevant resolution on the issue of new shares. ----------

Pre-emptive rights shall be exercised through a written statement sent by the holder to the Company's Management Board within the period specified in the resolution on the issue of new shares. ----------

If existing shareholders fail to exercise their pre-emptive rights and do not subscribe for newly issued shares within that period, the Management Board may freely invite third parties to subscribe and pay for these shares. ----------

Article 5----------

The procedure for issuing new shares, and conditions for subscription and paying-up of shares are determined by law or by the relevant resolution of the General Meeting on the issue of new shares. ----------

An increase of share capital shall take effect on the date of its entry in the Register of Companies. ----------

Article 6----------

The General Meeting may decide, with a simple majority, to increase the share capital of the Company by way of converting other items of equity capital into share capital. -----

Article 7----------

The Company may reduce its share capital if so required by law or if so decided by the General Meeting with a ¾ (three-fourths) majority. Such resolution of the General Meeting shall state the reason or purpose and the method of performing the share capital reduction.----------

OWN SHARES FUND ----------

Article 8----------

The Company may, on the basis of a resolution of the General Meeting, create an own shares fund in accordance with the Companies Act. The source and the amount of resources to be used to create the own shares fund shall be determined by a resolution of the General Meeting. ----------

The Company shall form reserves for own shares without reducing its share capital, statutory reserves or reserves prescribed by its Articles of Association. ----------

The criteria and procedures for creating own shares shall be adopted by the

Management Board. ----------

COMPANY BODIES----------

MANAGEMENT BOARD

9. (deveti) člen ----------

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. ----------

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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. ----------
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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.«

EXECUTIVE DIRECTORS ----------
Article 10 ----------
Appointment and powers
Executive Directors may be appointed by the Management Board. ----------

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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. ----------

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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.----------

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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.

GENERAL MEETING ----------

Article 11 ----------

Shareholders shall exercise their rights in relation to the Company at general meetings.-

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The General Meeting shall be convened when this is for the benefit of the Company or when it is required by law and by these Articles of Association. ----------

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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.----------

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Article 12----------

The General Meeting shall be convened at least 30 (thirty) days before the meeting by publishing a notice, including the agenda as well as the time and place of the meeting, on the website of the Agency of the Republic of Slovenia for Public Legal Records and Related Services dedicated to publishing notices in accordance with the Companies Act. The agenda of the General Meeting must be published together with the convocation of the meeting. ----------

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Article 13----------

The General Meeting shall normally take place at the Company's registered office. -------

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The General Meeting may be attended by shareholders or their proxies who shall notify

the Company of their intention to attend the meeting no later than at the end of the fourth day prior to the relevant General Meeting. ----------

Article 14 ----------

The General Meeting passes resolutions with a majority of the votes cast, unless otherwise provided by law or these Articles of Association. Resolutions on the following matters shall be passed with a majority of three fourths of the capital represented: --------

- amendments to the Articles of Association, ----------
- share capital reduction (including conditional increase),----------
- approved share capital increase,----------
- changes in the Company's status and the termination of the Company, ----------
- exclusion of pre-emption rights of shareholders on the issue of new shares,--------
- early removal of Management Board members, ----------
- other cases, if required by law or these Articles of Association. ----------

Shareholders may exercise the rights attached to shares directly or by proxy at the General Meeting. ----------

ANNUAL REPORT, PROFIT AND DIVIDEND PAYMENTS ----------

Article 15 ----------

The business year shall coincide with the calendar year. ----------

A report on the audit of the annual report shall be published within six months after the end of the business year. 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. ----------

For publishing purposes, the annual report and the auditor's opinion shall be submitted to the organisation authorized to process and publish data within eight months after the end of the business year.----------

The Management Board is authorized to pay out dividends, including during the year (interim dividend), in proportion to the anticipated profit for the current year. ----------

Interim dividends may not exceed half the value of the anticipated profit after reserves or half of the distributable profits of the previous year. ----------

NOTICES TO SHAREHOLDERS ----------

Article 16 ----------

The Company shall publish information and notices on the website of the Agency of the Republic of Slovenia for Public Legal Records and Related Services (AJPES), as

required under the Companies Act, as well as on the Company's website www.livar.si and in other media.----------

PERIOD OF DURATION AND TERMINATION ----------

Article 17----------

The Company has been incorporated for an indefinite period of time.----------

The legal existence of the Company will be terminated for the reasons and under the procedure laid down by the applicable law. ----------

VALIDITY OF ACTS AND ARTICLES OF ASSOCIATION----------

Article 18----------

Existing general acts of the Company shall continue to be used as the Company's acts, in so far they are not in conflict with the law and these Articles of Association; legal relationships which are not regulated by these Articles of Association or general acts of the Company shall be directly regulated by applicable law. ----------

The Company's Management Board is responsible for the alignment of general acts of the Company and adopts amendments to general acts as well as new general acts of the Company.----------

STATUTORY RESERVES ----------

Article 19----------

In addition to legal reserves, the Company has statutory reserves in the amount EUR 208,995.00 (two hundred and eight thousand nine hundred and ninety-five euros 00/100). Every business year, up to 30% (thirty percent) of net profit, less any amounts used to cover the loss and create legal reserves and profit reserves, may be allocated to statutory reserves. ----------

The Company may use statutory reserves to create reserves for own shares, share capital increase or environmental investments. ----------

In Ljubljana, 17 December 2014 (seventeenth of December two thousand and fourteen).----------

Notary's signature and stamp:

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

Ivančna Gorica, November 2014

Subject: Item 3 on the agenda of the 22nd General Meeting of the Livar d.d. company, Ivančna Gorica (hereinafter referred to as: the Company)

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 Šteharnik 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 20th of the month for the previous month.

Justification of the draft resolutions:
Due to the change in the Company's management system, i.e. the transition from the two- to one-tier management system, Supervisory Board members appointed by the General Meeting will be recalled on 17 December 2014. Furthermore, the office of workers' representatives on the Supervisory Board will be terminated on 17 December 2014. Members of the Management Board will be appointed on the same date, their term of office commencing on 17 December 2014 and lasting 6 years. Mr Vojko Rovere and Mr Jože Kaligaro, MBA, also have expertise in the field of management of large companies and financial management. In accordance with the Companies Act (Official Gazette of the

LIVAR, Proizvodnja in obdelava ulitkov d.d, Ljubljanska cesta 43,
SI-1295 IVANČNA GORICA Transakcijski rač. pri Unicredit 29000-0055242036
Telefon: +386 (01) 786 99 00, telefax: +386 (01) 787 73 81, http://www.livar.si
Družba je registrirana pri okrožnem sodišču v Ljubljani, št. Vložka 1/13026/00
Osnovni kapital 6.069.276,00€, mat. št. 5504813, dav. št. 58984771
Predsednik nadzornega sveta: Vojko Rovere

Republic of Slovenia, No. 65/09 et seq.) and the Company's Articles of Association, remuneration of Management Board members shall be determined by a resolution of the General Meeting. The proposed remuneration is commensurate with the tasks of Management Board members and the Company's financial situation.

Reference material:
- short written presentation of Management Board members

Vojko Rovere
Chairman of the Supervisory Board

Alenka Rabuza
Chairman of the Management Board

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Predsednik nadzornega sveta: Vojko Rovere

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

Ivančna Gorica, November 2014

Presentation of the proposed members of the Management Board of the Livar d.d. company, Ivančna Gorica – material for Item 3 on the agenda of the 22nd general meeting of Livar d.d., Ivančna Gorica:

Mr Vojko Rovere, Presidents' MBA. He also has experience in the field of corporate governance, financial management and restructuring project management. He currently holds the position of director of the Rovere d.o.o. company. As regards the proposed member, there are no circumstances that could lead to a conflict of interest or bias in his work in the Management Board of Livar, d.d., from 17 December 2014 onwards.

Mr Jože Kaligaro, MBA, Bachelor of Economics. He also has experience in the field of corporate governance, financial management and competency development. He currently works as the procurator of the Livar d.d. company. As regards the proposed member, there are no circumstances that could lead to a conflict of interest or bias in his work in the Management Board of Livar, d.d., from 17 December 2014 onwards.

Vojko Rovere
Chairman of the Supervisory Board

Alenka Rabuza
Chairman of the Management Board

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Predsednik nadzornega sveta: Vojko Rovere