



Sava, d.d.
Družba za upravljanje in financiranje
Dunajska cesta 152, 1000 Ljubljana

Pursuant to the 9th paragraph of Article 199.c of the Financial Operations, Insolvency Proceedings and Compulsory Dissolution Act (hereafter: ZFPIPPP Act) and the 2nd paragraph of Article 295 of the Companies Act (ZGD-1, Article 130 of the Financial Instruments Market Act (hereafter: ZTFI Act), item 6.3 of the Articles of Association of Sava, družba za upravljanje in financiranje, d.d., and the rules of Ljubljana Stock Exchange d.d., the Management Board hereby convenes

Shareholders' Meeting

to be held on Friday, **23 December 2016 at 10:00 a.m.** on the 6th floor of the office building at the head office of the company Sava d.d., Dunajska cesta 152, 1000 Ljubljana

1. Opening of the Shareholders' Meeting, election of its bodies and establishing a quorum

The Management Board proposes that the Shareholders' Meeting passes the following resolution:

The Shareholders' Meeting is informed that the Shareholders' Meeting is attended by the notary Vojko Pintar and appoints the bodies of the Shareholders' Meeting as follows:

- Chairperson of the Shareholders' Meeting: attorney-at-law Stojan Zdolšek.
- Credentials Committee: Jasmina Kovačič (chairperson), Gregor Pirc (member).

2. Amendments to the company's Articles of Association

The Management Board and the Supervisory Board propose that the Shareholders' Meeting passes the following resolutions:

The Shareholders' Meeting accepts the following amendments to the company's Articles of Association:

1. Article 3.6. of the Articles of Association is amended to read as follows:

»Within 30 (thirty) days from the resolution of the General Meeting about an increase in the share capital through the issuance of new shares at the latest, the Board of Directors of the Company shall invite the present shareholders to enter and pay in new shares in proportion to their present shareholding. The present shareholders shall enter the newly issued shares within 15 (fifteen) days from the day of publishing at the latest, unless otherwise defined by a respective resolution about the issue of shares.«

2. Article 3.7. of the Articles of Association is amended to read as follows:

»The right of priority is exercised based on a written statement, which a beneficiary shall send to the Board of Directors within the period and in the manner stipulated in the resolution about the issuance of new shares. Unless the present shareholders exercise their priority right and enter the issued shares within the period stipulated, the Board of Directors shall freely call on third persons to enter and pay in shares. «



3. Article 3.12. of the Articles of Association is amended to read as follows:

»Subject to a special resolution and conditions stipulated by the law, the company may acquire treasury shares.«

4. Chapter »4. MANAGEMENT BOARD« of the Articles of Association is amended and replaced with a new chapter, the Articles of which read as follows:

»4. COMPANY BODIES

4.1 The company has a one-tier management system.

4.2 The bodies of the company are:

- General Meeting,*
- Board of Directors.«*

5. Chapter »5. SUPERVISORY BOARD« of the Articles of Association is amended and replaced with a new chapter, the Articles of which read as follows:

»5. BOARD OF DIRECTORS

5.1 Composition and term of office

The Board of Directors consists of five members, four of whom are appointed by the General Meeting, while one member is a representative of company's workers appointed in accordance with the law, which governs workers' participation in management, and of whose appointment the General Meeting shall only take note. If the workers' council or any other competent workers' participation body does not appoint a member to the Board of Directors or it recalls its representative without appointing a new one, the Board of Director functions as a four-member composition appointed by the General Meeting.

The members of the Board of Directors are elected for a five-year (5) period with a renewable term of office.

The chairman or a member of the Board of Directors may be a person who besides the statutory conditions fulfils the following conditions:

- Formal education acquired in the second-cycle study programmes in accordance with the law governing higher education or the level of education, which in accordance with the law governing higher education, corresponds to the education acquired in the second-cycle study programme.*
- At least ten (10) years of work experience.*
- Fluent in at least one world language.*
- Five (5) years of work experience at managerial positions.*

At least one of the educational conditions from the preceding paragraph shall apply to a Board of Directors member who is appointed in accordance with the law governing workers' participation in management.



5.2 Functioning of the Board of Directors

The Board of Directors appoints the chairman and his deputy from among its members being appointed by the shareholders. The chairman of the Board of Directors and his deputy may not act as executive directors of the company at the same time.

The deputy chairman of the Board of Directors assumes the rights and obligations of the chairman only if the latter is prevented from their implementation or is absent.

The minutes shall be taken at the meetings of the Board of Directors to be signed by the chairman or, in his absence, the deputy chairman.

The Board of Directors endorses its Rules of Procedure which shall be in accordance with the laws and these Articles of Association.

The Board of Directors shall be convened at least once a quarter, or in a shorter period if necessary because of the company's interests or upon a substantiated request by a member of the Board of Directors.

5.3 Decision-making process

The quorum of the Board of Directors is reached when more than one half of members are present in a decision-making process, with the exception of the cases defined from item (f) to (s) of the first paragraph of Article 5.4. of the Articles of Association, where validity is subject to participation of all members of the Board of Directors who are the shareholders' representatives.

Save as otherwise provided by the law, a decision by the Board of Directors shall be valid if voted for by a majority of cast votes. Every member of the Board of Directors has one vote. The vote of the chairman shall be considered as a vote of any other member of the Board of Directors and is not a deciding vote.

The Board of Directors may adopt resolutions by way of correspondence meetings, via telephone, electronic media or in a similar manner as provided by the Rules of Procedure of the Board of Directors.

5.4 The competence of the Board of Directors

The Board of Directors is competent for:

- (a) Supervision of business and conduct company's business.*
- (b) Management of those company's businesses as provided by the resolution from the Board of Directors.*
- (c) Preparation of actions within the powers of the General Meeting upon its request.*
- (d) Preparation of contracts and other acts whose validity requires a consensus by the General Meeting.*
- (e) Implementation of resolutions passed by the General Meeting.*
- (f) Appointment and termination of office for the chairman of the Board of Directors and the deputy chairman of the Board of Directors.*
- (g) Adopting the rules of procedure of executive directors.*
- (h) Call of the General Meeting and formulating proposal for passing of resolutions at the General Meeting.*
- (i) Endorse a business plan and investment plan on a proposal from executive directors.*
- (j) Grant consent to every change in the registered business activity of the company.*
- (k) Grant consent to significant acquisitions of the company not envisaged in the business plan and investment plan.*



- (l) Grant consent to all actions not envisaged in the Financial restructuring plan for Sava d.d. as adopted under compulsory settlement proceedings (File no. 2868/2015).
- (m) Grant consent to hiring loans or credits or any other manner of debt financing, including urgent financing not defined in the business plan and investment plan, including the approval of collaterals.
- (n) Grant consent to the sale of assets of the company or subsidised companies.
- (o) Appointment and dismissal of executive directors.
- (p) Review and endorsement of annual report.
- (q) Draw up a report on reviewing and endorsing the annual report and a proposal on using the accumulated profit for the General Meeting.
- (r) Formulate a proposal for appointing an auditor based on a proposal by the audit commission.
- (s) Other matters in accordance with the law, Articles of Association, Rules of Procedure for the Board of Directors and the resolutions passed by the General Meeting.

5.5 Remuneration and reward

The members of the Board of Directors shall receive remuneration for their work, which is to be defined by a resolution passed by the General Meeting and shall be in proportion to the tasks every individual member of the Board of Directors is carrying out and in proportion to the financial position of the company.

In determination of total remunerations of an individual member of the Board of Directors, the General Meeting shall make sure that total remunerations are suitably proportional to their tasks and the financial position of the company. The members of the Board of Directors are entitled to refunds of expenses incurred in connection with performing their function.

5.6 Commissions

The Board of Directors may form commissions, to which the members of the Board of Directors and external experts are appointed. The competences and functioning of such commissions are governed with the rules of procedure of the Board of Directors. The commission members are entitled to refunds of expenses and attendance fees, which are defined by the Board of Directors for the members being external experts, whereas attendance fees for other members are defined by the General Meeting.

5.7 Diligence and responsibility

A member of the Board of Directors shall act for the benefit of the company and with due care of a conscientious and honest manager and shall protect the business secrets of the company.«

6. A new chapter 6 is added to read as follows:

»6. EXECUTIVE DIRECTORS

6.1 Number and term of office

The Board of Directors appoints one or two executive directors for a five-year term of office with a renewable term of office.

The Board of Directors appoints the executive director from among the persons who are not the members of the Board of Directors. The executive director shall comply with the statutory conditions applicable to the members of the Board of Directors and the conditions defined by the Board of Directors.



6.2 Tasks

The following tasks are assigned to the executive director:

- (a) Management of current businesses or those businesses, which based on the resolution by the Board of Directors are not defined to be managed by the Board of Directors.*
- (b) Representation of the company.*
- (c) Applications for entries and submittal of instruments to the court register.*
- (d) Care for keeping the accounts.*
- (e) Drawing up the annual report of the company.*

The rules of procedure of executive directors adopted by the Board of Directors define the modus operandi of executive directors in detail.

6.3 Representation

If the Board of Directors appoints one executive director, the company is represented by the executive director jointly with the chairman or deputy chairman of the Board of Directors. If the Board of Directors appoints two executive directors, the company is represented by both executive directors jointly.

6.4 Limitations

In carrying out tasks, executive director shall comply with the instructions and limitations imposed by the General Meeting, Board of Directors of the company, Articles of Association of the company and the rules of procedure of the executive directors.«

- 7. Chapter »6. SHAREHOLDERS' MEETING« of the Articles of Association is amended and replaced with a new chapter »7. GENERAL MEETING«, the Articles of which read as follows:**

»7. GENERAL MEETING

- 7.1 Shareholders exercise their rights in connection with the company at the General Meeting.**
- 7.2 The General Meeting is convened when it is for the benefit of the Company or when it is required in accordance with the law and Articles of Association.**
- 7.3 The General Meeting is convened by the Board of Directors of the Company on its own initiative, on request by company's shareholders who represent at least 5 (five) % of the share capital of the company. The beneficiary from this item, who requests the General Meeting be convened, shall also provide the explained and substantiated purpose and reason of the call to the Board of Directors.**
- 7.4 The General Meeting is to be convened at least one month prior to the meeting with an announcement on the website of the Agency of the Republic of Slovenia for Public Legal Records and Related Services (hereafter: AJPES) or in a daily newspaper, which is issued throughout the Republic of Slovenia. The call of the General Meeting shall further be published on the company's website.**
- 7.5 If requested by a shareholder, he/she shall be delivered a free copy of materials prepared for the General Meeting on the next working day at the latest.**
- 7.6 The General Meeting is held in the place determined by the Board of Directors.**
- 7.7 The General Meeting is chaired by a person elected as a chair by the General Meeting.**



- 7.8 *Each share brings one vote at the General Meeting.*
- 7.9 *The General Meeting decides by a majority of declared votes cast, unless provided otherwise by the law or these Articles of Association.*
- 7.10 *The General Meeting decides by a three-quarter majority of votes when making a decision about:*
- (a) Amendment to the Articles of Association.*
 - (b) Transfer of at least 25 % of the assets of the company.*
 - (c) Increase in the share capital.*
 - (d) Conditional increase in the share capital.*
 - (e) Approved capital.*
 - (f) Reduction in the share capital of the company.*
 - (g) A simplified reduction in the share capital of the company.*
 - (h) Change in the type, right or form or nominal value of any share class or establishing a new share class or type of shares or for the issuance of new shares or performance of any new public invitation or implementation of any other action in connection with the share capital of the company.*
 - (i) Merger, split-up, division or any other status transformation or action regarding the share capital.*
 - (j) Other matters, for which such a majority is required by the law or Articles of Association.*
- 7.11 *Shareholders may exercise their rights from shares directly at the General Meeting or through their proxies. Shareholders may submit a signed written proxy by mail or telefax or e-mail signed with a qualified digital certificate or may submit a written proxy prior to the beginning of the General Meeting.*
- 7.12 *The condition to be fulfilled for attending and voting at the General Meeting is that a shareholder announces their participation in the General Meeting in writing at least at the end of the fourth day prior to the General Meeting. A decision on the manner of exercising the voting right at the Meeting is made by the chairperson of the General Meeting.«*
- 8.** *Chapter »7. ANNUAL REPORT« of the Articles of Association is changed and replaced with a new chapter »8. ANNUAL REPORT« the Articles of which read as follows:*
- »8. ANNUAL REPORTS AND USE OF PROFIT*
- 8.1 *The executive director shall draw up the annual report within the term defined by the companies act, and submit it for review and endorsement to the Board of Directors together with a report from the selected auditor.*
- 8.2 *Together with the annual report the executive director shall also submit a proposal on using the accumulated profit and the information on remunerations of the management or supervision bodies received for the performance of their tasks in the company in the past financial year.*
- 8.3 *The Board of Directors is authorized for payment of dividends also after the end of the financial year (intermediate dividends) with regard to the envisaged accumulated profit. Intermediate dividends shall not exceed one half of the value of the envisaged net profit after formation of profit reserves as required by the law. The amount of intermediate dividends may not exceed one half of the accumulated profit generated by the company in the previous year.*
- 8.4 *Employees in the company and the executive director are entitled to profit sharing if the General Meeting passes such a resolution when deciding about the use of accumulated profit.«*



9. Chapter »10. NOTIFICATION« shall be chapter »11.NOTIFICATION«, Articles 10.1 and 10.2. shall be Articles 11.1. and 11.2. The new Article 11.1. are amended to read as follows:

»11.1. The Company shall publish notices for which the law prescribes to be published on the website of the Agency of the Republic of Slovenia for Public Legal Records and Related Services (AJPES) on the AJPES website.«

10. Chapter »11. DURATION AND TERMINATION« shall be chapter »12. DURATION AND TERMINATION«, Articles 11.1 and 11.2. shall be Articles 12.1. and 12.2.

3. Determination of the amount of remuneration for carrying out the function and attendance fees for Board of Directors members

The Management Board and the Supervisory Board propose that the Shareholders' Meeting passes the following resolution:

- »1. *The members of the Board of Directors receive attendance fee for their participation in the meeting, which amounts to €275 in gross terms for every individual member of the Board of Directors. For participation in the meeting of the commission, the members of the commission of the Board of Directors receive attendance fee, which amounts to 80 % of the attendance fee for participation in the meeting of the Board of Directors. Attendance fee for correspondence meeting amounts to 80 % of the usual attendance fee.*

Notwithstanding the aforementioned and thus the number of participations in the meetings, the individual member of the Board of Directors is entitled to a payout of attendance fees in a particular financial year until the total amount of attendance fees reaches 50 % of the basic remuneration for carrying out the function of a Board of Directors member at the annual level.

Notwithstanding the aforementioned and thus the number of participations in the meetings of the Board of Directors and the commissions, the individual member of the Board of Directors, who is a member of the commission or commissions of the Board of Directors, is entitled to a payout of attendance fees in a particular financial year until the total amount of attendance fees from participation in the meetings of the Board of Directors and commissions reaches 75 % of the basic remuneration for carrying out the function of a Board of Directors member at the annual level.

2. *In addition to attendance fees, every member of the Board of Directors receives a basic remuneration for carrying out their function to the amount of €11,000 in gross terms annually. The chairman of the Board of Directors is further entitled to extra remuneration to the amount of 50 % of the basic remuneration for carrying out the function of a Board of Directors member, vice chairman/deputy chairman of the Board of Directors is entitled to extra remuneration to the amount of 10 % of the basic remuneration for carrying out the function of a Board of Directors member.*

The members of the commission of the Board of Directors receive extra remuneration for carrying out the function, which amounts to 25 % of the basic remuneration for carrying out the function of a Board of Directors member for every individual member. The chairman of the commission is entitled to extra remuneration for carrying out the function to the amount of 37.5 % of the basic remuneration for carrying out the function of a Board of Directors member. Notwithstanding the aforementioned and thus the number of commissions whose member he/she is or he/she is chairing, the individual member of the commission of the Board of Directors is entitled to a payout of extra remuneration in a particular financial year until the total amount of such extra remunerations reaches 50 % of the basic remuneration for carrying out the function of a Board of Directors member at the annual level. If the term of office of an individual Board of Directors member is shorter than a financial year, such an individual member of the commission of the Board of Directors, is entitled to a payout of extra



remunerations in a particular financial year, notwithstanding the aforementioned and thus the number of commissions whose member he/she is or he/she is chairing, until the total amount of such extra remunerations reaches the value of 50 % of the basic remuneration for carrying out the function of a Board of Directors member at the annual level with regard to the eligible payouts for the time of their term of office in the respective financial year.

3. *The members of the Board of Directors and the members of the commission of the Board of Directors receive basic remuneration and extra remuneration for carrying out the function in proportionate monthly payouts, to which they are entitled until they carry out their function. A monthly payout amounts to one twelfth of the above mentioned annual amounts.*
4. *In no manner whatsoever do the limitations of the amount of total payouts of attendance fees or payouts of extra remunerations to a member of the Board of Directors affect their duty of active participation in all meetings of the Board of Directors and meetings of the commissions whose member they are or their statutory defined responsibility.*
5. *The members of the Board of Directors are entitled to refunds of travel expenses and accommodation expenses associated with their work in the Board of Directors to the amount as provided by the regulations on refunds of work-related expenses and other revenues, which are not included in tax base (provisions applicable to transport and accommodation on a business trip). The amount, to which a member is entitled in accordance with the quoted provision, is converted into a gross amount so that the net payment equals the refund amount of the actual travel expenses. To define the kilometres driven, the distances between the places are taken into account provided on the public website of the AMZS service. Accommodation expenses may be refunded only if the distance between a permanent or a temporary residence of a Board of Directors member or a member of the commission of the Board of Directors and the place of the body's work amounts to at least 100 km, if a member is not able to return since according to the public transportation timetable no public transport service is available at that time, or for any other objective reasons.*
6. *This resolution applies to the members of the Board of Directors of the Company who are not appointed as executive directors of the company.*
7. *This resolution applies to the members of the Board of Directors who have a work or employment contract with the company.*
8. *This resolution shall enter into force and shall be applied with the day of its adoption at the General Meeting. This resolution cancels the resolution passed by the Shareholders' Meeting on 14 June 2010.«*

4. Termination of term of office of Supervisory Board and Management Board members and appointment of the Board of Directors members

The Supervisory Board proposes that the Shareholders' Meeting passes the following resolutions:

- a.) *Owing to a change to a one-tier system of governance, the term of office of the members of the Supervisory Board and Management Board shall expire on the day when the amendments to the Articles of Association have been entered in the court register.*
- b.) *Owing to introducing a one-tier system of governance, the persons named below shall be appointed the members of the Board of Directors for a five-year period effective as of entering the amendments to the Articles of Association in the court register:*
 1. Tina Pelcar Burgar
 2. Matevž Marc
 3. Dejan Rajbar
 4. Aleš Škoberne



5. Appointing an auditor

The Supervisory Board proposes that the Shareholders' Meeting passes the following resolution:

»The auditing company Deloitte revizija d.o.o., Dunajska cesta 165, 1000 Ljubljana shall be appointed as the auditor of the financial statements of Sava d.d. and the Sava Group for 2016.»

INFORMATION FOR SHAREHOLDERS

The materials for the Shareholders' Meeting from the second paragraph of Article 297.a of the Companies Act-1, including the wording of the amendments to the Articles of Association, the substantiation of the proposed members of the Board of Directors with a presentation of their past professional qualifications and work they are currently carrying out and all the circumstances that could lead to a conflict of interest and their bias, are available for shareholders' insight in the company's reception office (9th floor), Dunajska cesta 152, Ljubljana, every work day from 9:00 a.m. to noon, and that as of 22 November 2016. As of the same date, the materials can be accessed at www.sava.si, too.

Pursuant to Article 298 of the Companies Act -1, shareholders whose total shareholding exceeds one twentieth of the share capital, may request the Agenda be amended within seven days after announcing this call. A written proposal for a resolution, on which the Shareholders' Meeting shall decide, should be attached to their complete and timely sent request, or if the Shareholders' Meeting shall not pass a resolution in connection with the individual Agenda item, an explanation to the Agenda item.

The counter-proposals by shareholders to the individual Agenda items that will be explained in writing and sent within seven days after announcing this call will be published in accordance with Article 300 of the Companies Act-1 in the same manner as this call. The company will address those requests for amending the Agenda and counter-proposals, which are sent within due time by post at the address of Sava d.d., Pravna pisarna, Dunajska cesta 152, 1000 Ljubljana, Slovenia, or via telefax at +386 4 206 64 46. In compliance with par. 4.2 of the applicable Corporate Governance Code for Slovenia, the company invites the major shareholders to make the public acquainted with their policy of managing their investment in the joint stock company Sava d.d.

The Shareholders' Meeting may be attended by the shareholders who at the end of the fourth day before the Shareholders' Meeting (cut-off day) are registered as share owners in the central registry of dematerialised securities and on the very same day have a legitimate voting right on any other legitimate base, respectively, as well as their proxies and representatives subject to their written registration sent to the address from the preceding paragraph at least at the end of the fourth day prior to the Shareholders' Meeting. At the request, shareholders and their representatives or proxies, respectively, have to identify themselves with a personal identity document and a written power of attorney, whereas legal representatives shall also produce an abstract from the register of companies.

Shareholders shall pass the resolutions under Agenda item 1, 3 and 4 by a simple majority of cast declared votes, whereas the resolutions under Agenda item 2 by a majority of three quarters of share capital represented in passing the resolution.

Shareholders vote in person, through their representative or proxy. The power of attorney shall be in writing and sent to the company, which keeps it during the entire period of the power of attorney relation. The form for implementing the voting right through proxy can be accessed on the company's website. A shareholder may send a power of attorney any time before the Shareholders' Meeting in the manners and at addresses defined in the second paragraph of this call.

The hall will open one hour prior to the beginning of the meeting.

At the Shareholders' Meeting, shareholders may exercise their right for information from the first paragraph of Article 305 of the Companies Act -1, which includes the data about the company matters under the Agenda items, including legal and business relations with the related companies.

Detailed information on shareholders' rights from the first paragraph of Article 298, the first paragraph of Articles 300, 301 and 305 of the Companies Act-1 can be accessed on the company's website at www.sava.si.