

**28th GENERAL MEETING OF THE JOINT-STOCK COMPANY PALOMA d.d.**

**to be held on 21.06. 2018 at 9 AM at the seat of the company,**

**Sladki Vrh 1, SI-2214 Sladki Vrh, Slovenia**

**AGENDA AND PROPOSED DECISIONS TOGETHER WITH A RATIONALE**

**1. Opening of the General Meeting, establishment of a quorum and election of the Chairman of the General Meeting and two tellers**

Proposals for decisions by the Management Board:

1.1 A quorum of the General Meeting shall be established.

1.2 The General Meeting shall elect the Chairman of the General Meeting Ms. Barbara Petovar and two vote counters and shall establish the presence of a notary for drawing up a notarial act.

**RATIONALE:**

Proper functioning and holding of the General Meeting shall be subject to the election of the Chairman and other persons who shall perform tasks required for the technical implementation of the General Meeting. In compliance with the provisions of the Companies Act (ZGD-1), all decisions adopted by the General Meeting shall be certified by a notary in a notarial act.

Management Board

President of the Management Board Thomas Reibelt, M.Sc.

Member of the Management Board Subhi Brož, M.Sc.

**2. The General Meeting shall become acquainted with the Audited Annual Report regarding the Operations of Paloma d.d. for the 2017 financial year, the adopted Audited Consolidated Annual Report of the Paloma Group for the 2017 financial year, the written Report of the Supervisory Board on the review of the Audited Annual Report regarding the Operations of Paloma d.d. for the 2017 financial year and the Audited Consolidated Annual Report of the Paloma Group for the 2017 financial year and the Report of the Supervisory Board on Relations with Affiliates for the 2017 financial year. The General Meeting shall become acquainted with remuneration received by the Management and Supervisory Boards for the performance of their tasks and duties in the company in the 2017 financial year.**

**RATIONALE:**

At its meeting, held on 23 April 2018, the Supervisory Board approved the Audited Annual Report regarding the Operations of Paloma d.d. for the 2017 financial year and the Audited Consolidated Annual Report of the Paloma Group for the 2017 financial year. In compliance with the provisions of ZGD-1, a report for the General Meeting was drawn up. In addition, the Report of the Supervisory Board on Relations with affiliated companies for the 2017 financial year was also drawn up.

The General Meeting shall not adopt the aforementioned acts but shall become acquainted therewith.

In compliance with Paragraph 5 of Article 294 of ZGD-1, the Management Board shall acquaint the shareholders present at the General Meeting with remuneration received by the Management and Supervisory Boards for the performance of their tasks and duties in the company in the preceding financial year.

**Materials:**

- Audited Annual Report of Paloma d.d. for financial year 2017;
- Audited Consolidated Annual Report of the Paloma Group for financial year 2017;
- Report of the Supervisory Board regarding the review of Audited Annual Report of Paloma d.d. for financial year 2017 and Audited Consolidated Annual Report of the Paloma Group for financial year 2017;
- Report of the Supervisory Board on the relationship with affiliated companies for financial year 2017.

Supervisory Board

President

Miroslav Vajs, M.Sc.

Management Board

President

Thomas Riebelt, M.Sc.

Member of the Management Board

Subhi Brož, M.Sc.

**3. The General Meeting shall deliberate on the use of distributable profits and shall grant discharge to both boards.**

Proposals for decisions by the Management and Supervisory Boards:

3.1 Distributable profits of the company for the 2017 financial year, amounting to EUR 1,297,915.00, shall remain undistributed.

3.2 The work of the Supervisory Board of Paloma d.d. in the 2017 financial year shall be confirmed and approved.

3.3 The work of the Management Board of Paloma d.d. in the 2017 financial year shall be confirmed and approved.

**RATIONALE:**

In compliance with Article 294 of ZGD-1, the General Meeting shall deliberate on the use of distributable profits.

Distributable profits of the company for the 2017 financial year amount to EUR 1,297,915.00. In view of the current situation of the company, the Management Board proposed that distributable profits of the company as of 31 December 2017 remain undistributed. The proposal was accepted by the Supervisory Board.

In compliance with the provisions of The Management Code for Publicly Traded Companies, the Management and Supervisory Board propose a separate voting on granting discharge to the boards. It is proposed that the General Meeting grants discharge to both boards for the 2016 financial year.

Supervisory Board

President

Miroslav Vajs, M.Sc.

Management Board

President

Thomas Riebelt, M.Sc.

Member of the Management Board

Subhi Brož, M.Sc.

#### **4. Appointing an auditor**

Proposals for decisions by the Supervisory Board:

The General Meeting of Shareholders hereby appoints the following auditor of the operations of Paloma d.d. for the 2018 financial year: PricewaterhouseCoopers d.o.o., Ljubljana.

#### **RATIONALE:**

The Supervisory Board notes offers received for the audit of the financial statements for 2018 for the company Paloma d.d. and for the audit of the consolidated financial statements for the year 2018 for the subsidiary Paloma PIS to auditing financial statements of subsidiaries. Supervisory Board selects as the most appropriate offeror PricewaterhouseCoopers d.o.o., Ljubljana and proposes the General Meeting to appoint him due to the lowest price and synergetic effects with SHP Group that has the same audit company.

Supervisory Board

President

Miroslav Vajs, M.Sc.

## **5. Appointment of Member of the Supervisory Board of Paloma d.d.**

Proposal for decisions by the Supervisory Board:

The General Meeting of Paloma, d.d., hereby appoints Andrej Farkaš, [REDACTED]  
[REDACTED]  
[REDACTED]

Member of the Supervisory Board shall be appointed for a term of 4 (four) years from the day of appointment.

### **RATIONALE:**

In compliance with Article 13 of the Articles of Association of Paloma d.d., the Supervisory Board of Paloma d.d. is composed of six Members, out of which two represent the employees of the company and are elected by the Works' Council of the company.

The Management Board of the company received the resignation statement of the Member and President of the Supervisory Board, Ms. Leonida Klemenčič Podmiljšak, of 3 January 2018. On 4 January 2018, the resignation of the Member and President of the Supervisory Board came into force. At the 3rd regular session of the Supervisory Board, that took place on 19 February 2018, a new President of the Supervisory Board of the Company, Mr. Miroslav Vajs was elected and a new Deputy President of the Supervisory Board of the Company, Mr. Milan Fišo.

The sole shareholder of Paloma d.d., ECO-INVESTMENT, a.s., proposed the election of new Member of the Supervisory Board of Paloma d.d. Candidate for Members of the Supervisory Board of Paloma d.d. shall be selected in compliance with the provisions of ZGD-1 and shall be subject to appropriate professional qualifications, characteristics and know-how required for the management and supervision of the operations of the company, business excellence, personal integrity and timely availability.

The sole shareholder of Paloma d.d., ECO-INVESTMENT, a.s., proposed the election of candidate for election as Member of the Supervisory Board of Paloma d.d., as follows:

**Andrej Farkaš,** [REDACTED]  
[REDACTED]

[REDACTED]

The aforementioned candidate has consented to their candidacy and has provided the company with a written declaration that there are no circumstances subject to the provisions of the Companies Act (ZGD-1), which would be contrary to their appointment as Members of the Supervisory Board of Paloma d.d.

**Materials:**

- Consent to the appointment and declaration pursuant to Article 255 of Companies act (ZGD-1), Mr. Andrej Farkaš;

Supervisory Board

President

Miroslav Vajs, M.Sc.

## **Materials**

General Meeting materials including proposals for decisions can be reviewed by the shareholders at the seat of the company, Sladki Vrh 1, 2214 Sladki Vrh, Slovenia, on all working days between 9 AM and noon from the day of convening of the General Meeting up to and including the day the General Meeting is due to be held.

## **Discussion of proposals**

Published proposals shall be deliberated by the General Meeting of Shareholders by agenda item. Items subject to decisions of the General Meeting shall be voted on with ballot papers.

## **Agenda amendments and shareholder proposals**

All shareholders of the company with a 20% share of the share capital shall hold the right to demand an additional agenda item in writing within seven days from the day of published convening of the General Meeting. Their demand shall include a proposed decision in writing that the General Meeting shall deliberate on or, if the General Meeting does not adopt a decision when deliberating on a specific agenda item, a clarification of the agenda item.

Shareholders shall hold the right to propose decisions in writing with regard to any agenda item. A proposal of a shareholder shall be published and notified in the manner laid down in Article 296 of ZGD-1 if the shareholder has, within seven days from the day of published convening of the General Meeting, provided the company with a justified proposal in addition to a notification that they shall object to the proposal of the Management or Supervisory Board at the General Meeting and ensure that other shareholders vote for its proposal instead.

At the General Meeting, shareholders shall hold the right to exercise their right to information in compliance with Paragraph 1 of Article 305 of ZGD-1.

## **Participation in the General Meeting**

The General Meeting may be attended by and their voting rights exercised by all shareholders entered in the Central Registry of Non-Materialised Securities as shareholders as of the end of the fourth day prior the General Meeting is held, that is as of 18.06.2018.



The General Meeting may be attended by and their voting rights exercised by all shareholders or their proxies. The power of attorney shall be in writing. The General Meeting may be attended by and their voting rights exercised by all shareholders who RSVP to the Management Board of the company that they intend to attend the General Meeting no later than at the end of the fourth day prior the General Meeting is held

In order to participate in the General Meeting, natural persons shall produce an identity document and legal representatives an extract from the Register of Companies or any other proof of legal representation.

As of the day of convening of the General Meeting, the company has 7,941,290 registered no par value ordinary shares. In compliance with ZGD-1, each ordinary share gives its holder one vote at the General Meeting.

In Sladki Vrh, on 23 April 2018

Paloma, d.d.

President of the Management Board Thomas Reibelt, M.Sc.

Member of the Management Board Subhi Brož, M.Sc.

President of the Supervisory Board Miroslav Vajs M.Sc.