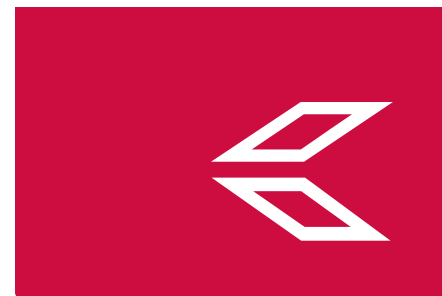


# 18<sup>th</sup> Shareholders' Meeting of Nova KBM d.d.



## Announcement and Material

# 18<sup>th</sup> Shareholders' Meeting of Nova KBM d.d.

**to take place on Wednesday, 8 July 2009 at 11:00 a.m.  
in the Turner Hall of Hotel Habakuk, Pohorska ulica 59, Maribor.**

## AGENDA

### **1. Opening of the Meeting, establishment of quorum, and acquaintance with the Shareholders' Meeting bodies**

On behalf of the convener of the Meeting, the President of the Management Board of the Bank will start the Meeting, establish the attendance of shareholders, and advise the shareholders that the Meeting is to be chaired by Pavle Pensa, counsel from Ljubljana, acting as chairperson, and by Robert Ernestl and Andraž Šuligoj as counters of votes.

### **2. Acquaintance with the Report on internal audit for 2008 together with the opinion of the Supervisory Board, with the Annual Report of the Nova KBM Group and Nova KBM d.d. for the 2008 financial year together with the auditor's report, and with the Report of the Supervisory Board on verification of the Annual Report of the Nova KBM Group and Nova KBM d.d. for the 2008 financial year**

#### **Proposal for the resolution:**

The Shareholders' Meeting of the Bank takes note of the submitted Report on internal audit for 2008 together with the opinion of the Supervisory Board, with the Annual Report of the Nova KBM Group and Nova KBM d.d. for the financial year 2008 together with the auditor's report, and with the Report of the Supervisory Board on verification of the Annual Report of the Nova KBM Group and Nova KBM d.d. for the financial year 2008.

### **3. Adoption of the resolution on the allocation of the balance sheet profit for the financial year 2008 and for discharging the Management Board and the Supervisory Board of Nova KBM d.d. for the financial year 2008**

#### **Proposal for the resolution:**

- Based on the proposal of the Bank's Management Board and on the opinion of the Bank's Supervisory Board, the entire 2008 balance sheet profit in the amount of €5,216,395.80 is to be used for the dividend payment. The gross dividend per one no-par value share shall amount to €0.20.

Shareholders entered into the share register on 10 July 2009 are entitled to receive dividends. The dividend will be paid not later than 90 days after the adoption of the decision of the Shareholders' Meeting on the balance sheet profit allocation.

- In accordance with the provision of Article 294 of the Companies Act (ZGD-1), the Shareholders' Meeting discharges the Management Board and the Supervisory Board for the financial year 2008.

#### **4. Adoption of the resolution on the appointment of a certified auditor for the audit of the Bank's financial statements for the year 2009**

**Proposal for the resolution:**

Based on the proposal of the Supervisory Board, the auditing firm Ernst & Young d.o.o., Ljubljana, is appointed for the audit of the 2009 financial statements of Nova KBM d.d. and the Nova KBM Group.

#### **5. Proposal for the authorisation of the Bank's Management Board for the acquiring of the Bank's own shares**

**Proposal for the resolution:**

For the reason of preserving the shareholders' value, the Shareholders' Meeting authorises the Management Board of Nova KBM d.d. to acquire the Bank's own shares on the regulated market under the following conditions:

- the portion of the Bank's own shares shall stay below 10 per cent of the share capital, and the number of the Bank's own ordinary no-par value shares acquired shall not exceed 2,608,196,
- the purchase price per share shall be at least €1.00, and shall not exceed the book value of the share disclosed in the latest published financial report of Nova KBM d.d.

The authorisation for the acquiring of the Bank's own shares issued to the Management Board is valid for a maximum of 36 months from the adoption of the resolution by the Shareholders' Meeting. The Bank is not allowed to acquire its own shares solely for the purpose of trading.

## 6. Proposal for the amendments to the Bank's Articles of Association

### Proposal for the resolution:

#### I. The Shareholders' Meeting of Nova KBM d.d. adopts the amendments to the Articles of Association as follows:

1. **In the third paragraph of Article 3, in the item b, the text of the sub-item 15 is amended so as to read:**  
»15. Investment services and transactions as well as ancillary investment services from the first paragraph of Article 10 of the Financial Instruments Market Act (ZTFI).«
2. **After the first paragraph of Article 11, a new second paragraph is added that reads:**  
»The Management Board is – in addition to the already issued authorisation for the increase of share capital from the first paragraph of this Article – authorised, within five years from entering in the register of companies the amendments to these Articles of Association adopted at the Bank's Shareholders' Meeting dated 8 July 2009, to increase the share capital of the Bank for not more than €10,500,109.03 by issuing new shares for cash or for non-cash consideration. For non-cash consideration, the new shares can only be issued on the basis of the Act Amending and Supplementing the Public Finance Act (ZJF-D). The auditor is not required to review the issue of shares for non-cash consideration. If the new shares are issued for non-cash consideration, the pre-emptive right to acquire the new shares is excluded. If the new shares are issued for cash, the Management Board is authorised to reach a decision on the exclusion of the pre-emptive right to the new shares.«
3. **In Article 25, in the text of the twelfth indent of the first paragraph, a comma shall be placed and the following text added:**  
»and each subsequent 5 per cent of its capital«
4. **The second paragraph of Article 27 shall be deleted.**
5. **In Article 40, in the text of the third indent of the third paragraph, the text**  
»required internal capital« shall be replaced by the text »adequate internal capital«.
6. **In the second paragraph of Article 48, item 3, the text**  
»members of the Supervisory Board« shall be deleted.
7. **In the text of Article 52 the words**  
»Supervisory Board« shall be deleted.
8. **The text of Article 56 shall be amended so as to read:**  
»As of the date of entering the consolidated text of these Articles of Association in the register of companies, the Bank's Articles of Association dated 20 October 2008 cease to be effective.«

**9. The text of Article 58 shall be amended so as to read:**

»The consolidated text of these Articles of Association shall become effective on the date of its entry in the register of companies.«

**II. Based on the adopted amendments, the consolidated text of the Nova KBM d.d. Articles of Association should be drawn up.****7. Proposal for determining the attendance fees and other benefits of members of the Supervisory Board and Supervisory Board Committees****Proposal for the resolution:**

- Members of the Supervisory Board are entitled to the following gross attendance fee per meeting:
  - Chairman: €536.25,
  - Member: €412.50.
- For attending a correspondent meeting, the Shareholders' Meeting establishes that members of the Supervisory Board are entitled to receive 50 per cent of the attendance fee for regular meetings, which is €268.10 gross for the Chairman and €206.25 gross for members of the Supervisory Board.
- Based on the proposal of the Supervisory Board, the Shareholders' Meeting establishes that the attendance fee for the President of a Supervisory Board Committee shall amount to 90 per cent of the attendance fee of the Chairman of the Supervisory Board, i.e. €482.62 gross, and the attendance fee for members of a Supervisory Board Committee shall amount to 90 per cent of the attendance fee of a Supervisory Board member, i.e. €371.25 gross.
- Members of the Supervisory Board and Supervisory Board Committees are entitled to the reimbursement of costs relating to their work on the Supervisory Board and Committees, in accordance with the Decision of the Government of the Republic of Slovenia dated 15 February 2007 on its Position Regarding the Remuneration of Members of Supervisory Boards and Boards of Directors of Public and Other Companies Owned by the Republic of Slovenia, and on the Incompatibility of Performing Public Function of Officials with the Supervising Function in Supervisory Boards and Boards of Directors of Companies .
- From the date of adoption of this resolution, the Resolution on Attendance Fees and other Benefits of Members of the Supervisory Board and Supervisory Board Committees adopted at the 15th Shareholders' Meeting dated 27 June 2007 shall cease to be valid.

## 8. Appointment of Supervisory Board members

### Proposal for the resolution:

- Based on the notice of resignation dated 7 April 2009, Aljoša Valentinčič, the existing member of the Nova KBM d.d. Supervisory Board, shall be discharged from his membership in the Supervisory Board as of 8 July 2009.
- Instead of Aljoša Valentinčič, Alenka Bratušek is appointed as a new member of the Supervisory Board. Her term of office begins on the date of appointment by the Shareholders' Meeting and lasts until the end of the residual term of office of the discharged member of the Supervisory Board, i.e. until 14 July 2012.

## 9. Information on results of procedures carried out with regard to the financing of management buyouts

### Proposal for the resolution:

The Shareholders' Meeting takes notice of the information on the agreed upon procedures carried out by the auditor KPMG Slovenija d.o.o. with regard to the financing of management buyouts.

In accordance with Article 304 of the Companies Act (ZGD-1), Ines Bukovič, notary public, will attend the 18th Shareholders' Meeting of Nova KBM d.d., Ulica Vita Kraigherja 4, Maribor.

Shareholders, their proxies and representatives may attend the Shareholders' Meeting.

Submitters of the resolutions under points 3, 5, 6 and 9 are the Management Board and the Supervisory Board, and the submitter of the resolutions under points 4, 7 and 8 is the Bank's Supervisory Board.

The Shareholders' Meeting may be attended by those shareholders - or their legal representatives or proxies required to present a written power of attorney - who are on 3 July 2009 entered into the share register at the central registry of securities kept by the Central Securities Clearing Corporation (KDD). The participation at the Shareholders' Meeting must be advised to the Bank in writing. The written registration must be received at the headquarters of the Bank on or before 4 July 2009 at the latest.

In order to start the Meeting in time, we kindly ask all participants to register at least one hour prior to the start of the session. The participants will confirm their participation with their signature, and take over the materials needed for voting.

The materials along with the resolution proposals will be available for inspection at the headquarters of Nova KBM d.d., Maribor, Ulica Vita Kraigherja 4, from the date of publishing the call of the Meeting up till 8 July 2009 inclusive, each working day between 10:00 a.m. and 1:00 p.m. The materials together with the resolutions will also be made available on the Bank's website: [www.nkbm.si](http://www.nkbm.si).



We kindly ask the shareholders to inform the Management Board of the Bank in writing of any counter-proposals to individual points of the Agenda, within seven days from the date of publication of the call of the Meeting.

# 18<sup>th</sup> Shareholders' Meeting of Nova KBM d.d.

Maribor, 4 June 2009

Management Board  
of Nova KBM d.d.

Manja Skernišak,  
Member

Matjaž Kovačič,  
President

A handwritten signature in black ink, appearing to read 'Skernišak'.

A handwritten signature in black ink, appearing to read 'Kovačič'.

**ACQUAINTANCE**

**with the Internal Audit Report for the year 2008 together with the opinion of the Supervisory Board, with the Annual Report of the Nova KBM Group and Nova KBM d.d. for the year 2008 together with the auditor's report, and with the Report of the Supervisory Board on verification of the Annual Report of the Nova KBM Group and Nova KBM d.d. for the year 2008**

In accordance with the first paragraph of Article 282 of the Companies Act (ZGD-1), the Supervisory Board verified at its 9<sup>th</sup> regular meeting held on 24 April 2009 the Annual Report of the Nova KBM Group and Nova KBM d.d. for the year 2008, which was submitted by the Management Board (Appendix), and, in accordance with the second paragraph of Article 282 of the Companies Act (ZGD-1), it adopted at the same regular meeting the Report of the Supervisory Board on verification of the Annual Report of the Nova KBM Group and Nova KBM d.d. for the year 2008 as well as the Resolution on approving the Report of the Group and the Bank for the year 2008 (Appendix).

Pursuant to the second paragraph of Article 282 of the Companies Act (ZGD-1) and the third paragraph of Article 294 of the Companies Act (ZGD-1) under which the Management Board is obliged to submit the Annual Report and the Report of the Supervisory Board to the Shareholders' Meeting, the Shareholders' Meeting takes note of these documents.

In accordance with Article 201 of the Banking Act (ZBan-1), the Internal Audit Department elaborated the Internal Audit Report (Appendix) which the Management Board should put on the agenda of the Shareholders' Meeting together with the audited Annual Report of the Bank and the opinion of the Supervisory Board. In line with these provisions, the Bank's Management Board submitted on 24 April 2009 to the Supervisory Board the Internal Audit Report for 2008, and the Supervisory Board drafted the following **opinion** in this respect:

»The Supervisory Board ascertains that the Internal Audit Department carried out its internal auditing in 2008 in accordance with standards of professional conduct on internal auditing as well as in line with the principles of internal auditing, the Code of professional ethics of internal auditors, regulations on conducting internal audit activities and the Banking Act (ZBan-1). The Internal Audit Department coordinated its activities with the activities of the Bank's external auditor who audited the Bank's financial statements, and cooperated with the Bank of Slovenia during special reviews of the Bank's operations.

By carrying out its annual plan, the Internal Audit Department verified the existence and adequacy of individual policies, the system of risk measurement and the methodology of assessing the economic capital. Individual audit reviews referred to the credit, liquidity, market and interest rate risk management. Based on the audit of the Bank's loan portfolio quality, the Internal Audit Department assessed the integrity of loan approval procedures, with special emphasis on the quality of collateral proved. The audit of the liquidity risk management was followed by the audit of deposit operations and procedures of providing other funding for the Bank. Further, in accordance with the Decision of the Bank of Slovenia, the Internal Audit Department carried out the audit of banking intermediaries and the audit of cash operations.



The internal audit of IT systems referred to the assessment of the Bank@ net distribution channel, the management of the data warehouse project, the adequacy of business continuity management, and to the evaluation of the payment transactions software that was upgraded to SEPA requirements.

**The audit of the IT system NOBIS included the assessment of established procedures and methods for data exchange between the Bank and external providers, and the checking of adequate records on ownership and administration of databases.**

**The internal audit of the human resource policy and the procedures for work performance assessment and training was carried out. Furthermore, in order to ensure functional division and division of competencies, an audit of the Bank's organisational structure was performed.**

During 2008, all planned internal audit reviews in KBM Fineko, KBM Infond, KBM Leasing, Gorica Leasing in KBM Invest were carried out. At the Group level, the Internal Audit Department checked compliance of operations with the Personal Data Protection Act.

Recommendations issued in 2007 on the occasion of external assessment of the internal audit function were implemented during 2008, which gives additional assurance of expertise, independence and impartiality of the internal audit.

The Supervisory Board considers that the objectives of the internal audit carried out by the Internal Audit Department have been in accordance with the principal purpose of internal audit – assessing the adequacy and efficiency of the systems of internal controls for managing and supervising risks, the security of IT systems and accuracy of reporting.

The Internal Audit Department informed the Supervisory Board through interim reports and the Internal Audit Annual Report on important findings at individual audit reviews, on recommendations to eliminate irregularities, and on the implementation of recommendations issued by the Internal Audit Department. As stated in the Internal Audit Annual Report, all agreed activities were carried out, providing adequate supervision of the Bank's and the Group's operations. «

Based on the aforementioned, the Management and the Supervisory Board propose to the Shareholders' Meeting - in accordance with the second paragraph of Article 282 of the Companies Act (ZGD-1), the third paragraph of Article 294 of the Companies Act (ZGD-1) and Article 201 of the Banking Act (ZBan-1) – to take note of the submitted Internal Audit Report for 2008 together with the opinion of the Supervisory Board, of the Annual Report of the Nova KBM Group and Nova KBM d.d. for the year 2008 together with the auditor's report, and of the Report of the Supervisory Board on verification of the Annual Report of the Nova KBM Group and Nova KBM d.d. for the year 2008.

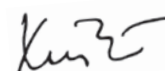
Maribor, 4 June 2009

Management Board  
of Nova KBM d.d.

Manja Skernišak,  
Member



Matjaž Kovačič,  
President



Supervisory Board of  
Nova KBM d.d.

mag. Franc Škufca,  
Chairman



Annex to  
point 2**REPORT**  
**on internal audit for the year 2008**

The Internal Audit Department of Nova KBM d.d. functions as an independent and unbiased organisational unit. It provides assurances and gives advice through its systematic and professional approach in assessing risk management, the internal control system and the conduct of operations. It plays an important role in achieving strategic and operating objectives, and applies the best practice principles at its work.

The Internal Audit Department carries out its activities in accordance with International Standards for the Professional Practice of Internal Auditing, the Banking Act, the Code on Internal Audit Principles, and the Code of Ethics of Internal Auditors. Its work is based on the Rules on Internal Audit Activities, and the execution of these Rules is defined in the Regulations on the Work of the Internal Audit Department. The Internal Audit Department reports to the Management Board, to the Supervisory Board, to the Supervisory Board Audit Committee as well as to external regulators.

In compliance with the principles of corporate governance, the Internal Audit Department of the Bank carried out audit reviews also in subsidiary companies. A restructuring of the internal audit function within the Nova KBM Group took place in the second half of 2008, so that the Internal Audit Department of Nova KBM d.d. is now responsible for coordinating the activity of all internal auditors in the Group, and for the transfer of good practice.

**The activity of the Internal Audit Department**

The main duty of the Internal Audit Department is to give an impartial assurance to the Management Board of Nova KBM d.d. with regard to the risk management, including an assessment whether key risks are properly managed and if the internal control system is effective.

The annual plan of internal audit is based on an analysis of risks present in different operating segments. The most important emphasis is given to the internal control system and risk management, on the basis of the COSO (the Committee of Sponsoring Organizations of the Treadway Commission), the IC (Internal Control) and the ERM (Enterprise Risk Management) models. By applying these models and international practice, the internal auditors evaluate the internal control system and risk management.

The Internal Audit Department is responsible for coordinating the selection of the external auditor for the audit of the Group's and the Bank's annual financial report; for coordinating the audit itself; for verifying the fulfilment of recommendations given by the external auditor; and for reporting to the Management Board and supervisory bodies on the external audit.

Furthermore, the Internal Audit Department coordinates the Bank of Slovenia control reviews; monitors the fulfilment of measures issued on the basis of these reviews; and reports to the Management Board and supervisory bodies in this respect. It provides explanations to the Bank of Slovenia and solves any ambiguity in the Bank's reporting.

#### **The annual plan of internal audit**

The Internal Audit Department, comprising of twelve auditors, carried out 45 regular and 2 extraordinary audit reviews during 2008. Internal auditors evaluated the risk management system implemented in the Bank as a result of Basel II. The Group and the Bank identify, measure and report on individual risks, and have adopted appropriate measures for managing credit, interest rate, liquidity, market, and operational risk. The required economic capital for individual risks is defined with regard to the level of risk management system. The Bank established appropriate organisation of risk management process, which will be further upgraded by individual risk management policies and measures for maintaining acceptable level of risks.

Competences and responsibilities between commercial departments and risk management as well as between commercial departments and back-office are separated. The Bank has clear reporting lines with regard to investment approvals, impairments are systematically established, and the monitoring of loan portfolio and the resolving of bad loans is done independently. By implementing the recommendations issued, the Bank complements internal controls in project financing.

In the audit of liquidity risk management, the assurance was given that the Bank provides sufficient funding for short-term and long-term liquidity, and that the adopted liquidity risk management policy, which defines the planning and monitoring of cash flows, assessment of liquidity risk in foreign currencies, liquidity ratios and the anti-crisis plan, is carried out.

The Bank complies with common standards of interest rate risk management. By implementing measures issued by the Bank of Slovenia, the Bank established and approved binding limits that were defined with regard to characteristics of interest rate risk and results of the stress test. The Bank ensured accurate and reliable reporting.

The assessment of operational risk was carried out in the Human Resource Department. The assurance was provided that the training programme takes into consideration the strategy of the Bank and the regulations on safety at work, personal data protection and on the anti-money laundering procedures. The audit of cash operations proved that appropriate and safe handling of cash is ensured, and the same was established for safety deposit boxes and the Bank of Slovenia deposit of bank notes. The audit of information systems was performed by internal auditors who are specialised in IT systems. Assurances were given with regard to adequacy of security and control; determination of ownership and administration of Bank@Net, SEPA project and NOBIS software; assessment of managing changes, errors and complaints; and suitability of electronic communication channels. By implementing recommendations of the Internal Audit Department, the Bank provided for the business continuity management and the adequacy of audit trails.

The Bank, its outsourcers for data processing, and the SISBON information system which is administered by the Bank Association of Slovenia comply with the Personal Data Protection Act.

Other activities of the Internal Audit Department were mainly focused on monitoring the implementation of recommendations; coordinating the Bank of Slovenia control reviews; coordinating the work of external auditors; advice with regard to efficiency improvement; and on internal development (the amendment and upgrade of instructions for work of internal auditors made on the basis of an external assessment carried out).

### Supervision of the Nova KBM Group subsidiaries

During the year 2008, the Internal Audit Department observed the principles of corporate governance in internal audit, leading to a restructuring of internal audit within the Group, in which two audit departments with a total of 10 auditors are organised. For the audit of some Group companies external auditors are contracted. The Internal Audit Department of Nova KBM d.d. provides for harmonised auditing standards and methods of work of internal auditors, carries out audit reviews in subsidiaries, and reports about the findings to the Management and Supervisory Board of Nova KBM d.d.

Maribor, 4 June 2009

Internal Audit Department  
NovA KBM d.d.

Boža Lešnik Korbar



Annex to  
point 2**REPORT****of the Supervisory Board on the verification of the Annual Report of the Nova KBM Group and Nova KBM d.d. for the year 2008****Introductory note**

The Supervisory Board of the Bank pursued its activities during 2008 in two different formations. In the first half of the year, the Supervisory Board was composed of the following members: Daniel Blejč, Chairman, Andrej Svetina, Deputy Chairman, Janez Erjavec, Anton Jurgetz, Matjaž Koželj, Stanislav Lesjak, Tanja Markovič-Hribernik and Marija Ribič. Due to substantially changed ownership structure after the partial privatisation of the Bank in 2007, and based on the amendments to the Bank's Articles of Association, the Shareholders' Meeting discharged the incumbent Supervisory Board and appointed a new one in the beginning of July 2008 for a period of four years. The new Supervisory Board with four members of the incumbent Supervisory Board continuing their term of office to ensure the Board's continuity of work is composed of the following members: Daniel Blejč, Anton Guzej, Anton Jurgetz, Boštjan Kramberger, Andrej Svetina, Franc Škufca, Ivan Vizjak, Aljoša Valentinčič and Egon Žižmond. Mr. Franc Škufca was appointed the Chairman of the Supervisory Board and Mr. Andrej Svetina the Deputy Chairman.

In both formations, the Supervisory Board carried out its function of assuring efficient supervision over the management of the Bank and the Group, and its duty of careful and scrupulous performance, on the basis of its competence determined by law and in other regulations as well as by internal acts of Nova KBM d.d. The Corporate Governance Code for Public Limited Companies was also observed by the Supervisory Board when performing its duties.

Based on the review of performance of the previous Supervisory Board and of the current one, we are of the opinion that the Supervisory Board carried out its work of supervising the Management Board of the Bank and operations of the Bank and the Group in compliance with its competencies and in an appropriate manner.

**Method and scope of supervising the management of the Bank and the Nova KBM Group**

The work of the Supervisory Board was adequately organised and was carried out in accordance with the Rules of procedure of the Supervisory Board. Members of the Supervisory Board received detailed materials which enabled them to be well-informed on the subject on which they had to reach a decision.

We believe that the Supervisory Board had sufficient reports and information available to responsibly control the operations of the Bank and the work of the Internal Audit Department, and to supervise the management of the Bank during the year. When necessary, the Supervisory Board also requested additional explanations and statements for a decision to be made.

Members of the Supervisory Board took all precautionary measures in order to avoid any conflicts of interest that might influence their decisions. In case of conflicts of interest, the Supervisory Board members acted in accordance with law and the Corporate Governance Code for Public Limited Companies. Detailed criteria for assessing the existence of conflicts of interest and measures to be taken in this respect are also determined in the Rules of procedure of the Supervisory Board.

Any conflicts of interest for individual Supervisory Board members were only provisional and were not a reason for concluding his/her term of office.

The Chairman of the Supervisory Board did his work in accordance with the competencies and the Rules of procedure of the Supervisory Board, and also cooperated with the Bank's Management Board during Supervisory Board meetings. The Chairman of the Supervisory Board chaired the meetings in such a way as to provide for responsible Supervisory Board's decision-making.

Supervisory Board members attended the meetings well prepared, and the meetings were regularly attended by the majority of its members. Supervisory Board members were adequately prepared for discussing relevant matters, they presented constructive proposals and, on the basis of comprehensive information provided by the Management Board, reached decisions in compliance with the Rules and competencies. The Rules of procedure of the Supervisory Board are harmonised with the Corporate Governance Code for Public Limited Companies.

The Supervisory Board believes that its members carried out their work with great responsibility and commitment. All new members of the Supervisory Board attended during 2008 the supervisory board members training programme for which they also received relevant certificates. Moreover, individual Supervisory Board members participated in different training programmes on the work of supervisory boards.

In addition to exhaustive materials prepared for the Supervisory Board, the Management Board of the Bank provided all necessary explanations to individual issues. Besides detailed arguments of the Management Board given directly at the meetings, both members of the Management Board were also prepared to discuss any questions of the Supervisory Board members in detail.

The Management Board of the Bank was invited to all meetings of the Supervisory Board. The cooperation with the Management Board can be assessed as being correct.

#### **Examination of Bank's operations and consideration of most important issues relating to Bank's operations**

During 2008, the Supervisory Board (in both formations) met at 12 regular and five correspondent meetings. Most important issues discussed at the Supervisory Board meetings in 2008 were in connection with the current operations of the Bank, the carrying out of the capital increase in 2008, and the discussion and the approval of the strategy of the Bank and the Group for the period from 2008 to 2013. Further to these key issues, the Supervisory Board deliberated and approved the 2007 Annual Report of the Bank and other materials which the Board submitted for adoption to the Shareholders' Meeting. In the second half of the year, the Supervisory Board discussed the operations of the Bank in the light of the global financial crisis and the anticipated new EU directives for banks' operations. It discussed other important issues as well.

# 18<sup>th</sup> Shareholders' Meeting of Nova KBM d.d.

The Supervisory Board dealt with the following key affairs and issues in 2008:

- At the beginning of the year, the Supervisory Board reviewed the unaudited 2007 financial report of the Bank and the Group,
- Within the scope of monitoring the operations of the Bank, it regularly discussed quarterly reports on the Bank's and the Group's operations and quarterly reports on internal audit in the Bank,
- It discussed and approved the 2007 Annual Report of Nova KBM d.d. and the Nova KBM Group,
- It discussed the materials for the 17th Shareholders' Meeting of the Bank, and proposed to the Shareholders' Meeting to reach a decision on the use of the balance sheet profit, on granting discharge to the Management and Supervisory Board, on nominating the auditor, and on the amendments to the Articles of Association which included the change of the standard classification of activities, the change with regard to the authorised capital and some editorial changes. At the Shareholders' Meeting, the amendment to the provision of the Articles of Association with regard to the appointment of Supervisory Board members was made on the proposal of one shareholder. Also, the proposal was given at the Shareholders' Meeting on the recall of the incumbent Supervisory Board and on the appointment of a new one,
- It discussed and gave its consent to the proposal on the capital increase of Nova KBM d.d. in 2008,
- It discussed and gave its consent to the Business policy and financial plan of Nova KBM d.d. and the Nova KBM Group for the year 2009,
- It discussed and gave its consent to the Strategy of Nova KBM d.d. and the Nova KBM Group for the period from 2008 to 2013, and
- It drafted the proposal for the Shareholders' Meeting on appointing the auditor for the year 2009.

In addition to the above quoted key issues, the Supervisory Board discussed the following important subjects:

- It discussed a report on the Bank's exposure to the largest borrowers including collateral provided,
- It discussed the final report on the Bank's privatisation,
- It gave its consent to the upper limit of long-term borrowings of the Bank in 2008,
- It gave its consent to the annual plan of work of the Internal Audit Department and to the charter of internal audit in Nova KBM d.d.,
- It adopted a statement of compliance with the Corporate Governance Code for Public Limited Companies,
- It discussed the report on synergy effects with regard to operations with PBS d.d. and Zavarovalnica Maribor d.d.,
- It discussed the findings from the report of the Bank of Slovenia on a review of operations,
- It discussed the report on damages of Zavarovalnica Maribor d.d. in the year 2008,
- It discussed the report on the acquisition of a business stake in Multiconsult Leasing d.o.o., Zagreb,
- It discussed the report on opening a representative office of Nova KBM d.d. in Belgrade, Serbia,

- At its regular and correspondent meetings, the Supervisory Board gave its approval to the exposure of the Bank in compliance with the Banking Act (ZBan-1), and approval to the exposure of the Bank to persons having a special relation with the Bank, and
- After the capital increase and on the basis of the authorisation of the Shareholders' Meeting, it adopted the resolution on the amendment to provisions of the Articles of Association which refer to the amount of share capital and the number of shares.

Based on the aforementioned and Articles 272 and 251 of the Companies Act (ZGD-1), the Supervisory Board assesses and establishes that it regularly and thoroughly monitored the operations of the Bank and the Group in 2008 within its competencies, thus adequately supervising the management and operations of the Bank and the Nova KBM Group and the work of the Internal Audit Department.

### **Supervisory Board Committees**

In 2007, the Supervisory Board nominated the Audit Committee, the Nomination Committee and the Remuneration Committee, and at the first meeting in January 2008 it also nominated the Information Technology Committee.

At the beginning of 2008, the Supervisory Board adopted the 2008 programme of work for the Audit Committee and the rules of procedure for all Committees, in which activities and tasks of individual Committees are determined. In September 2008, after the new Supervisory Board had been appointed, it nominated new members to the already established Audit Committee, the Information Technology Committee, the Nomination Committee, and the Remuneration Committee.

The Supervisory Board Committees carried out their work in compliance with their programmes, or tasks arising from the work of the Supervisory Board. The Supervisory Board Committees provided the support to the Supervisory Board in controlling the management of the Bank and Group companies. The Committees performed their work in compliance with law, the Bank's Articles of Association and their rules of procedure. The Committees are composed of Supervisory Board members and of one or more external experts who have extensive knowledge of the operating segment covered by a Committee.

### **Review and approval of the Annual Report and verification of proposal for the use of the balance sheet profit**

The audited Annual Report of the Nova KBM Group and Nova KBM d.d. for the year 2008, together with the auditor's report was submitted by the Management Board to the Supervisory Board within the statutory deadline. The internal audit annual report for the year 2008 was also submitted.

The Supervisory Board deliberated the audited Annual Report of the Nova KBM Group and Nova KBM d.d. in the presence of the external auditor. It established that both annual reports give a complete overview of the Bank's and the Group's operations in 2008. The Supervisory Board was also informed of the opinions of the authorised auditor KPMG Slovenija, d.o.o.. As stated in these opinions, the financial statements of the Bank and consolidated financial statements present fairly, in all material respects, the financial position of the Bank and the Group as of 31 December 2008, and their financial performance and their cash flows for the



year then ended in accordance with the International Financial Reporting Standards as endorsed by the EU. The external auditor is of the opinion that the business part of the annual report is in compliance with the audited financial statements.

The Supervisory Board also checked the proposal on the use of the 2008 balance sheet profit on which the Shareholders' Meeting shall reach a decision. It established that the entire balance sheet profit is to be used for the payment of dividends. The Supervisory Board gave its consent to the proposal of the Management Board with regard to the use of the balance sheet profit.

In accordance with Article 282 of the Companies Act (ZGD-1), the Supervisory Board reached at its 9th meeting dated 24 April 2009 the following

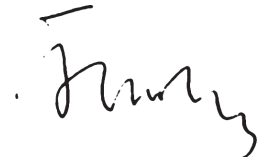
#### RESOLUTION:

- The Report of the Supervisory Board on the verification of the 2008 Annual Report of the Nova KBM Group and Nova KBM d.d. is adopted.
- The Supervisory Board approves the 2008 Annual Report of the Nova KBM Group and Nova KBM d.d., and shall inform the Shareholders' Meeting of the Annual Report.

Maribor, 4 June 2009

Supervisory Board of  
Nova KBM d.d.

mag. Franc Škufca,  
Chairman



## PROPOSAL

### on the allocation of the 2008 balance sheet profit

In 2008, the Bank generated a net profit of €16,251,754.17 (euro sixteen-million-two-hundred-and-fifty-one-thousand-seven-hundred-and-fifty-four 17/100).

## Point 3

	v EUR
Profit from continuing operations	<b>19.386.261,04</b>
Income tax	(6.040.889,39)
Deferred tax	2.906.382,52
<b>Net profit for the financial year</b>	<b>16.251.754,17</b>

In accordance with the Companies Act (ZGD-1) and the Bank's Articles of Association, the Management Board adopted on 1 April 2009 the resolution to make the following allocations from the net profit amount: €812,587.00 (euro eight-hundred-and-twelve-thousand-five-hundred-and-eighty-seven 00/100) for regulatory reserves, and €7,719,583.00 (euro seven-million-seven-hundred-and-nineteen-thousand-five-hundred-and-eighty-three 00/100) for statutory reserves.

**Regulatory reserves** are established gradually by discharging 5 per cent of the annual net profit each year (Article 64 of the Companies Act), deducted by the amount which would be used for any possible losses, up till the sum of the regulatory and those reserves that are added to regulatory reserves on the basis of the legislation applied for establishing of the requested amount of regulatory reserves equals four times the amount of the Bank's share capital (Article 43 of the Bank's Articles of Association).

After allocating the net profit for the 2008 financial year, the sum of the regulatory and those reserves that are added to regulatory reserves on the basis of the legislation applied for establishing of the requested amount of regulatory reserves amounts to €67,075 thousand (of which €11,069 thousand are regulatory reserves and €56,006 thousand is paid-up capital surplus).

The Bank is allowed to establish regulatory reserves up to four times the amount of the share capital or up to the amount of €108,830 thousand.

**Statutory reserves** are established by discharging up to 50 per cent of the amount that remains after the use of the net profit for any possible transferred losses, the establishing of regulatory reserves and reserves for own shares. Statutory reserves are established up to the amount which equals eight times the amount of share capital of the Bank (Article 44 of the Bank's Articles of Association).

After allocating net profit for the 2008 financial year, statutory reserves amount to €161,937 thousand. The Bank is allowed to establish statutory reserves up to eight times the amount of the share capital or up to the amount of €217,676 thousand.

In accordance with the third paragraph of Article 230 of the Companies Act (ZGD-1), the Supervisory Board gave at its 8th regular meeting held on 7 April 2009 the consent to the Bank's Management Board to establish, after establishing regulatory and statutory reserves, other reserves from net profit in the amount of €2,503,188.37 (euro two-million-five-hundred-and-three-thousand-one-hundred-and eighty-eight 37/100).

Based on the aforementioned, the balance sheet profit of the Bank amounts to €5,216,395.80 (euro five-million-two-hundred-and-sixteen-thousand-three-hundred-and-ninety-five 80/100):

	v EUR
<b>Net profit for the financial year 2008</b>	<b>16.251.754,17</b>
establishing of regulatory reserves in accordance with the first paragraph of Article 230 of the Companies Act (ZGD-1) and Article 43 of the Bank's Articles of Association	(812.587,00)
establishing of statutory reserves in accordance with the first paragraph of Article 230 of the Companies Act (ZGD-1) and Article 44 of the Bank's Articles of Association	(7.719.583,00)
establishing of other reserves from profit in accordance with the third paragraph of Article 230 of the Companies Act (ZGD-1)	(2.503.188,37)
<b>Balance sheet profit</b>	<b>5.216.395,80</b>

The Management and the Supervisory Board propose that the entire balance sheet profit of €5,216,395.80 (euro five-million-two-hundred-and-sixteen-thousand-three-hundred-and-ninety-five 80/100), remaining after establishing regulatory, statutory and other reserves from profit out of the 2008 net profit, be used for the payment of dividends to shareholders. The proposed amount of dividends represents 32 per cent of the 2008 net profit.

	v EUR
<b>The balance sheet profit of</b>	<b>5.216.395,80</b>
<b>is, in accordance with the resolution of the Shareholders' Meeting, used for:</b>	
• the payment of dividends to shareholders, which amounts to €0.20 gross per one no-par value share.	5.216.395,80

In accordance with Article 30 of the Bank's Articles of Association and Article 230 of the Companies Act (ZGD-1), the Management and the Supervisory Board propose to the Shareholders' Meeting, to adopt the following

**RESOLUTION:**

- 1. Based on the proposal of the Bank's Management Board and on the opinion of the Bank's Supervisory Board, the entire 2008 balance sheet profit of €5,216,395.80 shall be used for the payment of dividends to shareholders. Gross dividend per one no-par value share shall amount to €0.20.
- Shareholders entered into the share register on 10 July 2009 are entitled to receive dividends. The dividends will be paid not later than 90 days after the adoption of the resolution of the Shareholders' Meeting on the balance sheet profit allocation.
- 2. In accordance with the provision of Article 294 of the Companies Act (ZGD-1), the Shareholders' Meeting discharges the Management Board and the Supervisory Board for the 2008 financial year.

Maribor, 4 June 2009

Management Board  
of Nova KBM d.d.

Manja Skernišak,  
Member



Matjaž Kovačič,  
President



Supervisory Board of  
Nova KBM d.d.

mag. Franc Škufca,  
Chairman



## Point 4

Materials for the 18<sup>th</sup> SHAREHOLDERS' MEETING Point 4**PROPOSAL****for the appointment of a certified auditor for the audit of the 2009 financial statements of Nova KBM d.d. and the Nova KBM Group**

For the audit of operations of the Bank and the Group in 2009 the Bank received offers from the auditing firms PriceWaterhouseCoopers d.o.o., Deloitte revizija d.o.o. and Ernst & Young d.o.o.; the Bank did not send a request for submitting an offer to the current auditor KPMG Slovenija d.o.o.

Considering that pursuant to Article 281 of the Companies Act (ZGD-1) the Supervisory Board is obliged to present to the Shareholders' Meeting a proposal for the appointment of the auditor, which has to be based on the proposal of the Audit Committee, the Management Board of the Bank submitted a proposal on the selection of the 2009 auditor to the Audit Committee.

Based on the offers received from the auditing firms PriceWaterhouseCoopers d.o.o., Deloitte revizija d.o.o. and Ernst & Young d.o.o., and in accordance with Article 28 of the Bank's Articles of Association and provisions of the Charter, the Audit Committee proposed at its meeting held on 10 November 2008 to the Supervisory Board that the auditing firm Ernst & Young d.o.o., Ljubljana, be appointed as the auditor of the 2009 financial statements of Nova KBM d.d. and the Nova KBM Group.

At its 4th meeting held on 17 November 2008, the Supervisory Board gave its consent to the proposal of the Audit Committee in compliance with Article 281 of the Companies Act (ZGD-1), and decided to propose to the Shareholders' Meeting for the auditing firm Ernst & Young d.o.o., Ljubljana, to be appointed as the auditor of the 2009 financial statements of Nova KBM d.d. and the Nova KBM Group.

In accordance with Article 25 of the Bank's Articles of Association, the Supervisory Board proposes to the Shareholders' Meeting to adopt the following resolution on the basis of Article 30 of the Bank's Articles of Association:

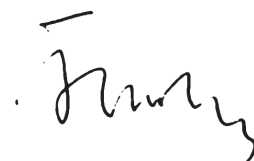
**RESOLUTION:**

The auditing firm Ernst & Young d.o.o., Ljubljana, shall be appointed for the audit of the 2009 financial statements of Nova KBM d.d. and the Nova KBM Group.

Maribor, 4 June 2009

Supervisory Board of  
Nova KBM d.d.

mag. Franc Škufca,  
Chairman



**PROPOSAL****for the authorisation to the Bank's Management Board for acquiring Bank's own shares**

Own shares and the acquisition of a company's own shares are governed by Article 247 of the Companies Act. Considering that a public limited company is not allowed to acquire its own shares, this Article, in order to protect the share capital, stipulates in detail the restrictions and the possibilities of acquiring a company's own shares.

One of the possibilities provided by the Companies Act (ZGD-1) is the acquisition of a company's own shares based on the resolution of the shareholders' meeting. Essential to the stated method of acquiring own shares is that it does not determine the legal purpose of acquisition; this is left to the discretion of a company, primarily with a view to maximise the shareholders' value.

Article 247 of the Companies Act (ZGD-1) stipulates that a company which acquires own shares on the basis of a resolution of the shareholders' meeting shall give consideration to certain limitations, namely: the authorisation shall be valid for a maximum of 36 months from the adoption of the resolution; the total (nominal) value of all company's own shares (the stake) shall not exceed 10 per cent of the share capital of the company; for the acquisition of the company's own shares a proper source must be established (reserves for own shares); the authorisation shall stipulate the minimum and the maximum acquisition price. However, a company is not allowed to acquire its own shares solely for the purpose of trading.

Based on the above stated ascertainties and the possibilities provided by law, the Management Board of Nova KBM d.d. decided to acquire the Bank's own shares on the regulated market, in particular for the reason of preserving the shareholders' value. In the proposal to the Shareholders' Meeting, the Bank's Management Board limited the portion of the Bank's own shares to below 10 per cent of the share capital (the Companies Act stipulates that the portion of the company's own shares shall not exceed 10 per cent of the share capital), mainly because a 10 per cent stake in the Bank's share capital represents a qualified stake for which a permit of the Bank of Slovenia is required. The Banking Act (ZBan-1) does not provide for any exception with regard to the acquisition of the bank's own shares. Therefore, in order to avoid any problems, the Management Board proposed that the portion of the Bank's own shares shall remain below 10 per cent of the Bank's share capital at all times.

The Management Board also defined the minimum and the maximum purchase price of the Bank's own shares: the purchase price per share shall amount to no less than €1.00, and shall not exceed the book value of the share disclosed in the latest published financial report of Nova KBM d.d. The authorisation for the acquisition of the Bank's own shares issued to the Management Board shall be valid for a maximum of 36 months from the adoption of the decision of the Shareholders' Meeting.

In accordance with the third paragraph of Article 298 of the Companies Act (ZGD-1), the Supervisory Board gave on 24 April 2009 its consent to the proposal for authorisation of the Management Board for acquisition of the Bank's own shares, on the basis of the eighth indent of Article 247 of the Companies Act (ZGD-1).

Based on the aforementioned, and in accordance with the eighth indent of Article 247 of the Companies Act (ZGD-1) and Article 30 of the Bank's Article of Association, the Management and the Supervisory Board of Nova KBM d.d. propose to the Shareholders' Meeting to adopt the following

### RESOLUTION:

With the purpose of preserving shareholders' value, the Shareholders' Meeting authorises the Management Board of Nova KBM d.d. to acquire the Bank's own shares on the regulated market under the following conditions:

- the portion of the Bank's own shares shall stay below 10 per cent of the share capital,
- the purchase price per share shall amount to no less than €1.00, and shall not exceed the book value of the share disclosed in the latest published financial report of Nova KBM d.d.

The authorisation for the acquisition of the Bank's own shares issued to the Management Board shall be valid for a maximum of 36 months from the adoption of the decision of the Shareholders' Meeting.

Maribor, 4 June 2009

Management Board  
of Nova KBM d.d.

Manja Skernišak,  
Member

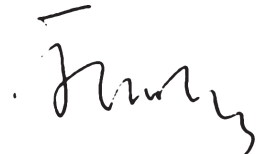


Matjaž Kovačič,  
President



Supervisory Board of  
Nova KBM d.d.

mag. Franc Škufca,  
Chairman



**PROPOSAL**  
**for the amendments to the Bank's Articles of Association****I. Explanation of the amendments to the Articles of Association**

The consolidated text of the Articles of Association currently in force was adopted on 20 October 2008 on the basis of the resolution of the Supervisory Board. After the increase of capital, the Supervisory Board adjusted the text of the Articles of Association, in particular the provision with regard to the amount of share capital and the number of no-par value shares.

The reason for the amendments to the Articles of Association currently in force is the authorisation issued to the Bank's Management Board (in addition to the authorisation issued to the Bank's Management Board along with the amendment to the Articles of Association adopted at the Shareholder's Meeting dated 8 July 2008) for the increase of share capital on the basis of authorised capital adjusted to the new amount of share capital after the capital increase (Article 11 of the Articles of Association). With the authorised capital, a possibility for an increase in share capital is provided, particularly with the purpose of ensuring an appropriate legal framework under which the government can, on the basis of the Public Finance Act, pay up the Bank's shares for consideration having as its subject a claim of the government under a loan granted to the Bank or under the liquidation of guarantees for limiting the effects of the financial crisis.

In accordance with the Decision of the Republic of Slovenia on its Position with Regard to the Payment of Attendance Fees and Awards in Connection with Limiting the Effects of the Financial Crisis (Government decision dated 22 January 2009), certain provisions of the Articles of Association that enabled the payment of awards to the Supervisory Board members from the (balance sheet) profit (Articles 27, 48 and 52 of the Articles of Association) are deleted. The deletion of the said provisions of the Articles of Association is also in compliance with the recommendations of the Corporate Governance Code for Public Limited Companies.

All other amendments to the Articles of Association relate only to the harmonization of the text of certain provisions of the Articles of Association with the provisions of the amended legislation (the amended Banking Act – ZBan-1C), or are only editing corrections which do not materially alter the content of individual provisions.

In accordance with Article 289 of the Companies Act (ZGD-1), the Supervisory Board shall give its proposal (consent) to each point of the Agenda of the Shareholders' Meeting. In accordance with the stated provision, the Supervisory Board gave its consent to the amendments to the Articles of Association on 24 April 2009.



## II. Amendments to the Articles of Association by individual articles

### 1. In the third paragraph of Article 3 in the item b the text of the sub-item 15 is amended so as to read:

Investment services and transactions as well as ancillary investment services from the first paragraph of Article 10 of the Financial Instruments Market Act (ZTFI).

#### Justification:

The activity of the Bank is described in the first paragraph of Article 3 of the Articles of Association and is taken from the Banking Act (ZBan-1). In the amended Banking Act (ZBan-1C), the description of mutually recognised financial services relating to «investment services and transactions» is harmonised with the description of stated services in the Financial Instruments Market Act (ZTFI). Based on this, the description of the activity in the Articles of Association is adjusted accordingly.

### 2. After the first paragraph of Article 11, a new second paragraph is added that reads:

» The Management Board is – in addition to the already issued authorisation for the increase of share capital from the first paragraph of this Article – authorised, within five years from entering in the register of companies the amendments to these Articles of Association adopted at the Bank's Shareholders' Meeting dated 23 June 2009, to increase the share capital of the Bank for not more than €10,500,109.03 by issuing new shares for cash or for non-cash consideration. For non-cash consideration, the new shares can only be issued on the basis of the Act Amending and Supplementing the Public Finance Act (ZJF-D). The auditor is not required to review the issue of shares for non-cash consideration. If the new shares are issued for non-cash consideration, the pre-emptive right to acquire new shares is excluded. If the new shares are issued for cash, the Management Board is authorised to reach a decision on the exclusion of the pre-emptive right to the new shares.«

#### Justification:

By amending the provision of Article 11, the Management Board has a new authorisation for the increase of share capital on the basis of authorised capital according to the procedure and in the manner as laid down in the Companies Act (ZGD-1). The authorisation issued to the Management Board is adjusted to the amount of share capital after the capital increase of the Bank in the year 2008, and is intended for the increase of share capital with the purpose of ensuring appropriate legal framework under which the government may, on the basis of the Public Finance Act, pay up the Bank's shares for consideration having as its subject a claim of the government under a loan granted to the Bank or under the liquidation of guarantees for limiting the effects of the financial crisis. The Management Board can also decide to use the authorised capital for other purposes, and for the capital to be paid up for cash. Furthermore, the Management Board may also exclude pre-emptive rights of incumbent shareholders to acquire new shares, in accordance with Article 354 of the Companies Act (ZGD-1).

- 3. In Article 25, in the text of the twelfth indent of the first paragraph, a comma shall be placed and the following text added: »and each subsequent 5 per cent of its capital«**

**Justification:**

The provision of the Articles of Association is harmonized with the amended Article 167 of the Banking Act (ZBan-1) adopted in March 2009 (amended Banking Act – ZBan-1C). Due to reduced credit and other risks, the amended Banking Act (ZBan-1C) broadens the competencies of supervisory boards with regard to giving consents for the conclusion of legal transactions that result in the exposure of the Bank to a customer, which means that supervisory boards now also give consent to exposures that exceed 20 per cent of the bank's capital.

- 4. The second paragraph of Article 27 is deleted.**

- 5. In Article 40, in the text of the third indent of the third paragraph, the text »required internal capital« shall be replaced by the text »adequate internal capital«**

**Justification:**

The said amendment is needed for the consistency of terminology between the provisions of the Banking Act (ZBan-1) and the Act amending the Banking Act (ZBan-1C).

- 6. In the second paragraph of Article 48 the text »members of the Supervisory Board« shall be deleted**

- 7. In the text of Article 52 the words »Supervisory Board« shall be deleted**

**Justification of amendments to Articles 27, 48 and 52 of the Articles of Association:**

In accordance with the Decision of the Republic of Slovenia on its Position with Regard to the Payment of Attendance Fees and Awards in Connection with Limiting the Effects of the Financial Crisis (Government decision dated 22 January 2009), the deletion of the provisions of the second paragraph of Articles 27, and the amendments to Articles 48 and 52 of the Articles of Association that provide for paying awards to the Supervisory Board members from a (balance sheet) profit is proposed. The deletion of the said provisions of the Articles of Association is also in compliance with the recommendations of the Corporate Governance Code for Public Limited Companies.

- 8. The text of Article 56 is amended so as to read:**

»As of the date of entering the consolidated text of these Articles of Association in the register of companies, the Bank's Articles of Association dated 20 October 2008 cease to be effective.«

**9. The text of Article 58 is amended so as to read:**

»The consolidated text of these Articles of Association shall become effective on the date of its entry in the register of companies.«

The Management and the Supervisory Board propose to the Shareholders' Meeting to adopt the following resolution on the basis of Article 30 of the Bank's Articles of Association.

**RESOLUTION:****I. The Shareholders' Meeting of Nova KBM d.d. adopts the amendments to the Articles of Association as follows:****1. In the third paragraph of Article 3, in the item b, the text of the sub-item 15 is amended so as to read:**

»15. Investment services and transactions as well as ancillary investment services from the first paragraph of Article 10 of the Financial Instruments Market Act (ZTFI).«

**2. After the first paragraph of Article 11, a new second paragraph is added that reads:**

»The Management Board is – in addition to the already issued authorisation for the increase of share capital from the first paragraph of this Article – authorised, within five years from entering in the register of companies the amendments to these Articles of Association adopted at the Bank's Shareholders' Meeting dated 8 July 2009, to increase the share capital of the Bank for not more than €10,500,109.03 by issuing new shares for cash or for non-cash consideration. For non-cash consideration, the new shares can only be issued on the basis of the Act Amending and Supplementing the Public Finance Act (ZJF-D). The auditor is not required to review the issue of shares for non-cash consideration. If the new shares are issued for non-cash consideration, the pre-emptive right to acquire the new shares is excluded. If the new shares are issued for cash, the Management Board is authorised to reach a decision on the exclusion of the pre-emptive right to the new shares.«

**3. In Article 25, in the text of the twelfth indent of the first paragraph, a comma shall be placed and the following text added:**

»and each subsequent 5 per cent of its capital«

**4. The second paragraph of Article 27 shall be deleted.****5. In Article 40, in the text of the third indent of the third paragraph, the text**

»required internal capital« shall be replaced by the text »adequate internal capital«.

**6. In the second paragraph of Article 48, item 3, the text**

»members of the Supervisory Board« shall be deleted.

**7. In the text of Article 52 the words**

»Supervisory Board« shall be deleted.

**8. The text of Article 56 shall be amended so as to read:**

»As of the date of entering the consolidated text of these Articles

of Association in the register of companies, the Bank's Articles of Association dated 20 October 2008 cease to be effective.«

**9. The text of Article 58 shall be amended so as to read:**

»The consolidated text of these Articles of Association shall become effective on the date of its entry in the register of companies.«

**II. Based on the adopted amendments, the consolidated text of the Nova KBM d.d. Articles of Association should be drawn up.**

Maribor, 4 June 2009

Management Board  
of Nova KBM d.d.

Manja Skernišak,  
Member

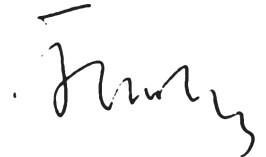


Matjaž Kovačič,  
President



Supervisory Board of  
Nova KBM d.d.

mag. Franc Škufca,  
Chairman



**PROPOSAL****for determining the attendance fees, other benefits and reimbursement of costs to members of the Supervisory Board and Supervisory Board Committees**

At its regular 109<sup>th</sup> meeting held on 15 February 2007, the Government of the Republic of Slovenia adopted the Decision on its Position Regarding the Remuneration of Members of Supervisory Boards and Boards of Directors of Public and Other Companies Owned by the Republic of Slovenia, and on the Incompatibility of Performing Public Function of Officials with the Supervising Function in Supervisory Boards and Boards of Directors of Companies (hereinafter also referred to as the "Government decision dated 15 February 2007").

In compliance with the above stated Decision, the Shareholders' Meeting of the Bank adopted on 27 June 2007 the Resolution on Harmonising Attendance Fees and Other Benefits of Members of Supervisory Board and Supervisory Board Committees with the Government decision dated 15 February 2007. At the same time, the Shareholders' Meeting decided that, with respect to correspondent meetings, Supervisory Board members are entitled to an attendance fee amounting to 50 per cent of the fee for regular meetings, and members of Supervisory Board Committees are entitled to an attendance fee amounting to 90 per cent of the Chairman or a member of the Supervisory Board determined by the Government decision dated 15 February 2007. In addition, the Shareholders' Meeting adopted a resolution that members of the Supervisory Board and Supervisory Board Committees are entitled to reimbursement of costs relating to their work on the Supervisory Board and Committees in compliance with the stated resolution.

On 22 January 2009, the Government of the Republic of Slovenia adopted a Decision on its Position with Regard to the Payment of Attendance Fees and Awards in Connection with Limiting the Effects of the Financial Crisis (hereinafter also referred to as the "Government decision dated 22 January 2009"), setting the new amount of attendance fees to paid to members of supervisory boards, depending on the classification of companies as provided by the Companies Act (ZGD-1), and in accordance with the criteria stipulated in the Government decision dated 15 February 2007. Based on the Government decision dated 22 January 2009, the members of the Bank's Supervisory Board are entitled to receive a gross fee of €412.50, while the Chairman shall receive a gross fee of €536.25 per meeting.

Considering that the determination of attendance fees of Supervisory Board members is at the sole discretion of the Shareholders Meeting, and that in accordance with point V. of the Government decision dated 22 January 2009 the provisions relating to the reduction of attendance fees shall become effective at the first Shareholders' Meeting following the enactment of the government decision, the Supervisory Board gave on 24 April 2009 its consent, and proposed to the Shareholders' Meeting for the attendance fees and other benefits of the Bank's Supervisory Board

members to be adjusted with the Decision of the Republic of Slovenia on its Position with Regard to the Payment of Attendance Fees and Awards in Connection with Limiting the Effects of the Financial Crisis adopted on 22 January 2009.

On the basis of the adjustment, the Supervisory Board proposed to the Shareholders' Meeting to determine the gross attendance fees to which the Supervisory Board members are entitled as follows:

- Chairman: €536.25,
- Member: €412.50.

In terms of correspondent meeting, the Supervisory Board proposed to the Shareholders' meeting to adopt a resolution under which members of the Supervisory Board shall be entitled to receive 50 per cent of the attendance fee that applies to regular meetings, which is €268.10 gross for the Chairman, and €206.25 gross for members of the Supervisory Board.

With regard to the payment of attendance fees to members of Supervisory Board Committees, the Supervisory Board proposed to the Shareholders' Meeting to adopt a resolution under which the attendance fee for the President of a Supervisory Board Committee shall amount to 90 per cent of the attendance fee of the Chairman of the Supervisory Board, i.e. €482.62 gross, and the attendance fee for members of a Supervisory Board Committee shall amount to 90 per cent of the attendance fee of a Supervisory Board member, i.e. €371.25 gross.

Considering that the Government decision dated 22 January 2009 is without prejudice to the provisions on the reimbursement of costs laid down in the Government decision dated 15 February 2007, the Supervisory Board agreed that members of the Supervisory Board and Supervisory Board Committees are entitled to the reimbursement of costs relating to their work on the Supervisory Board and Committees, in accordance with the Decision of the Government of the Republic of Slovenia dated 15 February 2007 on its Position Regarding the Remuneration of Members of Supervisory Boards and Boards of Directors of Public and Other Companies Owned by the Republic of Slovenia, and on the Incompatibility of Performing Public Function of Officials with the Supervising Function in Supervisory Boards and Boards of Directors of Companies.

Furthermore, the Supervisory Board proposed to the Shareholders' Meeting that from the date of adopting new resolutions on attendance fees and reimbursement of costs to members of the Supervisory Board and Supervisory Board Committees, the Resolution on Attendance Fees and other Benefits of Members of the Supervisory Board and Supervisory Board Committees adopted at the 15th Shareholders' Meeting dated 27 June 2007 shall cease to be valid.

Based on the aforementioned, the Supervisory Board of Nova KBM d.d. proposes to the Shareholders' Meeting to adopt the following resolution on the basis of Article 30 of the Bank's Articles of Association:

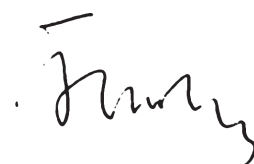
**RESOLUTION:**

1. Members of the Supervisory Board are entitled to the following gross attendance fee per meeting:
  - Chairman: €536.25,
  - Member: €412.50.
2. For attending a correspondent meeting, the Shareholders' Meeting establishes that members of the Supervisory Board are entitled to receive 50 per cent of the attendance fee that applies to regular meetings, which is €268.10 gross for the Chairman and €206.25 gross for members of the Supervisory Board.
3. Based on the proposal of the Supervisory Board, the Shareholders' Meeting establishes that the attendance fee for the President of a Supervisory Board Committee amounts to 90 per cent of the attendance fee of the Chairman of the Supervisory Board, i.e. €482.62 gross, and the attendance fee for members of a Supervisory Board Committee amounts to 90 per cent of the attendance fee of a Supervisory Board member, i.e. €371.25 gross.
4. Members of the Supervisory Board and Supervisory Board Committees are entitled to reimbursement of costs relating to their work on the Supervisory Board and Committees, in accordance with the Decision of the Government of the Republic of Slovenia dated 15 February 2007 on its Position Regarding the Remuneration of Members of Supervisory Boards and Boards of Directors of Public and Other Companies Owned by the Republic of Slovenia, and on the Incompatibility of Performing Public Function of Officials with the Supervising Function in Supervisory Boards and Boards of Directors of Companies.
5. From the date of adoption of this resolution, the Resolution on Attendance Fees and other Benefits of Members of the Supervisory Board and Supervisory Board Committees adopted at the 15th Shareholders' Meeting dated 27 June 2007 shall cease to be valid.

Maribor, 4 June 2009

Supervisory Board of  
Nova KBM d.d.

mag. Franc Škufca,  
Chairman



## Appointment of Supervisory Board members

### Point 8

Aljoša Valentinčič, a member of the Supervisory Board, gave on 7 April 2009 his notice of resignation from the membership in the Supervisory Board of Nova KBM d.d.. The Supervisory Board was informed of his notice of resignation at its 8th meeting dated 7 April 2009.

Based on the Supervisory Board members selection procedure carried out by the Nomination Committee, the Supervisory Board proposes to the Shareholders' Meeting to appoint Alenka Bratušek, M.Sc., holding a university diploma in textile engineering, employed at the Ministry of Finance as the Director of the Budget Directorate, as the substitutive Supervisory Board member. Ms. Bratušek was employed at the Ministry of the Economy as an adviser (between 1995 and 1999), and continued her career at the Ministry of Finance, first as head of section (for finance, agriculture and government services), later as head of department for budget, and lately as general director of the Budget Directorate (since 2006). She holds a Master's degree from the Faculty of Social Sciences of Ljubljana, course of study management of non-profit organisations. She has a certificate of qualification as a member of a supervisory board or board of directors, and gave her consent to the nomination. The CV of the candidate and her consent to the appointment are attached to this proposal.

The Supervisory Board of Nova KBM d.d. proposes to the Shareholders' Meeting to reach the following resolution on the basis of the first paragraph of Article 293 of the Companies Act (ZGD-1) and Article 30 of the Bank's Articles of Association.

### RESOLUTION:

- Based on the notice of resignation dated 7 April 2009, Aljoša Valentinčič, the existing member of the Nova KBM d.d. Supervisory Board, shall be discharged from his membership in the Supervisory Board as of 8 July 2009.
- Instead of Aljoša Valentinčič, Alenka Bratušek is appointed as a new member of the Supervisory Board. Her term of office begins on the date of appointment by the Shareholders' Meeting and lasts until the end of the residual term of office of the discharged member of the Supervisory Board, i.e. until 14 July 2012.

Maribor, 4 June 2009

Supervisory Board of  
Nova KBM d.d.

mag. Franc Škufca,  
Chairman





## Point 9

Materials for the 18<sup>th</sup> SHAREHOLDERS' MEETING Point 9**Information on results of procedures carried out with regard to the financing of management buyouts**

Based on the resolution of the Supervisory Board of Nova KBM d.d. reached at its 6<sup>th</sup> regular meeting dated 9 February 2009, and the agreement on procedures to be carried out with regard to the financing of management buyouts, the auditor KPMG Slovenija d.o.o. carried out the agreed upon procedures with regard to the financing of management buyouts in companies Istrabenz d.d., Pivovarna Laško d.d. and Merkur d.d., and the companies related to these companies in the period from 2006 to 2008, as well as the appropriateness of the variable part of remuneration of the Management Board members in the period from 2006 to 2008.

In connection with the procedures carried out, the auditor established that all the loans were approved duly and in accordance with internal rules and authorizations of the relevant body of the Bank. The remuneration of the Management Board members in the period from 2006 to 2008 was paid in an amount and on the basis of criteria as approved by the Bank's Supervisory Board.

The Management and the Supervisory Board propose to the Shareholders' Meeting to adopt the following

**RESOLUTION:**

The Shareholders' Meeting takes notice of the information on the agreed upon procedures carried out by the auditor KPMG Slovenija d.o.o. with regard to the financing of management buyouts.

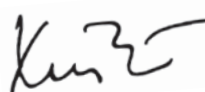
Maribor, 4 June 2009

Management Board  
of Nova KBM d.d.

Manja Skernišak,  
Member



Matjaž Kovačič,  
President



Supervisory Board of  
Nova KBM d.d.

mag. Franc Škufca,  
Chairman

