

**NADA KUMAR NOTARY PUBLIC**

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**Ref. No.: SV-1129/2014**

**NOTARIAL CERTIFICATE**

I, the undersigned Nada Kumar, Notary Public, hereby certify that the amended provisions of the consolidated text of the Articles of Association of **NOVA KREDITNA BANKA MARIBOR d.d., Ulica Vita Kraigherja 4 (four), 2000 (two thousand) Maribor** of 27 June 2014 (twenty seventh June two thousand and fourteen) in Article 21 (twenty-one), that is in provisions on relations with the members of the Management Board, Article 22 (twenty-two), that is in provisions on composition of the Supervisory Board of the Bank and Article 58 (fifty-eight), that it in provisions on expiry of the previous Articles of Association, comply with the decisions of the General Meeting of Shareholders on amendments to the Articles of Association adopted at the General Meeting of Shareholders of the public limited company on 27 June 2014 (twenty-seventh June two thousand and fourteen) in the notary's protocol under the Ref. No. SV-1128/2014 of Nada Kumar, Notary Public-----

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The original of this document is stored by the Notary Public.-----  
The clean copy of the Articles of Association is attached to this Notarial Certificate in the prescribed manner.-----

The Company shall be issued the copy of the Notarial Certificate in one copy whereas one copy in a non-materialised form is to be issued for the needs of the entry in the court/business register.-----

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Ljubljana, on 27 June 2014 (twenty-seventh June two thousand and fourteen).-----

Original signature and stamp of the Notary Public:

Stamp:

NADA KUMAR

NOTARY PUBLIC LJUBLJANA

The General Meeting of Shareholders of Nova KBM d.d. adopted at its session held on 27 June 2014 (twenty-seventh June two thousand and fourteen) the amendments to the Articles of Association so that the Articles of Association in a consolidated version now read as follows:-----

## **ARTICLES OF ASSOCIATION**

of

### **NOVA KREDITNA BANKA MARIBOR d.d.**

#### **1 (one) GENERAL PROVISIONS**

##### **Corporate governance guidelines by taking into consideration the set objectives**

###### Article 1(one)

Nova KBM d.d. as a public limited company observes the principles of good and responsible corporate governance in compliance with the Corporate Governance Code for Public Limited Companies.

The long-term objective of Nova KBM d.d. is to perform gainful activity and to endeavour to maximise the value of the Bank as well as to take into consideration social and environmental aspects of the business in order to ensure the Bank's sustainable development. The Bank also takes into consideration the satisfaction of the interests of its employees, customers, creditors and other stakeholders and the Bank as a whole to ensure, in line with internal and external global orientations, long-term successful growth of the Bank's assets.

##### **Name**

###### Article 2 (two)

(1) (one) The name of the Bank is Nova Kreditna banka Maribor d.d.

(2) (two) The abbreviated name of the Bank is Nova KBM d.d.

(3) (three) Organisational parts of the Bank that are entered in the register of companies use their own name in addition to the name of the Bank.

(4) (four) For its business operations, the Bank uses a logo, consisting of stylized small printed letters, and the name which is protected as a trademark in accordance with industrial property regulations.

##### **Registered office**

###### Article 3 (three)

The registered office of the Bank is in Maribor.

##### **Activities of the Bank**

###### Article 4 (four)

(1) (one) The Bank carries out the following types of financial services:

a) Banking services such as acceptance of deposits from the public and granting of loans for its own account,

b) Mutually recognised financial services such as:

1. acceptance of deposits,
2. granting of loans, including:
  - consumer loans,
  - mortgage loans,
  - factoring with or without recourse,
  - financing of commercial transactions, including forfeiting,
3. financial leasing: financial leasing of assets of which the duration approximately equals the expected useful life of the asset which is the subject of the lease and for which the lessee acquires most of the benefit from the use of the asset and accepts the full risk of the transaction,
4. payment transaction services and issuance of electronic money,
5. issuing and managing of other payment instruments (such as travellers cheques and bank bills), not included in subpoint 4 (four) of this paragraph,
6. issuance of guarantees and other commitments,
7. trading for own account and for account of customers in:
  - money market instruments,
  - foreign exchange, including currency exchange transactions,
  - financial futures and options,
  - exchange and interest rate instruments,
  - transferable securities,
8. participation in the issuance of securities and services related to such issues,
9. advising companies about capital structure, business strategy and similar matters, and advisory services related to mergers and acquisitions of undertakings,
10. brokerage in interbank markets,
11. portfolio management and advice,
12. safekeeping of securities and other services related to safekeeping of securities,
13. credit reference services: collection, analysis and provision of information on creditworthiness of legal entities,
14. renting of safe deposit boxes, and
15. investment services and transactions as well as ancillary investment services from the first paragraph of Article 10 (ten) of the Financial Instruments Market Act (ZTFI).

c) Additional financial services:

1. insurance brokerage in accordance with the law governing the insurance business,
2. payment systems management in accordance with the Payment Transactions Act,
3. pension fund management in accordance with the law governing pension and disability insurance,
4. custodian services for which another act determines that such services shall be carried out by a bank, and services related to these custodian services,
5. credit brokerage in consumer and other credits, and
6. other services or transactions which - in terms of the Bank's exposure to risk and the manner of conducting operations - have similar characteristics as mutually recognised financial services and auxiliary financial services.

(2) (two) The Bank also carries out auxiliary banking services: real estate management, management of data processing systems and other services for the support of services carried out by one or more credit institutions.

(3) (three) In compliance with the standard classification of activities, the activities referred to in the first paragraph of this Article are classified into the following classes and subclasses:

K/64.190 – Other monetary intermediation  
K/64.200 – Activities of holdings  
K/64.300 – Activities of trust and other funds and similar financial entities  
K/64.910 – Financial leasing activities  
K/64.920 – Other credit granting  
K/64.990 – Other financial service activities not elsewhere classified, except insurance and pension fund activities  
K/65.200 – Re-insurance activities  
K/65.300 – Pension fund activities  
K/66.120 – Brokerage in securities and stock exchange commodities trading  
K/66.190 – Other auxiliary activities for financial services, except for insurance and pension funds  
K/66.290 – Other auxiliary activities for insurance and pension funds  
K/66.300 – Financial funds management  
M/69.200 – Accounting, bookkeeping and auditing activities; tax advisory – except auditing activities  
M/70.220 – Other corporate and business advisory services  
N/82.910 – Collection of claims and assessment of credit capability

(4) (four) In case of any changes to the standard classification of activities, the Supervisory Board of the Bank is authorised to classify the activities of the Bank referred to in the first paragraph of this Article into appropriate classes and subclasses of the standard classification of activities.

### **The meaning of terms and abbreviations used**

#### Article 5 (five)

Individual terms and abbreviations used in the present Articles of Association have the following meaning:

1 (one) The Bank is Nova Kreditna banka Maribor d.d.;

2 (two) ZBan-1 (ZBan - one) is the Banking Act (Official Gazette of the RS, No. 131/06 (one hundred and thirty one / nought six), 1/08 (one/ nought eight), 109/08 (one hundred and nine / nought eight), 19/09 (nineteen / nought nine), 98/2009 (ninety eight / two thousand and nine), 79/2010 (seventy nine / two thousand and ten), 99/2010 (ninety nine / two thousand and ten), 35/2011 (thirty five / two thousand and eleven), 59/11(fifty nine / eleven), 85/11 (eighty five / eleven), 48/12 (forty eight / twelve), 105/12 (one hundred and five / twelve)), 56/13 (fifty six / thirteen) and 96 /13 (nine six / thirteen),

3 (three) ZGD-1 (ZGD – one) is the Companies Act (Official Gazette of the RS, No. 42/06 (forty two/ nought six), 10/08 (ten / nought eight), 68/08 (sixty eight/ nought eight), 42/09 (forty two / nought nine), 65/09 (sixty five / nought nine), 33/11 (thirty three / eleven), 91/11 (ninety one / eleven), 32/12 (thirty two / twelve), 57/12 (fifty seven / twelve)), 44 / 13 (forty four / thirteen) and 82 / 13 (eighty two / thirteen),

4 (four) ZNVP is the Book Entry Securities Act (Official Gazette of the RS, No. 23/99 (twenty three / ninety nine, 75/02 (seventy five / nought two), 114/06 (one hundred and fourteen / nought six), 67/07 (sixty seven / nought seven), 58/09 (fifty eight / nought nine), 78/11 (seventy eight / eleven)).

### **Duration of the Bank**

#### Article 6 (six)

The Bank is established for an indefinite period of time.

### **Publication of information by the Bank**

#### Article 7 (seven)

The information or notices of the Bank to be published under the law, and information and notices for which the Management Board believes to be of significant importance to the shareholders are published on the AJPES's (Agency of the Republic of Slovenia for Public Legal Records and Related Services) website or in a daily newspaper issued in the entire territory of the Republic of Slovenia, as well as on the Bank's website ([www.nkbm.si](http://www.nkbm.si)).

## **2 (two) SHARE CAPITAL AND SHARES**

### **Share capital amount**

#### Article 8 (eight)

The Bank's share capital amounts to EUR 150,000,000.00 (one hundred and fifty million euros 00/100).

### **Shares**

#### Article 9 (nine)

- (1) The share capital of the Bank is split into 10,000,000 (ten million) ordinary no-par value shares.
- (2) All shares are registered shares.
- (3) Ordinary shares entitle their owners to:
  - participate in managing the Bank,
  - participate in the profit (dividend), and
  - participate in the residual estate after liquidation or bankruptcy of the Bank.
- (4) The non-cash contributions represent:
  - 170,965 (one hundred and seventy thousand nine hundred and sixty five) book-entry ordinary registered shares of Poštna banka Slovenije d.d. (Postal Bank of Slovenia), whose estimated value amounts to EUR 7,538,419.30 (seven million five hundred and thirty eight thousand four hundred and nineteen euros 30/100), for which the investor, the Republic of Slovenia, acquired on 11 October 2004 (eleventh October two thousand and four) 119,748 (one hundred and nineteen thousand seven hundred and forty eight) new book-entry ordinary registered shares of Nova Kreditna banka Maribor d.d., which, following the split of each no-par value share into 8 (eight) no-par value shares, decided by the Shareholders' Meeting on 20 August 2007 (twentieth August two thousand and seven), amounts to 957,984 (nine hundred and fifty seven thousand nine hundred and eighty four) ordinary no-par value shares,
  - claim deriving from principal in the amount of 100 (one hundred) million euros under the Hybrid Loan Agreement in the amount of 100 (one hundred) million euros dated 31

December 2012 (thirty first December two thousand and twelve) between the Republic of Slovenia as the Lender and Nova KBM d.d. as the Borrower, for which the Republic of Slovenia, on the basis of the resolution of the Shareholders' Meeting on authorised capital dated 11 December 2012 (eleventh December two thousand and twelve), the resolutions of the Management Board dated 18 March 2013 (eighteenth March two thousand and thirteen) and 2 April 2013 (second April two thousand and thirteen), and the resolution of the Supervisory Board dated 2 April 2013 (second April two thousand and thirteen), acquired 98,522,167 (ninety eight million five hundred and twenty two thousand one hundred and sixty seven) new no-par value shares for estimated value of EUR 100,000,000.00 (one hundred million euros 00/100).

A list of contributions in kind is attached to the Articles of Association and represents its integral part.

- Interest receivable on principal of the loan in the amount of EUR 2,410,959.00 (two million four hundred and ten thousand nine hundred and fifty nine euros 00/100) under the Hybrid Loan Agreement of 31 December 2012 (thirty first December two thousand and twelve) in the amount of 100 (one hundred) million euros, concluded between the Republic of Slovenia as the Lender, and Nova KBM d.d. as the Borrower, for which the Republic of Slovenia, on the basis of the resolution on share capital increase through an in-kind contribution, adopted at the Shareholder's Meeting of the Bank on 10 June 2013 (tenth June two thousand and thirteen), received 185,458,385 (one hundred and eighty five million four hundred and fifty eight thousand three hundred and eighty five) new no-par value shares for estimated value of EUR 2,410,959.00 (two million four hundred and ten thousand nine hundred and fifty nine euros 00/100).
- 2,873,556 (two million eight hundred and seventy three thousand five hundred and fifty six) shares paid in by the Republic of Slovenia through the in-kind contributions whose total value amounts to EUR 249,999,403.96 (two hundred and forty nine million nine hundred and ninety nine thousand four hundred and three euros 96/100), obtained by the Bank from the Republic of Slovenia comprising:
  - a) 3,000,881 (three million eight hundred and eighty-one) lots of RS62 (six-two) bonds of the Republic of Slovenia, recorded in the central register of book entry securities at the Central Securities Clearing Corporation ('KDD') under the designation SI0002102570 (zero zero zero two one zero two five seven zero), whose total market value as at 9 December 2013 (ninth December two thousand and thirteen) accounts for EUR 124,999,978.46 (one hundred and twenty-four million nine hundred and ninety-nine thousand nine hundred and seventy-eight 46/100),
  - b) 67,138 (sixty-seven thousand one hundred and thirty-eight) lots of RS67 bonds of the Republic of Slovenia, recorded in the central register of book entry securities at the Central Securities Clearing Corporation ('KDD') under the designation SI0002103057 (zero zero zero two one zero three zero five seven), whose total market value as at 9 December 2013 (ninth December two thousand and thirteen) accounts for EUR 63,999,701.33 (sixty-three million nine hundred and ninety-nine thousand seven hundred and one 33/100), and
  - c) 63,939 (sixty-three thousand nine hundred and thirty-nine) lots of RS69 (six-nine) bonds of the Republic of Slovenia, recorded in the central register of book entry securities at the Central Securities Clearing Corporation ('KDD') under the designation SI0002103149 (zero zero zero two one zero three one four nine), whose total market value as at 9 December 2013 (ninth December two thousand and thirteen) accounts for EUR 60,999,724.17 (sixty million nine hundred and ninety-nine thousand seven hundred and twenty-four 17/100).

## **Shares as securities**

Article 10 (ten)

- (1) (one) The shares are issued in book-entry form.

**Transfer of shares**

Article 11 (eleven)

- (1) (one) The shares are freely transferable.
- (2) (two) The shares are transferable by transfers between the owner accounts in the central register of book entry securities in compliance with the Book Entry Securities Act (ZNVF).

Article 12 (twelve)  
(The text was deleted)

**3 (three) MEASURES FOR THE INCREASE IN SHARE CAPITAL**

**Hybrid instruments**

Article 13 (thirteen)

- (1) (one) On the basis of a resolution adopted by the Shareholders' Meeting, the Bank may issue convertible bonds, share call options and dividend bonds - hybrid instruments.
- (2) (two) In order for the resolution to be valid, at least a three-quarters majority of the votes of the share capital represented is required.

**4 (four) MANAGEMENT SYSTEM**

Article 14 (fourteen)

The Bank has a two-tier management system with a Management Board and a Supervisory Board.

**5 (five) THE BODIES OF THE BANK**

**5.1 Management Board of the Bank**

**Composition of the Management Board**

Article 15 (fifteen)

- (1) (one) The Management Board has at least two members. One of the board members is appointed as president of the Management Board.
- (2) (two) The president of the Management Board shall appoint one of the members of the Management Board as his deputy.

(3) (three) The number of the members of the Management Board is determined by a resolution of the Supervisory Board.

(4) (four) The members of the Bank's Management Board must be full-time employees.

(5) (five) Only a person who meets the conditions for member of the management board pursuant to Article 63 (sixty three) of the Banking Act (ZBan-1 (one)), and who has acquired a licence from the Bank of Slovenia for performing the function of member of the management board pursuant to Article 65 (sixty five) of the Banking Act (ZBan-1 (one)) may be appointed as member of the Management Board.

### **Appointment and recall or dismissal of the members of the Management Board**

#### Article 16 (sixteen)

(1) (one) The President and other members of the Management Board are appointed and discharged by the Supervisory Board, whereby the President of the Management Board may propose to the Supervisory Board to appoint or discharge individual members or other members of the Management Board.

(2) (two) Management Board members are appointed for a five-year period and may be re-appointed, but no earlier than one year before the end of their term of office.

(3) The Supervisory Board may recall a member or the President of the Management Board, if a reason for the recall exists pursuant to the second paragraph of Article 268 (two hundred and sixty eight) of the Companies Act (ZGD-1 (one)) and in cases provided by the banking regulations.

(4) (four) The membership of the Management Board may also expire on request of the member himself/herself.

### **Duties of the members of the Management Board**

#### Article 17 (seventeen)

(1) (one) The Management Board must ensure that the Bank operates in compliance with the Banking Act (ZBan-1 (one)) and the regulations issued on its basis, in compliance with the laws governing the provision of financial services carried out by the Bank and the regulations issued on their basis, and in accordance with other regulations that apply to the financial and banking profession, and in accordance with the highest ethical standards of governance by taking into account the prevention of conflicts of interest. The Management Board of the Bank shall run the day-to-day business independently of any instructions of other stakeholders and solely for the benefit of the Bank.

(2) (two) The Management Board must ensure that the Bank operates in compliance with the risk management rules, and must in this regard:

1. (one) define exact internal relations with respect to responsibilities:

- providing exact division of competencies and assignments within the Bank, and
- preventing conflict of interest.

2. (two) approve and regularly check strategies and policies to establish, measure or assess, manage and monitor risks to which the Bank is or could be exposed, including risks arising from the macroeconomic environment in which the Bank operates, with regard to the position of the Bank within its business cycle.



(3) (three) In order to establish, measure or assess, manage and monitor risks in connection with the Bank's operations, the Management Board must determine measures for managing risks which have to include:

1. internal procedures for risk management,
2. risk management measures and internal procedures for carrying out these measures, and
3. internal procedures for monitoring risk management measures.

(4) (four) The Management Board must set up and implement adequate administrative and accounting procedures and a system of internal controls:

1. (one) to establish and monitor risks to which the Bank is or could be exposed and to calculate the fulfilment of capital requirements with respect to such risks, and
2. (two) to establish and monitor large exposures and changes to such large exposures, and their compliance with the Bank's policies regarding exposures.

(5) (five) The Bank's Management Board must organise the Bank's operations and keep its business and other records and other administrative documents up-to-date so that they can be checked anytime to establish whether the Bank operates in line with the risk management rules.

(6) (six) The Bank's Management Board must immediately inform the Supervisory Board in writing of the following events:

- if the liquidity or capital adequacy of the Bank is at risk,
- if conditions arise which would lead to termination or withdrawal of the licence for performing banking services, or to a prohibition to perform individual banking services or mutually recognised services and additional financial services or auxiliary services,
- if the financial position of the Bank changes to such an extent that it does not meet the minimum capital requirements set by the Banking Act (ZBan-1(one)),
- cases of each individual large exposure, and
- findings of the Bank of Slovenia, the tax inspection and other supervisory bodies during a supervision process in the Bank.

(7) (seven) A member of the Management Board must immediately inform the Bank's Supervisory Board in writing of the following events:

- his/her appointment and termination of his/her function on supervisory bodies of other legal entities, and
- legal transactions on the basis of which a member of the Management Board himself/herself or his/her near relative has directly or indirectly acquired equities or shares in a legal entity, as a result of which the member of the Management Board together with his/her near relatives have reached or exceeded a qualified stake in that legal entity, or their share has fallen below the level of a qualified stake.

(8) (eight) The Management Board of the Bank is required to submit the audited annual report or the audited consolidated annual report to the Supervisory Board together with the auditor's report in eight days after receipt of the auditor's report.

## **Decision-making by the Management Board**

### Article 18 (eighteen)

(1) (one) Decisions that fall within the competence of the Management Board are, as a rule, adopted unanimously by the president and the members of the Management Board, and in case of a disaccord, with a majority of votes cast by all the members of the Management Board. In

making the decisions or voting, the president and each member of the Management Board have one vote.

(2) (two) In case of an equal number of votes, the president of the Management Board has the casting vote.

(3) (three) The Management Board of the Bank may authorise each individual member of the Management Board by a special resolution, adopted unanimously, to make autonomous decisions regarding individual matters and transactions that relate to the current operations of the Bank.

### **Representation of the Bank**

#### Article 19 (nineteen)

(1) (one) In legal transactions, the Bank is represented jointly by at least two members of the Management Board.

(2) (two) All members of the Management Board or, alternatively, two members of the Management Board may authorise one individual member of the Management Board in writing to represent the Bank autonomously when concluding certain transactions or certain types of transactions.

### **Rules of procedure of the Management Board**

#### Article 20 (twenty)

The Management Board of the Bank adopts in agreement with the Supervisory Board the Rules of procedure of the Management Board in which the rights and obligations of individual members of the Management Board regarding the management of operations are settled.

### **Relations with the members of the Management Board**

#### Article 21 (twenty-one)

(1) (one) Mutual rights and obligations between individual members of the Management Board and the Bank are laid down in a special contract concluded, on the Bank's behalf, by the chairman of the Supervisory Board.

(2) (two) The members of the Management Board are entitled to participate in the profit which may be distributed in the form of shares or share call options.

(3) (three) The members of the Management Board are not entitled to any payment for the performance of the function of a member of the Supervisory Board in a subsidiary of the Nova KBM Group. When performing the above function, they are only entitled to the reimbursement of expenses in accordance with the relevant decision of the General Meeting of Shareholders of the subsidiary.

## **4.2 Supervisory Board of the Bank**

### **Composition**

#### Article 22 (twenty-two)

The Supervisory Board of the Bank is composed of 6 (six) members. Two thirds of the Supervisory Board members must be independent experts. Any persons are considered to be independent who are not employed or have not been employed during the last 24 months since the appointment to the Supervisory Board of the Bank by the Government of the Republic of Slovenia or who have not performed during the last 24 months any managerial or leadership function in political parties in the Republic of Slovenia.

#### **Term of office**

#### Article 23 (twenty-three)

- (1) (one) The term of office of the Supervisory Board members lasts four years.
- (2) (two) The function of a Supervisory Board member may terminate before expiry of his/her term of office referred to in the first paragraph of this Article in the following cases:
- 1 (one). if he/she gives a written notice of resignation, or
  - 2 (two). if he/she is recalled by the Shareholders' Meeting, in which case it is required for the resolution on early recall of the member of the Supervisory Board to be adopted with at least a three-quarters majority of votes cast.

#### **Conditions for the Supervisory Board membership**

#### Article 24 (twenty-four)

- (1) Only a person who meets the following criteria can be appointed as a member of the Supervisory Board:
- has adequate professional qualifications, characteristics and experiences necessary for supervising the Bank's operations, and
  - has not been finally convicted of a criminal offence, committed intentionally, and prosecuted ex officio, or of any of the following criminal offences, committed by negligence: negligent homicide; serious bodily injury; extremely serious bodily injury; endangering safety at work; concealing, disclosing and unauthorised obtaining of a business secret; money laundering; disclosing of an official secret; causing general danger; or disclosing a state secret, and the punishment has not been expunged yet.
- (2) It is deemed that the condition referred to under indent 1 (one) of the first paragraph of this Article has been met, if the relevant person has experiences of not less than five years in managing and supervising operations in an institution of a comparable size and business to the Bank's, or other comparable business.
- (3) The Bank of Slovenia is entitled to request of the Management Board of the Bank to call a Shareholders' Meeting of the Bank, and propose dismissal of a Supervisory Board member, if
- the Supervisory Board member violates his/her duties,
  - there are obstacles for appointment of member of the Supervisory Board in line with Article 24 (twenty-four) of these Articles of Association, and
  - he/she does not meet the conditions referred to under the first paragraph of this Article.

#### Article 25 (twenty-five)

- (1) (one) The function of the Supervisory Board member cannot be taken over by a person:

- who is closely linked with the legal entity:
  - in which the Bank holds more than 5 (five) percent in voting rights or in the share capital, and
  - which does not have the position of a controlled company within the Banking Group, or
- who is a member of a supervisory or management body (hereinafter referred to as a Member of a supervisory or management body), procurator (hereinafter referred to as a Procurator) or owner of majority of voting rights or shares in the following legal entities, regardless of their registered office:
  - in another controlled financial company,
  - in a company which is directly or indirectly controlling another controlled financial company, or
  - in a financial holding, or
- who fails to receive a positive evaluation regarding the suitability of the candidate for a member of the Supervisory Board or for a member of the Supervisory Board when he/she already performs such function, or:

(2) (two) The prohibition referred to in the second point of the first paragraph of this Article does not apply to persons who are Members of a supervisory or management body or Procurators of the controlling bank or another controlling company within the Banking Group, or to other persons who are appointed as members of the Supervisory Board of the Bank upon the proposal of the controlling bank or another controlling company within the Banking Group.

(3) (three) Regardless of the fourth indent of the first paragraph of Article 273 (two hundred and seventy-three) of the Companies Act (ZGD-1(one)), a person referred to in the second paragraph, carrying out only the function of the member of supervisory board or another body supervising the Bank and other companies of the Banking Group, may carry out this function:

1 (one). if it is carried out during regular employment in a member of this Banking Group, and if the person - apart from regular remuneration - does not receive any special reimbursement: in an unlimited number of supervisory boards of banks and other companies within the Banking Group, and

2 (two). in other cases, in a total of seven supervisory boards of banks and other companies within the Banking Group.

## **Powers and duties of the Supervisory Board**

### Article 26 (twenty-six)

(1) (one) In addition to the powers vested in the Supervisory Board under the Companies Act (ZGD-1(one)) and the Banking Act (ZBan-1(one)), the Supervisory Board also gives consent to the Management Board in determining:

- the Bank's business policy,
- the Bank's financial plan,
- the organisation of the internal control system,
- annual plan of work of the internal audit department,
- new issues of own securities exceeding EUR 30 (thirty) million,
- all transactions regarding the acquisition and disposal of holdings in companies and other legal entities whose book value exceeds EUR 550,000.00 (five hundred and fifty thousand euros 00/100),
- acquisition and disposal of investments in equities with the purpose of portfolio investments, if such investment in any one issuer exceeds 5% (five per cent) of the Bank's capital,

- deciding on actions resulting in status changes in companies and other legal entities in which the Bank holds a majority stake,
- the formation of a banking and/or financial group or groups,
- writing-off claims amounting over EUR 1 (one) million,
- raising loans and taking over other liabilities for the Bank which in one business year, individually or in total, exceed 25% (twenty-five per cent) of the Bank's capital,
- concluding a legal transaction which would, considering the Bank's total exposure, result in the Bank's large exposure to a client or a group of related clients, and concluding a legal transaction on the basis of which the Bank's large exposure to a client or a group of related clients would be increased by so much as to reach or exceed 15 (fifteen) per cent of the Bank's capital, and each subsequent 5 (five) per cent of its capital,
- concluding a deal which is a basis for the Bank's exposure to a person having a special relationship with the Bank in accordance with the provisions of Article 167 of the Banking Act (ZBan-1(one)), and
- other matters in accordance with the regulations.

(2) (two) The members of the Supervisory Board are required to:

- supervise the adequacy of procedures and the efficiency of the work of the internal audit department,
- deal with the findings of the Bank of Slovenia, the tax inspection and other supervisory bodies during the process of supervision of the Bank,
- check annual and other financial reports of the Bank and draw up a written opinion on their conclusions for the Shareholders' Meeting, and
- explain to the Shareholders' Meeting their opinion about the annual report of the internal audit department and their opinion about the annual report of the Management Board,
- act in accordance with the highest ethical standards of governance by taking into account the prevention of conflicts of interest.

(3) (three) A member of the Supervisory Board of the Bank must immediately inform the Bank of Slovenia of the following:

- his/her appointment and termination of his/her function in management and supervisory bodies of other legal entities, and
- legal transactions on the basis of which a member of the Supervisory Board himself/herself or his/her close relatives have directly or indirectly acquired equities or shares in a legal entity, as a result of which the member of the Supervisory Board together with his/her close relatives have reached or exceeded a qualified stake in that legal entity, or their share has fallen below the qualified stake.

(4) (four) The Supervisory Board is required to:

- check the annual report together with the auditor's report and the proposal of the Management Board for the appropriation of the balance sheet profit, and
- draw up a written report for the Shareholder's Meeting in accordance with the second paragraph of Article 282 of the Companies Act (ZGD-1(one)).

(5) (five) The Supervisory Board adopts the annual report.

### **Decision-taking by the Supervisory Board**

Article 27 (twenty-seven)

(1) (one) The Supervisory Board constitutes a quorum, if more than one half of its members are present.

(2) (two) The Supervisory Board adopts its decisions with a simple majority of votes cast by the members present at the vote.

(3) (three) In case of an equal number of votes, the chairman of the Supervisory Board has the casting vote.

(4) (four) The work of the Supervisory Board is governed by the Rules of procedure of the Supervisory Board.

### **Remuneration and reimbursement of expenses of the members of the Supervisory Board and Supervisory Board committees**

#### Article 28 (twenty-eight)

(1) (one) Fees of the members of the Supervisory Board and Supervisory Board committees consist of the following:

- remuneration for performing their function,
- attendance fees,
- reimbursement of expenses related to performance of their function.

(2) (two) For performing their function and assuming responsibility the members of the Supervisory Board are entitled to a basic remuneration the amount of which is determined by a resolution of the Shareholders' Meeting.

(3) (three) Members of the Supervisory Board who are also members of the Supervisory Board permanent committees and working bodies are entitled to an additional fee for their work the amount of which is determined by a resolution of the Shareholders' Meeting.

Fees of external members of the Supervisory Board committees and working bodies are determined by the Supervisory Board.

(4) (four) Each member of the Supervisory Board shall be reimbursed for expenses related to performance of his/her function and also for participation and the time spent at the meetings in the form of an attendance fee in the amount determined by a resolution of the Shareholders' Meeting.

External members of the Supervisory Board committees and working bodies shall be reimbursed for expenses related to performance of their function and also for participation and the time spent at the meetings in the form of an attendance fee in the amount determined by the Supervisory Board.

### **Supervisory Board committees**

#### Article 29 (twenty-nine)

(1) (one) The Supervisory Board appoints an Audit Committee in compliance with Article 75 of the Banking Act (ZBan-1(one)) and Article 280 of the Companies Act (ZGD-1(one)). At least one member of the committee must have recent and adequate experience from the financial field.

(2) (two) In compliance with Article 279 of the Companies Act (ZGD-1(one)), the Supervisory Board appoints a Remuneration and Nomination Committee.

#### Article 30 (thirty)

In compliance with Article 279 of the Companies Act (ZGD-1(one)), the Supervisory Board may also appoint other committees to prepare resolution proposals of the Supervisory Board, to monitor their realisation, and to carry out other assignments.

Two thirds of the members of the Supervisory Board committees and working bodies must be independent experts. The requirements to be met by the Supervisory Board members according to Articles 22 (twenty-two) and 25 (twenty-five) of the Articles of Association of Nova KBM d.d. also apply to the external members of the Supervisory Board committees and working bodies.

### **4.3 Shareholders' Meeting**

#### **Competences of the Shareholders' Meeting**

##### Article 31(thirty-one)

(1) (one) The Shareholder' Meeting shall decide on:

- adoption of the annual report,
- appropriation of the balance sheet profit,
- appointment and recall of the members of the Supervisory Board,
- award of discharge note to the members of the Management Board and the Supervisory Board,
- amendments to the Articles of Association,
- measures for increasing or decreasing share capital,
- dissolution of the Bank and status changes,
- appointment of the auditor, and
- other matters, if so provided by the Articles of Association or the law.

(2) (two) At the Shareholders' Meeting deciding about the appropriation of the balance sheet profit, the Management Board must inform shareholders of the remuneration of the Management and Supervisory Board members received for their work during the previous financial year. The information must contain all the data required by law, and it must also be revealed in the annual report along with the policy regarding the remuneration of the Management and Supervisory Board members.

(3) (three) The Shareholders' Meeting is responsible for the adoption of the annual report only, if the Supervisory Board did not adopt it, or if the Management Board and the Supervisory Board leave the adoption of the annual report to the discretion of the Shareholders' Meeting.

#### **Call of the Shareholders' Meeting**

##### Article 32 (thirty-two)

(1) (one) The Shareholders' Meeting is called by the Management Board.

(2) (two) The Shareholders' Meeting may also be called by the Supervisory Board, especially in cases, if the Management Board does not call the Shareholders' Meeting in time, or if the call of the Shareholders' Meeting is required for the smooth running of the Bank's operations.

(3) (three) The Shareholders' Meeting must be called in cases in accordance with the law, at least once a year, and if it is in the interest of the Bank.

(4) (four) The Shareholders' Meeting is called by publication of the call of the meeting along with the content required by the law on the AJPES's website or in a daily newspaper issued in the entire territory of the Republic of Slovenia, as well as on the Bank's website ([www.nkbm.si](http://www.nkbm.si)) at least 30 (thirty) days prior to the Meeting.

(5) (five) As a rule, the Shareholders' Meeting takes place at the Bank's registered office or in a place specified in the notice of Shareholders' Meeting.

### **Conducting the Shareholders' Meeting**

#### Article 33 (thirty-three)

(1) (one) The Shareholders' Meeting of the Bank is chaired by the chairman of the Shareholders' Meeting. The chairman of the Shareholders' Meeting is the person appointed by the convenor.

(2) (two) The work procedures of the Shareholders' Meeting of the Bank are laid down in detail in the Rules of procedure of the Shareholders' Meeting adopted by the Shareholders' Meeting of the Bank.

### **Call of the Shareholders' Meeting on request of a minority**

#### Article 34 (thirty-four)

(1) (one) The Shareholders' Meeting must be called if the shareholders holding jointly one-twentieth of the share capital request from the Management Board in writing for the Shareholders' Meeting to be called.

### **Participation in the Shareholders' Meeting**

#### Article 35 (thirty-five)

(1) (one) Shareholders, their representatives and agents are allowed to participate in the Shareholders' Meeting and exercise their right to vote only under the condition that they are entered in the central register of securities at the end of the fourth day prior to the Meeting, and they have informed the Management Board in writing about their participation in the Shareholders' Meeting no later than by the end of the fourth day prior to the Meeting.

(2) (two) The conditions for participating and exercising the right to vote in the Meeting are specified in more detail in the invitation and notice of Shareholders' Meeting.

### **Supplementation of the agenda and shareholders' proposals**

#### Article 36 (thirty-six)

(1) (one) After the notice of Shareholders' Meeting, the shareholders who jointly hold one-twentieth of the share capital may by law request in writing additional items to be put on the agenda. Requests for additional items on the agenda may also be sent to the Bank by electronic mail as scanned document to the address provided by the Bank in each call of the Shareholders' Meeting, or by fax.



(2) (two) To each item of the agenda the shareholders may in accordance with the law make written resolutions and voting proposals. Resolution and voting proposals may also be sent to the Bank by electronic mail as scanned document to the address provided by the Bank in each call of the Shareholders' Meeting, or by fax.

### **Adoption of resolutions**

#### Article 37 (thirty-seven)

The Shareholders' Meeting shall adopt resolutions with a simple majority of the votes cast, unless a qualified majority has been laid down by these Articles of Association or the law.

### **Shareholders' right to vote**

#### Article 38 (thirty-eight)

The right to vote of the shareholders holding ordinary shares is exercised in proportion to the number of their shares in the share capital. Each no-par value share with a voting right entitles the shareholder to one voting right.

### **Exercising the right to vote by proxy**

#### Article 39 (thirty-nine)

(1) (one) Each shareholder entitled to participate in the Shareholders' meeting has the right to authorise a natural or legal person having unlimited legal capacity to participate in the Meeting and to exercise his/her right to vote.

(2) (two) In order to be eligible to exercise the right to vote, the proxy must have a written power of attorney.

(3) (three) The shareholders may appoint the proxy by means of electronic media. The form used to exercise the right to vote by proxy is accessible at the Bank's website. The power of attorney may also be sent to the Bank as scanned document by electronic mail to the address provided by the Bank in each call of the Shareholders' Meeting, or by fax.

(4) (four) The power of attorney shall remain deposited with the Bank.

(5) (five) The right to vote may also be exercised through a financial institution, a shareholders' association, or another person.

## **5. OTHER BODIES OF THE BANK**

### **Credit committees**

#### Article 40 (forty)

(1) (one) The Bank may have one or several credit committees.

(2) (two) Credit committees decide on the Bank's investments, the taking over of liabilities for the Bank as well as about other banking operations falling within the authority of the Management Board.

(3) (three) Credit committees, their members as well as their authorities are determined by the Bank's Management Board. The method of work of credit committees is determined by the Management Board in the rules of procedure.

### **Other bodies and committees**

#### Article 41 (forty-one)

(1) (one) The Management Board can appoint other committees for performing individual tasks falling within the Management Board's authority.

(2) (two) The composition, powers, authorities as well as the work method of such committees are determined by the Bank's Management Board in the rules of procedure and a resolution on their appointment.

## **6 (six) INTERNAL AUDIT**

### **Internal audit**

#### Article 42 (forty-two)

(1) (one) The internal audit department performs continuous and comprehensive supervision of the Bank's operations. It is an independent organisational unit separated from the other organisational parts of the Bank, and is directly subordinated to the Bank's Management Board.

(2) (two) The purpose, significance and the duties of the internal audit department must be determined in a written document which shall be approved by the Bank's Management Board with the consent of the Bank's Supervisory Board.

(3) (three) Internal auditing encompasses:

- monitoring and assessing the efficiency of the risk management systems and support in risk management,
- checking, assessing and testing the efficiency of the systems of internal controls,
- review of the Bank's process of assessing adequate internal capital of the Bank in terms of own risk assessment,
- review of the information system reliability, including the electronic information system and electronic banking services,
- review of accuracy and reliability of accounting records and financial reports,
- checking of completeness, reliability and timeliness of reporting in accordance with regulations,
- checking of the Bank's compliance with regulations, internal rules and of the measures adopted, and
- carrying out special investigations.

(4) (four) In accordance with the Banking Act (ZBan-1(one)), the internal audit department is required to draw up quarterly and annual reports and present them to the Management and the Supervisory Board.

(5) (five) The internal audit department carries out internal audit of the operations in accordance with professional standards for internal auditing, the code of internal audit principles and the code of internal auditors' professional ethics.

## **7 (seven) ANNUAL REPORT, APPROPRIATION OF NET AND BALANCE SHEET PROFIT AND CREATION OF RESERVES**

### **Business year**

Article 43 (forty-three)

The business year equals the calendar year.

### **Types of reserve**

Article 44 (forty-four)

For its operations, the Bank creates the following types of reserves:

- capital reserves,
- legal reserves,
- reserves for own shares,
- statutory reserves, and
- other reserves from profit.

### **Capital reserves and legal reserves**

Article 45 (forty-five)

(1) (one) Capital reserves and legal reserves are used under such condition and for the purposes determined by the Companies Act (ZGD-1(one)).

(2) (two) Legal reserves are created in such an amount that the sum of legal reserves and of those capital reserves which are under the law and for the purpose of establishing the necessary amount of legal reserves added to legal reserves equals four times the amount of the Bank's share capital.

### **Statutory reserves**

Article 46 (forty-six)

(1) (one) Statutory reserves of the Bank are created from the net profit.

(2) (two) Statutory reserves are created up to the amount equalling eight times the amount of the Bank's share capital.

(3) (three) For as long as statutory reserves do not reach the amount referred to in the second paragraph of this Article, or if they fall below the said amount as a result of having been used, statutory reserves shall be created by allocating to them each business year an amount equalling up to 50% (fifty per cent) of the amount which remains after the appropriation of the net profit for the purposes of items 1 (one) to 3 (three) of the eleventh paragraph of Article 64 of the Companies Act (ZGD-1(one)).

(4) (four) Statutory reserves may only be used for the following purposes:

1 (one). creation of reserves for own shares,

2 (two). coverage of losses which cannot be covered from the net profit, profit brought forward or other reserves from profit, and

3 (three). increase in the Bank's share capital from the Bank's assets.

Statutory reserves may also be used for any liability for damages caused by the Bank's operations or other extraordinary expenditures, if the total amount of such expenditures of the Bank exceeds the amount of EUR 500,000.00 (five hundred thousand euros 00/100). In such cases, the appropriate amount of statutory reserves is released.

The creation and the use of statutory reserves under the provisions referred to in the previous paragraphs are taken into consideration in the preparation of the annual report for the business year in which the reserves were created or used.

### **Reserves for own shares**

#### Article 47 (forty-seven)

(1) (one) If the Bank acquires own shares in a business year, it is required to create reserves for own shares in the balance sheet for that same business year in the amount which was paid for acquiring own shares.

(2) (two) Reserves for own shares are created and used in the method and under conditions laid down in the Companies Act (ZGD-1(one)).

### **Other reserves from profit**

#### Article 48 (forty-eight)

(1) (one) Other reserves created from the net profit are used for creating reserves for own shares, for covering losses, and for increasing the share capital of the Bank.

(2) (two) Other reserves created from the balance sheet profit may be used for purposes referred to in the first paragraph of this Article until they reach the amount equalling 2.7 (two point seven) times the share capital of the Bank.

(3) (three) Other reserves created from the balance sheet profit exceeding the amount equalling 2.7 (two point seven) times the share capital of the Bank may be used, in addition to purposes referred to in the first paragraph of this Article, for distribution to shareholders, employees, members of the Management Board and the Supervisory Board, by the resolution on the appropriation of the balance sheet profit, in accordance with procedures determined by law.

### **Discussion of the annual report at the Shareholders' Meeting of the Bank**

#### Article 49 (forty-nine)

(1) If the Shareholders' Meeting is not competent for the adoption of the annual report because the report which was drawn up by the Management Board was adopted by the Supervisory Board, the president of the Management Board and the chairman of the Supervisory Board are required, before the Shareholders' Meeting is deciding about the appropriation of the balance sheet profit and the award of the discharge note, to inform shareholders about the adopted annual report and the report of the Supervisory Board on the review of the annual report.

(2) (two) If the Shareholders' Meeting is competent for the adoption of the annual report, the president of the Management Board is required to inform the shareholders at the Shareholders' Meeting about the content of the annual report drawn up by the Management Board. The chairman of the Supervisory Board is required to inform shareholders at the Shareholders' Meeting about the content of the report of the Supervisory Board on the review of the annual report, and give reasons which have led to the Supervisory Board's decision not to adopt the annual report drawn up by the Management Board.

(3) (three) The Shareholders' Meeting to discuss the annual report must be called by the Management Board not later than two months after receiving the report of the Supervisory Board on the review of the annual report or after the day when the Supervisory Board would be required to submit the report on the review of the annual report to the Management Board.

(4) (four) The annual report and the report of the Supervisory Board on the review of the annual report must be available to the shareholders at the registered office of the Bank from the day of announcement of the call of the Shareholders' Meeting at which the annual report is to be discussed. The place where both reports shall be available must be stated in the Notice of the Shareholders' Meeting.

### **Deciding on the appropriation of balance sheet profit**

#### Article 50 (fifty)

(1) (one) The Shareholders' Meeting decides on the appropriation of balance sheet profit for an individual business year at the meeting at which it discusses the annual report for the same business year.

(2) (two) Based on a resolution, the Shareholders' Meeting can decide for the balance sheet profit to be appropriated for all or some of the following purposes:

1 (one). distribution to shareholders,

2 (two). creation of additional other reserves pursuant to the sixth paragraph of Article 230 of the Companies Act (ZGD-1(one)), and

3 (three). participation in profit of the members of the Management Board, or employees.

(3) (three) Based on a resolution, the Shareholders' Meeting can decide for the appropriation of the entire or a part of the balance sheet profit to be determined in the coming business years (profit brought forward).

### **Deciding on the award of the discharge note**

#### Article 51 (fifty-one)

At the meeting at which it discusses the annual report for the business year, the Shareholders' Meeting also decides about the award of the discharge note to the members of the Management Board and the Supervisory Board for the same business year.

### **Amount of dividend**

#### Article 52 (fifty-two)

Each individual shareholder's interest within the balance sheet profit, which is according to the resolution of the Shareholders' Meeting on the appropriation of the balance sheet profit to be

distributed to shareholders, is determined in proportion to their interest in the share capital of the Bank.

### **Distribution of dividend**

Article 53 (fifty-three)

The dividend is distributed to the shareholders within three months from the adoption of the Shareholders Meeting's resolution on the appropriation of the balance sheet profit, unless the Shareholders' Meeting decides otherwise.

### **Other payments made from balance sheet profit**

Article 54 (fifty-four)

A part of the balance sheet profit allocated by the Shareholders' Meeting to the Management Board and the employees is paid out under the same conditions as set forth in Article 51 (fifty-one) of these Articles of Association.

### **Interim dividend**

Article 55 (fifty-five)

(1) (one) On approval of the Supervisory Board, the Management Board is allowed to distribute an interim dividend in accordance with the projected net profit for the business year in which the interim dividend is distributed.

(2) (two) Not more than one half of the amount which remains of the projected net profit after reserves have been created may be distributed as an interim dividend, and the amount of the interim dividend may not exceed one half of the distributable net profit of the previous business year.

## **8 (eight) DISSOLUTION OF THE BANK**

### **Reasons for the dissolution of the Bank**

Article 56 (fifty-six)

In addition to reasons for the dissolution of the Bank provided by the law, the Bank can be dissolved on the basis of a resolution of the Shareholders' Meeting which must be adopted with at least a three-quarter majority of the votes of the represented share capital.

### **Liquidators**

Article 57 (fifty-seven)

(1) (one) Liquidators can be appointed by the Shareholders' Meeting based on a resolution which must be adopted with a three-quarters majority of the votes of the represented share capital.

(2) (two) Only a natural person who meets the conditions to be appointed as member of the Bank's Management Board can be appointed as liquidator of the Bank.

## **9 (nine) TRANSITIONAL AND FINAL PROVISIONS**

### **Expiry of the previous Articles of Association**

Article 58 (fifty-eight)

As of the date of entering the consolidated text of these Articles of Association in the court register, the Bank's Articles of Association dated 14 March 2014 (fourteenth March two thousand and fourteen) cease to be effective.

### **Alignment of the wording of the Articles of Association**

Article 59 (fifty-nine)

The Supervisory Board is authorised to perform amendments to the Articles of Association as regards the alignment of the wording with the resolutions adopted by the Shareholders' Meeting or the Management Board in accordance with these Articles of Association.

### **Effective date of the Articles of Association**

Article 60 (sixty)

(1) (one) The consolidated text of these Articles of Association shall become effective as of the date of its entry in the court register.

Ljubljana, 27 June 2014 (twenty-seventh June two thousand and fourteen)

Handwritten signature of the Notary Public and stamp:

NADA KUMAR

NOTARY PUBLIC  
LJUBLJANA

I, the Notary Public NADA KUMAR, hereby confirm  
that this is a copy of the original document – certified copy – ordinary copy  
of the document Notarial Certificate  
(name of the document)

Ref. No. SV-1129/2014.

The document is written by hand – on a typing machine – on a computer.

The document contains 22 pages. The document is fitted with a stamp – seal – revenue stamp  
.....Ministry of Justice.....

The original document, as claimed by the client, is held

.....by Nada Kumar, Notary Public.....

– The original copy was submitted by the client.

Ljubljana, 27 June 2014

Notary Public

Stamp:

NADA KUMAR

NOTARY PUBLIC  
LJUBLJANA