

ARTICLES OF ASSOCIATION

of Nova Ljubljanska banka d.d., Ljubljana

I. (one): General provisions

Firm and Registered Office of the Company

Article 1 (One)

The firm of the Bank shall be: Nova Ljubljanska banka d.d., Ljubljana.

The abbreviated firm of the Bank shall be: NLB d.d.

The registered office of the Bank shall be in Ljubljana.

The business address of the Bank shall be Trg republike 2 (two) in Ljubljana. The Bank's business address may be changed on the basis of a resolution adopted by the Management Board in agreement with the Supervisory Board of the Bank.

“In legal transactions, the Bank’s branch offices add their corporate name to the Bank’s corporate name. Branches of the Bank shall have their own business addresses specified by the Management Board of the Bank.

In its business operations the Bank shall use, in addition to its name, the following marks and signs in the form that is or is to be protected with the trademark:

- a trade-marked emblem consisting of small, stylized letters »lb« in the centre of an outlined circle in both black&white and colour techniques,
- a trade-marked emblem consisting of small, stylized letters »lb« in the centre of an outlined circle in both black&white and colour techniques,
- a trade-marked emblem consisting of capital letters »NLB« and a trade-marked emblem consisting of small, white stylized letters »lb« in the centre of an outlined circle, in both black&white and colour techniques,
- a trade-marked emblem consisting of capital letters “NLB” and “Grupa” or “Group” and a trade-marked emblem consisting of small, white stylized letters “lb” in the centre of an outlined circle, in both black&white and colour techniques,
- a trade-marked emblem consisting of small letters »ljubljska banka« in both black&white and colour techniques. “The basic objective of the Bank is to independently perform a profitable activity on the market, as its sole activity.

Activities of the Bank

Article 2 (Two)

The Bank is established for the purpose of performing banking and other financial services for which an authorization has been obtained from the Bank of Slovenia or of which it has informed the Bank of Slovenia, as well as other business operations normally performed by banks in accordance with regulations applicable from time to time. The Bank may perform

business operations both in the Republic of Slovenia and abroad in accordance with regulations applicable from time to time.

The activity of the Bank is the provision of financial services as prescribed by the Banking Act, namely banking services (including auxiliary services), mutually recognised financial services, additional financial services and other financial services.

The Bank may perform the activities specified above on its own behalf and for its own account, on its own behalf and for the account of third persons, or on behalf and for the account of third persons, unless specified otherwise in applicable regulations.

Duration of the Bank and Business Year

Article 3 (Three)

The Bank is established for an indefinite period.

The business year of the Bank shall be equal to the calendar year.

Shares

Article 4 (Four)

The Bank shall have 8,905,952 (eight million nine hundred and five thousand nine hundred and fifty-two) no-par value shares.

The shares of the Bank shall be ordinary shares and shall be made out to the name of the holder. This shall also apply for future share issues, unless stipulated otherwise in a relevant decision on the issue of shares in accordance with applicable law.

The General Meeting of the Bank may adopt a decision to change the class and/or category of issued shares in accordance with applicable regulations.

Shares shall be paid in accordance with a relevant decision on share issue as adopted from time to time and applicable law.

II. (two) Share Capital and Shares

Share Capital

Article 5 (Five)

Share capital of the Bank amounts to EUR 74,327,758.31 (seventy-four million three hundred and twenty-seven thousand seven hundred and fifty-eight euros 31/100). The Bank's share capital shall be divided to 8,905,952 (eight million nine hundred and five thousand nine hundred and fifty-two) no-par value shares.

Any increase of the Bank's share capital shall be decided by the General Meeting with an ordinary majority of votes cast.

The Bank's Management Board is authorised to increase, during the period of eight months after the entry in the Companies Register of the amendment to the Articles of Association adopted at the General Meeting of Shareholders held on 25 November 2010, the Bank's share capital once or several times by no more than EUR 37,163,879.15 (thirty-seven million one hundred and sixty-three thousand eight hundred and seventy-nine euros 15/100) (authorised capital), subject to the approval by the Supervisory Board and not subject to additional resolution by the General Meeting of Shareholders. For the amount of the authorised capital equalling the increased share capital, a total of no more than 4,452,976 (four million four hundred and fifty-two thousand nine hundred and seventy-six) new ordinary or preference shares may be issued at the issue price specified by the Management Board subject to the approval by the Supervisory Board. The new shares shall be issued with the pertaining rights, under the terms and conditions and in the manner specified in a relevant Management Board's resolution on capital increase and issue of new shares. The new shares may be issued against payment in cash.

If the Management Board adopts a resolution on capital increase and the issue of new shares, the Supervisory Board shall be authorized to adopt relevant amendments to the Articles of Association in order to bring its wording in line with validly adopted decisions based on the provisions regulating authorized capital.

Share Register of the Bank

Article 6 (Six)

Share Register of the registered shares shall be kept in accordance with the applicable regulations.

III. (three) Organization and Business Operation of the Bank

Organization of the Bank

Article 7 (Seven)

The Bank shall conduct its business affairs in Slovenia and abroad at its head office and within the framework of corporate units stipulated by the legal instrument on organization of the Bank. The types, number and forms of corporate units shall be specified in a relevant act on the organization of the Bank.

The internal organization of business operations and managing of corporate units of the Bank, designed on the territorial and functional principles, shall be stipulated by the Management Board of the Bank through the act on organization and other legal instruments and special powers. Individual corporate units shall be founded, modified and dissolved by resolution of the Management Board of the Bank.

Authorizations of Corporate Units in Legal Transactions

Article 8 (Eight)

Corporate units the branch offices of which shall be entered in the court register in accordance with legislation, shall have certain powers in legal transactions. The corporate units of the Bank shall in legal transactions have those powers stipulated in a relevant resolution on their establishment adopted by the Management Board of the Bank in accordance with applicable act on organization and act governing authorizations and signatories of the Bank.

IV. (four) Capital Investments of the Bank

Capital Investments

Article 9 (Nine)

The Bank may participate in the share capital of other banks, financial and other institutions and companies in accordance with applicable laws and these Articles of Association.

V. (five) Bodies of the Bank and Management

Bodies of the Bank

Article 10 (Ten)

The bodies of the Bank are:

- the General Meeting,
- the Supervisory Board,
- the Management Board.

The General Meeting

Article 11 (Eleven)

The shareholders exercise their rights relating to the Bank's affairs at general meetings of the Bank.

Conditions for Participation and Voting at General Meetings

Article 12 (Twelve)

Only those shareholders who, taking into account the class of their shares, make their intention to attend a general meeting known in due time, i.e. at least 3 (three) days prior to the date set for a general meeting, and specify the total number of their shares may participate and vote at a general meeting.

In cases when shares have not been issued or distributed, the notice of a general meeting is to specify the conditions under which the shareholders are entitled to participate and vote at the general meeting.

The notice of convocation may, in accordance with legislation, more precisely stipulate the conditions of admittance to the General Meeting of Shareholders.

Convening General Meetings of the Bank

Article 13 (Thirteen)

General Meetings of the Bank are convened by the Management Board or the Supervisory Board in the cases specified in these Articles of Association and applicable law.

The General Meeting of the Bank, which shall decide on allocation of balance sheet profit and on relief shall be held within the first eight month following the end of the financial year, unless the legislation prescribes otherwise. General meetings are generally held in the place of the Bank's registered office, but may also be held in another place in the Republic of Slovenia determined by the Supervisory Board.

The notice of convocation of the General Meeting of Shareholders must be published not less than 30 (thirty) days before the date of the session of the General Meeting of Shareholders. The published notice of convocation of the General Meeting of Shareholders shall also contain proposals for passing resolutions and the statement of the venue where the materials about to be presented for decision-making shall be made available as of the date of convocation of the General Meeting of Shareholders. The Bank shall immediately submit to all shareholders upon their written request the entire material for the General Meeting of Shareholders.

A General Meeting of Shareholders may be cancelled no later than three working days before the day of the session in a logically identical manner to the manner in which it was convened. Provided the conditions of the session are the same, the date of a reconvened session of the General Meeting may be postponed for not more than 15 (fifteen) days.

Convening a General Meeting on Minority Request

Article 14 (Fourteen)

The shareholders collectively holding at least one twentieth of the share capital are entitled to request in writing that the Management and Supervisory Boards convene the General Meeting of Shareholders. Together with their request, they must submit a written agenda for each proposed item on the agenda to be decided upon by the General Meeting of Shareholders or an explanation to the item on the agenda if no resolution is adopted in relation to such item by the General Meeting of Shareholders.

In such a case as described in the preceding paragraph, the Management and Supervisory Boards must convene the General Meeting of Shareholders within a period not exceeding two months from the receipt of a complete request in writing. The Management and Supervisory Boards may decide that the proposers must deposit in advance the funds to cover the costs of the notice of convocation and of the meeting of the General Meeting of Shareholders.

Amendments to the Agenda

Article 15 (Fifteen)

One or more shareholders holding collectively at least one twentieth of the share capital of the Bank may request in writing that a particular issue be put on the agenda of the General Meeting of Shareholders. The request shall be granted if it contains a formulated and substantiated proposal of a resolution within the competences of the General Meeting, and if it is delivered to the Bank not later than 5 (five) days after the publication of a relevant notice. In such cases, the Management Board or the Supervisory Board shall publish an amended agenda of the General Meeting in accordance with applicable regulations and in the same manner in which the notice of the general meeting was published, not later than within 10 (ten) days following the published notice of convocation of the General Meeting of the Bank.

Only such business as has been included in the agenda in due time, as provided by legislation and these Articles of Association, may be transacted by the General Meeting of Shareholders.

Representation of Shareholders at General Meetings

Article 16 (Sixteen)

Shareholders may exercise their rights at the General Meeting of Shareholders in person, through a proxy or through a legal representative. Entitlement to representation is to be proven by delivering an appropriate document to the Bank. The description of the required appropriate document may be defined in the published notice of the General Meeting of Shareholders. Regarding the proof on the entitlement of the proxy to represent the shareholder, the shareholder or the proxy shall be enabled to submit such proof to the Bank using electronic channels.

Conduction of General Meetings

Article 17 (Seventeen)

The General Meeting of Shareholders shall be conducted by the Chairman of the General Meeting of Shareholders. The Chairman of the General Meeting is appointed by the convener.

The Chairman of the General Meeting presides over a session of the General Meeting, determines the sequence of individual items on the agenda, and lays down the method of voting.

The procedures employed by the General Meeting shall be regulated in more detail by the General Meeting in its Rules of Procedure.

Majority Required for the Adoption of Resolutions

Article 18 (Eighteen)

A majority of votes cast by shareholders shall be required for the adoption of resolutions by the General Meeting of the Bank, unless applicable laws or these Articles of Association stipulate a larger majority or other conditions.

A majority of at least 75 % (seventy-five percent) of the votes cast by shareholders shall be required for adoption of the following resolutions of the General Meeting of Shareholders:

- adoption of the Bank's Articles of Association and any amendments thereto,
- issue of convertible bonds or other equity securities of the Bank,
- exclusion of pre-emptive right of existing shareholders,
- decrease of share capital,
- mergers, demergers, transfer of a material share of assets (if such transfer of assets represents a change in status under applicable regulations), a change of legal form or other transactions that may change the status of the Bank,
- liquidation of the Bank.

Powers of the General Meetings

Article 19 (Nineteen)

The General Meeting decides on and approves:

- the Articles of Association of the Bank and any amendments thereto,
- the Rules of Procedure of the General Meeting,
- the Annual Report, if not approved by the Supervisory Board, or if the Management Board and the Supervisory Board have conferred the decision on approval of the Annual Report upon the General Meeting,
- use of the balance sheet profits,
- granting of discharge of duties to the Management Board and the Supervisory Board,
- changes in the share capital of the Bank,
- annual volume and characteristics of issues of the Bank's convertible and equity securities,
- appointment and recall of members of the Supervisory Board,
- Remunerations and the participation of members of the Supervisory Board, the Management Board and the employees of the Bank in the profits of the Bank,
- the organization engaged to audit the financial statements of the Bank,
- any changes in status, mergers and dissolution of the Bank.

The General Meeting of the Bank also adopts resolutions on all other matters brought within its powers by applicable regulations and these Articles of Association.

Supervisory Board
Article 20 (Twenty)

The Supervisory Board is comprised of 11 (eleven) members who are appointed and recalled by the General Meeting of the Bank from among the persons nominated by shareholders or the Supervisory Board of the Bank.

Only those natural persons who meet the requirements and are not subject to the restrictions stipulated by the Banking Act or other applicable regulations may be elected members of the Supervisory Board.

The Supervisory Board of the Bank shall adopt its own rules of procedure for its work regulating in detail the principles, procedures and method of work of the Supervisory Board. Members of the Supervisory Board and external experts appointed by the Supervisory Board into boards or committees of the Supervisory Board are entitled to the reimbursement of travel expenses, daily allowances and over night stay in the amount specified in the regulations governing the reimbursement of work related costs and other expenditures, not included in the tax base.

Term of Office of Members of the Supervisory Board
Article 21 (Twenty-One)

The members of the Supervisory Board shall be elected for the period lasting from the day of their election until the end of the Bank's Annual General Meeting of Shareholders, which decides on the use of accumulated profit for the fourth business year since they have been elected, unless otherwise stipulated at the time of appointment of individual members. In this context, the first year shall be deemed the business year in which the members of the Supervisory Board were elected.

In case of a premature cessation of term of office of members of the Supervisory Board appointed at a General Meeting of Shareholders, by-elections shall be necessary at the next regular General Meeting of Shareholders. Earlier by-elections shall be required only if, due to a premature cessation of term of office of an individual member, the number of members of the Supervisory Board elected at the General Meeting of Shareholders decreases to less than eight. The appointment of a member filling a vacancy shall be effective until the expiry of the term of office of the originally elected member of the Supervisory Board.

Each member of the Supervisory Board may prematurely resign her/his post with a period of notice of three months. A notice in writing shall be delivered to the Chairperson of the Supervisory Board, in the case of resignation of the latter to the Deputy Chairperson and to the Management Board of the Bank. The notice period may be shorter than three months if so proposed by the resigning member of the Supervisory Board in his/her notice and subject to the approval of the Supervisory Board.

The General Meeting of Shareholders may dismiss individual or all members of the Supervisory Board even before the expiration of their term of office. A resolution on dismissal shall be valid if adopted with at least a three quarter majority of all votes cast.

Election of Members of the Supervisory Board
Article 22 (Twenty-Two)

The Supervisory Board shall at its first session after appointment elect from among its members a Chairman and at least one Deputy Chairman of the Supervisory Board. A simple majority of votes of all members of the Supervisory Board is required for appointment. If none of the persons nominated obtains a sufficient number of votes at first ballot, voting shall be repeated between the two persons who received the largest number of votes at first ballot. The person who receives the largest number of votes in the repeated ballot shall be elected to the proposed office.

If the term of office of the Chairman or his/her Deputy is terminated, elections for his/her replacement in the period up to the expiry of his/her term of office shall be held at the first next meeting of the Supervisory Board.

If the Chairman of the Supervisory Board is prevented from participation, their tasks shall be performed by the first deputy, if both are absent, by the next deputy Chairman of the Supervisory Board. If a Deputy Chairman has not been appointed, the tasks of the Chairman of the Supervisory Board shall be performed by the member authorized in writing by the Chairman.

Meetings and Resolutions of the Supervisory Board
Article 23 (Twenty-Three)

The Supervisory Board generally conducts its work and adopts decisions at meetings. Sessions of the Supervisory Board shall be convened by the Chairman or in their absence, by a Deputy Chairman, by means of a registered letter to each member's address most recently communicated to the Bank, with a statement of agenda, venue and time of the session. A session shall as a rule be convened 10 (ten) business days prior to the session. In urgent cases the session may also be convened by telephone, fax or by using similar technical devices, to the last telephone or fax number or e-mail address of an individual member communicated to the Bank not less than 5 (five) days prior to the session.

Unless stipulated otherwise by these Articles of Association, the Supervisory Board shall constitute a quorum if convened in the correct manner and if at least one half of its members are present, of whom either the Chairman or a Deputy Chairman must always be present. As regards correspondence sessions, members present shall be those, who have cast votes for individual items on the agenda and those who have abstained from voting in respect to that same item.

When deciding on resolutions presented by the Management Board to the Supervisory Board for approval in connection with the matters set forth in sections (b), (c) and (d) of paragraph two of Article 27 (twenty-seven) of these Articles of Association, the Supervisory Board shall have a quorum only if at least eight of its members are present at the meeting.

The Supervisory Board shall adopt resolutions by a majority of votes cast. In case of a tied vote, the Chairman of the Supervisory Board shall have the casting vote.

Passing of resolutions by the use of a written questionnaire, telephone, telegraph or other similar technical devices shall be permissible in special cases at the Chairman's suggestion, under the condition that such a manner of decision-making is not opposed in writing by any member of the Supervisory Board not later than within a period of 5 (five) business days after the date of the receipt of the suggestion. Resolutions adopted by telephone shall only be valid if her/his decision is confirmed in writing by each member of the Supervisory Board, who voted by telephone.

The work and method of voting of the Supervisory Board shall be set forth in more detail by the Supervisory Board in its Rules of Procedure.

Powers of the Supervisory Board

Article 24 (Twenty-Four)

The Supervisory Board:

- monitors and supervises the management and operations of the Bank and, in the event of irregularities found, proposes measures for their elimination,
- Discuss reports of the Management Board and monitor and supervise managing of the banking group and suggest actions to be taken in case of irregularities with the aim to eliminate the latter;
- whenever necessary, but by all means upon approval of the Annual Report, reports to the General Meeting on its work and findings, and approves the measures to be taken for improving the Bank's business operation,
- reviews reports on internal supervision and audits, and proposes the adoption of immediate measures to be taken on the basis of such reports,
- approves the adoption of general acts of the Bank requiring the consent of the Supervisory Board under these Articles of Association, with the exception of acts adopted by the General Meeting of the Bank or based on applicable law or validly adopted resolutions of the Bank's General Meeting,
- approves those resolutions of the Management Board requiring the consent of the Supervisory Board under applicable regulations or these Articles of Association,
- prepares proposals for general meetings of the Bank and executes the tasks assigned to it by the General Meeting of the Bank, unless stipulated otherwise in applicable regulations,
- examines and approves the Annual Report and the proposed utilization of balance sheet profit, and prepares a written report on its findings to be presented to the General Meeting of the Bank,
- approves the strategy, annual budget and annual business plan of the bank,
- examines and approves, during the course of the business year, interim reports on the business operation of the Bank;
- determines the credit and guarantee limits as well as other limits of the Bank's business operation;
- approves actions resulting in the changed status of commercial companies and other legal entities in the Bank's majority ownership,
- decides on the upper limit of long-term annual indebtedness of the Bank,
- appoints and discharges members of the Management Board of the Bank,
- adopts the Rules of Procedure for its work,

- lays down the criteria for remunerations to the Management Board and regularly checks that they are met,
- signs contracts made with the members of the Bank's Management Board, while the Bank shall be obliged to disclose the information on individual receipts of the members of the Management Board and Supervisory Board in its Annual Report together with the explanations of the criteria specified in Item 16 (sixteen) hereunder.

The Supervisory Board is authorized to make any amendments in the Articles of Association relating to the harmonization of its wording with the validly adopted resolutions of the General Meeting or the Management Board of the Bank in accordance with these Articles of Association.

Management Board **Article 25 (Twenty-Five)**

The Management Board represents the Bank and manages its business operation.

Members of the Management Board and their Term of Office **Article 26 (Twenty-Six)**

The Management Board of the Bank is comprised of three to six members, one of whom is appointed Chairman of the Management Board of the Bank.

The president and other members of the Management Board of the Bank shall be appointed and recalled by the Supervisory Board; the President of the Management Board may propose to the Chairman of the Supervisory Board to appoint or recall an individual member or the remaining members of the Management Board.

President and members of the Management Board of the Bank shall be appointed for a period of five years and may be re-appointed for another term of office. The Chairman and members of the Management Board may be recalled prior to the expiry of their term of office in accordance with applicable laws and these Articles of Association.

Each member of the Management Board of the Bank may prematurely resign her/his term of office with a period of notice of three months. Written notice is to be delivered to the Chairman of the Supervisory Board. The notice term may be shorter than three months if so requested by the resigning member of the Management Board in his/her notice and subject to the approval of the Supervisory Board

Conduction of Business and Decision-making **Article 27 (Twenty-Seven)**

Resolutions within the scope of powers of the Management Board shall be adopted by the members of the Management Board of the Bank as a rule unanimously, or, failing that, unless otherwise provided in these Articles of Association, with majority of votes cast. In the case of a tie the vote of the President of the Management Board of the Bank shall be decisive. When the Management Board of the Bank adopts resolutions in the absence of the Chairman of the

Management Board, the Deputy Chairman shall have the casting vote in the event of a tied vote.

The following resolutions of the Management Board, if not adopted unanimously, shall be validly adopted only if sanctioned by the Supervisory Board:

- (a) the appointment of executive directors and other officers of the Bank of a rank equivalent to the rank of executive directors and the approval of the terms of their engagement, as well as the appointment of members of supervisory boards and/or management boards and/or boards of directors of the Bank's subsidiaries, provided such appointments are within the powers of the Management Board of the Bank,
- (b) the approval of exposures to individual clients or connected groups of clients exceeding EUR 30,000,000.00 (thirty million 00/100) or its equivalent in any currency at the medium exchange rate of the Bank of Slovenia valid on the date of approval (except to clients approved from time to time by the Supervisory Board, to whom such exposures may be approved with an ordinary majority of votes cast by the members of the Management Board),
- (c) subscribing for, or otherwise acquiring, whether by formation, increase of capital, purchase or otherwise, in a single transaction or series of transactions, any interest in the registered capital or voting rights,
 - (i) another bank or financial company, if such acquisition represents 5 or more per cent of the initial capital or voting rights in this person;
 - (ii) any other legal person, if such share represents 25 (twenty-five) percent or more of such person's registered capital or voting rights, or
 - (iii) if the purchase value of such interest exceeds EUR 20,000,000.00 (twenty million) or its equivalent in any other currency according to the mean exchange rate of the Bank of Slovenia valid on the date of approval,
- (d) any increase of the Bank's interest in the registered capital or voting rights of another person, by a single transaction or a series of transactions, which increases the Bank's interest in the registered capital or voting rights of such person by 10 (ten) percent or more;
- (e) the sale, transfer or other manner of disposal of a material share of the Bank's assets, intellectual property rights or other assets, or their acquisition, if the value of such assets, intellectual property rights or other assets exceeds EUR 5,000,000.00 (five million 99/100) or its equivalent in any currency according to the medium exchange rate of the Bank of Slovenia valid on the date of approval and/or the execution of any related contract or a single value equal to or exceeding EUR 5,000,000.00 (five million 00/100) or its equivalent in any currency according to the medium exchange rate of the Bank of Slovenia valid on the date of approval;
- (f) the adoption of methodologies for market risk management, including derivative and option transactions.

In case of absence of the President of the Management Board of the Bank, their duties shall be discharged and their powers taken over by one of the members of the Management Board of the Bank designated in writing by the President of the Management Board of the Bank. In exceptional cases the duties of the President or of a member of the Management Board of the Bank who is absent or prevented from participation shall be discharged by an employee of the Bank authorized in writing by the absent member.

Powers of the Management Board of the Bank **Article 28 (Twenty-Eight)**

The Management Board of the Bank shall manage the Bank for the good of the Bank, independently, and at its own responsibility and shall hold all powers necessary for this purpose pursuant to legislation and these Articles of Association.

Irrespective of the provision of the 1st (first) paragraph, sanction of the Supervisory Board is required, in addition to cases stipulated by legislation and by other provisions of these By-laws, for:

- formation of a bank group,
- the write-off of claims exceeding EUR 500,000 (five hundred thousand 00/100) or its equivalent in any other currency, calculated according to the medium exchange rate of the Bank of Slovenia valid on the date of approval;
- long-term borrowing by raising loans, issuing bonds or subordinated debt instruments (with long-term borrowing being defined as borrowing with maturity over 1 (one) year) for each such obligation assumed exceeding 25 % (twenty-five percent) of the Bank's capital,
- adoption of limits and criteria pursuant to which the bank may grant loans to shareholders and members of the Management Board and Supervisory Board of the bank and procurators,
- any other resolution of the Management Board relating to a type of transaction requiring, pursuant to a resolution of the Supervisory Board adopted prior to the respective resolution of the Management Board, the approval of the Supervisory Board.

The Management Board of the Bank shall, in addition to its general obligation to report in accordance with regulations applicable from time to time, report to the Supervisory Board on a quarterly basis on any actions and transactions which do not exceed the limits specified in the preceding paragraph.

The Management Board of the Bank may transfer individual powers and activities from its scope of duties to other Bank employees or committees appointed in accordance with these Articles of Association.

More detailed provisions on the method of work of the Management shall be set out by the Rules of procedure governing the work of the Management Board adopted by the Supervisory Board of the Bank.

Representation of the bank **Article 29 (Twenty-Nine)**

The Bank shall be represented by two members of the Management Board jointly.

At the time of appointment of the members of the Management Board, the Supervisory Board may provide that individual members of the Management Board or one individual member of the Management Board independently shall be empowered to represent for a certain segment of the business activity of the Bank.

The Management of the Bank may, by written resolution, grant procuration to at least two or more persons, whereby the Bank shall be represented jointly by all such persons, or by at least two procurators jointly. Procurators may be appointed for branches only. Procurators' powers can be revoked at any time. Appointment of procurators is subject to previous approval to be granted by the Supervisory Board.«

The Management Board of the Bank may adopt a resolution on the internal limitations of granted procuration and the division of powers among procurators.

VI. (six) Other Bodies of the Bank

Working Bodies

Article 30 (Thirty)

Other committees, commissions, boards and other working bodies may be appointed by the Management Board of the Bank for execution of individual tasks within powers of the Management Board of the Bank.

The structure, powers, authorizations and methods of operation of such working bodies shall be specified by the Management Board of the Bank in Rules of Procedure and resolutions on their appointment.

Internal audit

Article 31 (Thirty-One)

The Management Board of the Bank shall organise internal audit as an independent organisational unit. The Internal Audit shall operate in accordance with the provisions of the Banking Act, the International Standards for the Professional Practice of Internal Auditing, the Code of Professional Ethics of Internal Auditors, the Code of Internal Auditing Principles and the Charter of the Internal Audit of NLB d.d.

Based on the preliminary opinion of the Audit Committee of the Supervisory Board, the Management Board and the Supervisory Board of the Bank shall approve the annual action plan of the Internal Audit and may request that the Internal Audit perform specific tasks.

VII. (Seven) General Provisions

Annual Report

Article 32 (Thirty-two)

The Bank shall prepare financial statements and an annual report in accordance with applicable regulations and accounting standards.

It is an obligation of the Management Board to ensure that the stipulated unconsolidated and consolidated financial statements, as well as the annual report as a whole are prepared in accordance with the Slovene Accounting Standards and international accounting standards prior to the deadlines specified by regulations then in effect. Furthermore, it is an obligation of the Management Board to ensure that both the annual report and the consolidated annual report are reviewed by an authorized auditor (audited annual report and audited consolidated annual report).

Prior to the deadlines for forwarding of the audited annual report or of the audited consolidated annual report to the competent bodies and institutions, or prior to the deadlines for convocation of the regular annual General Meeting of Shareholders session, the Management Board shall forward the audited annual report and the audited consolidated annual report, together with the Management Board's proposal for the use of balance sheet profits, to the Supervisory Board of the Bank.

The Management Board of the Bank shall also prepare and submit to the Supervisory Board of the Bank, generally within the time periods prescribed for the submission of the annual report prepared in accordance with Slovene and International Accounting Standards, the annual financial statements of the Bank and the consolidated annual financial statements prepared in accordance with International Accounting Standards.

The Supervisory Board shall inspect the submitted annual report and the proposal for the use of the balance sheet profits and submit its report to the General Meeting of Shareholders.

The Management Board and the Supervisory Board of the Bank shall devote all efforts to ensuring that the annual report is adopted within the periods stipulated in applicable regulations.

Utilisation of Balance Sheet Profit and Profit Reserves, and Payment of Interim Dividends

Article 33 (Thirty-Three)

Profit reserves may not be used for payments to shareholders or other persons. Subject to legal terms and conditions, the Management Board may decide that interim dividends are paid out to shareholders if this is approved by the Supervisory Board.

Publication of Information and Reports

Article 34 (Thirty-Four)

The Bank shall publish information and announcements, obligatory publication of which is stipulated by legislation, in the Official Gazette of the Republic of Slovenia or on SEOnet or

any other such information system, which may replace it, and on the Bank's web portal if the relevant regulations stipulate such manner of publication to be equivalent to that first specified. The Bank shall publish the convocation of the General Meeting in the Official Gazette of the Republic of Slovenia.

The Management Board of the Bank shall decide on publication of other information important for shareholders or for the Company and on the manner and form of its publication. The Bank shall publish information and announcements, subject to a decision of the Management Board, in the Delo newspaper or on SEOnet or any such information system, which may replace it, and on the Bank's web portal.

Trade Secret

Article 35 (Thirty-four)

All shareholders of the Bank, employees of the Bank, members of the Management Board of the Bank and of the Supervisory Board, of other committees and bodies of the Bank and other persons who either at or in connection with their work or in any other way become acquainted with a business secret of the Bank shall be under obligation to safeguard it.

A business secret shall be deemed to include any and all information, documents and computer software relating to the business operations and relations of the Bank arising from or connected with its business operations, and which the Management Board of the Bank declares as such by virtue of a special act, or which are in any other way classified a business secret.

All other information, documents and computer software, irrespective of whether they are declared trade secret or not, the possession of which by an unauthorised person would obviously cause substantial damage, shall also be considered a trade secret.

The Management Board of the Bank may issue a special legal instrument specifying the manner of defining and safeguarding of trade secrets and the liability of persons who disclose a trade secret.

The provisions of this Article shall not be taken to interfere with other obligations to safeguard business secret stipulated by legislation.

Ban on competition

Article 36 (Thirty-six)

The members of the Supervisory Board and the Management Board of the Bank, and the procurators, shall be bound by the restrictive covenant set forth in the Commercial Companies Act and other applicable laws. The members of the Management Board and the Supervisory Board of the Bank, and the procurators, may participate in any of these roles with a competitive bank or other competitive company only with the prior written consent of the Supervisory Board, adopted with a majority vote of all members; this matter is to be reported by the Supervisory Board at the first next session of the General Meeting.

Method of winding up of the Bank
Article 37 (Thirty-seven)

The Bank may be dissolved under the conditions and in the manner stipulated by applicable law.

A resolution on dissolution shall be adopted with a minimum 3 (three quarters) majority vote of all capital.

VIII. (eighth) Transitional And Final Provisions

Final Provision
Article 38 (Thirty-Eight)

These Articles of Association were adopted on 16 July 1997 (July sixteenth nineteen ninety-seven), with subsequent amendments thereto adopted at the Bank's General Meetings held on 23 June 1999 (June twenty-third nineteen ninety-nine), 27 June 2000 (June twenty-seventh two thousand), 27 June 2001 (June twenty-seventh two thousand and one), 28 June 2002 (June twenty-eighth two thousand and two), 4 September 2002 (September fourth two thousand and two), 23 June 2003 (June twenty-third two thousand and three), 7 July 2004 (July seventh two thousand and four), 29 June 2005 (June twenty-fifth two thousand and five), 28 June 2006 (June twenty-eighth two thousand and six) and 30 August 2007 (August thirtieth two thousand and seven), and by resolution of the Supervisory Board of the Bank dated 21 November 2001 (November twenty-first two thousand and one).