

## Material

**for the 34<sup>th</sup> General Meeting of NLB d.d.  
on 21 October 2019**

### **PUBLICATION OF THE AGENDA AND PROPOSED RESOLUTIONS TO BE PASSED AT THE 34<sup>th</sup> ANNUAL GENERAL MEETING OF NLB d.d.**

Pursuant to Article 295 of the Companies Act (ZGD-1) and Article 13 of the Articles of Association of Nova Ljubljanska banka d.d., Ljubljana (Articles of Association), the Management Board of NLB d.d. hereby convenes the

**34<sup>th</sup> General Meeting of NLB d.d., Trg republike 2, 1000 Ljubljana,**

which will be held in Ljubljana, on 21. October 2019, starting at 11 a.m. (start of registration of shareholders at 10:30 a.m.), at the address CANKARJEV DOM, kulturni in kongresni center, Prešernova cesta 10, Ljubljana

**with the following agenda:**

#### **Item 1: Opening, establishment of quorum and election of the Chair of the General Meeting of NLB d.d.**

*The Management Board of NLB d.d. and Supervisory Board of NLB d.d. propose that the following resolution be adopted:*

Mr. Matej Kavčič, attorney at law, is hereby elected Chair of the General Meeting of NLB d.d.

#### **Item 2: Determination of the payment for performing the function of the members of the Supervisory Board and its committees**

*The Management Board of NLB d.d. and Supervisory Board of NLB d.d. propose that the following resolutions be adopted:*

The members of the Supervisory Board shall receive the base pay for the performance of the office in the amount of EUR 60,000.00 gross per member annually ("Base Pay"). The Chair of the Supervisory Board shall be entitled to receive extra payment for the performance of this office accounting for 25% of the Base Pay, and the Deputy Chair of the Supervisory Board to extra payment for the performance of this office accounting for 15% of the Base Pay (both extra payments together: "Top-up Payment").

The members of a Supervisory Board committee shall receive a top-up payment for performing the function, which shall amount to 10% of the Base Pay per individual committee member ("Member of a Committee Payment"), whereby the Member of a Committee Payment shall be paid for membership of up to two committees, regardless if an individual member of the Supervisory Board is member of more than two committees. In addition to a Member of a Committee Payment, the Chair of a Supervisory Board committee shall be entitled to a Chair of a Committee payment in the amount of 15% of the Base Pay ("Chair of a Committee Payment"), whereby the Chair of a Committee Payment shall be paid for the performance of the office of the Chair in up to one committee, regardless if an individual member of the Supervisory Board performs this office in more than one committee.

The members of the Supervisory Board shall receive the Base Pay, Top-up Payment, Member of a Committee Payment, and Chair of a Committee Payment in proportional monthly payments to which they are entitled for as long as they perform the office. The monthly payment shall amount to one twelfth of the above stated annual

amounts. If they perform the office for less than one month, they shall be entitled to the proportional payment calculated based on the number of days they perform each function.

The Supervisory Board members shall be entitled to the reimbursement of travel expenses, daily allowances and costs of overnight accommodation related to their work in the Supervisory Board, namely up to the amount specified in the regulations on reimbursement of work-related expenses and other income not included in the tax base. Accommodation expenses shall be reimbursed if the permanent or temporary residence of a Supervisory Board member or a member of a Supervisory Board committee is at least 100 kilometres away from the place of work and when a Supervisory Board member is unable to return as there is no public transport connection scheduled or due to objective reasons.

Supervisory Board members shall not be entitled to any benefits exceeding the provision of the conditions for unhindered work of the Supervisory Board (payment of insurance premiums, except for liability insurance, company car, company flat and fuel). Supervisory Board members shall be entitled to benefits providing for or improving the conditions or method of their work, considering the Bank's needs and the individual requirements of individual Supervisory Board members, on which the Supervisory Board shall decide (IT equipment, professional training, visits to institutions, organisations and bodies, and liability insurance).

On the day this resolution is adopted, the resolution on the determination of the Supervisory Board and committee members' attendance fees which was adopted at the 22nd Annual General Meeting of NLB d.d. on 11/6/2013 shall cease to be valid.

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Items are proposed by the Management Board of NLB d.d. and Supervisory Board of NLB d.d.

Material:

The proposed resolutions with explanations and other material for the General Meeting are available to the shareholders for review at the Bank's registered office at Trg republike 2, 1000 Ljubljana, Secretariat, every business day from 9 a.m. to 12 noon, and are also available in the websites <https://www.nlb.si/general-meetings> which also provides detailed information on the shareholders' rights in accordance with the second indent of the second paragraph of Article 296 of the ZGD-1. This Publication is also published in the SEOnet electronic notification system of the Ljubljana Stock Exchange, on London Stock Exchange (Regulatory News Service) and the AJPES website.

Conditions for participation:

Those shareholders who are registered in the central register of dematerialised securities kept by KDD d.d., as at the end of the fourth day prior to the General Meeting, i.e. 17 October 2019, (hereinafter: the cut-off date), or their legal representatives or proxies who shall present a written power of attorney can attend the General Meeting and vote. The attendance must be notified to the Bank's Management Board using an application form which must be submitted to the Bank's registered office at least by the end of the fourth day prior to the General Meeting of Shareholders. The applications shall be accepted as timely if they are received at the Bank's registered office (at Trg republike 2, Ljubljana), addressed to the Secretariat Office, by the end of the fourth day prior to the General Meeting i.e. 17 October 2019. The legal representatives of natural persons or legal entities must, on the day of the General Meeting, present a public document wherefrom it is evident that they have the right to act as a shareholder's representative; the document in question must not be older than 3 (three) days. The form for registering your attendance at the General Meeting (Registration of attendance at the General Meeting) is available at the website <https://www.nlb.si/general-meetings>.

Supplements to the agenda:

Shareholders whose total interest accounts for at least one-twentieth of the share capital may, after the publication of the notice of convocation, make a written request to add an item to the agenda. The request must be enclosed with a written proposed resolution to be decided upon by the General Meeting or an explanation to the item on the agenda if no resolution is adopted in relation to such item by the General Meeting. The shareholders who meet the conditions for making a request to add an item to the agenda must send the respective request to the company within seven days after the publication of the convocation of the General Meeting.

#### Shareholders' proposals:

Shareholders may submit written proposals for resolutions to each item on the agenda, in compliance with Article 300 of the Companies Act (ZGD-1) (hereinafter: the counterproposal). A counterproposal shall be published and notified in the manner laid down in Article 296 of the Companies Act (ZGD-1), but only if the shareholder sends to the Bank a proposal for publication in compliance with Article 300 of the ZGD-1 within seven days after the publication of the notice to convene the General Meeting.

#### Right to be informed:

During the General Meeting, the shareholders can exercise their right to be informed in compliance with the first paragraph of Article 305 of the ZGD-1.

#### Information on the procedure for exercising the right through a proxy:

The shareholders may exercise their voting right also through a proxy after they have signed and submitted a written form (Proxy Form) which is available at the website <https://www.nlb.si/general-meetings> and that must be received at the Bank's registered office by the end of the fourth day prior to the General Meeting, i.e. 17 October 2019. The proxy form may be submitted to the company via e-mail by the same deadline as applicable to the written form, namely by sending an attached scan of the proxy form to the following e-mail: [Skupscina2019@nlb.si](mailto:Skupscina2019@nlb.si); it must contain a handwritten signature of the natural person and in the case of legal persons a handwritten signature of the representative and stamp of the person, if used. The company shall reserve the right to verify the authenticity of the shareholder or the person who has authorised another person and submitted the power of attorney by electronic mail.

#### Use of electronic media for sending additional items on the agenda and counterproposals:

Any requests for an additional item on the agenda and proposed resolutions and voting proposals sent to the company via e-mail at the address [Skupscina2019@nlb.si](mailto:Skupscina2019@nlb.si) must be sent as an attached scan and must contain a handwritten signature of the natural person and in the case of legal persons a handwritten signature of the representative and stamp of the person, if used. The company shall reserve the right to verify the identity of the shareholder or the authorised person who submitted the request or proposal via e-mail and the authenticity of their signature.

#### Share Capital and Number of Voting Rights

The NLB share capital is EUR 200,000,000, divided in 20,000,000 no-par value shares from the same class with voting rights.

#### Call to the main shareholders, institutional investors and the state

In accordance with the Slovenian Corporate Governance Code, Section 6.2, the Company calls all the main shareholders, particularly the institutional investors and the state, to inform the public of their shareholding management policy for the Company, e.g. the voting policy, type and frequency of conducting management activities and the communication dynamics with the NLB Management Board and NLB Supervisory Board.

Ljubljana, 9 September 2019

Management Board of NLB d.d.

**FOUNDATIONS FOR THE PROPOSED RESOLUTIONS  
FOR THE 33<sup>rd</sup> GENERAL MEETING OF NLB d.d.**

1. Item on the agenda: **Opening, establishment of quorum and election of the Chair of the General Meeting of NLB d.d.**

**The Management Board of NLB d.d. and the Supervisory Board of NLB d.d.**

hereby propose to the

General Meeting of NLB d.d.  
to discuss and pass the following

**proposed resolution under Item 1**

*Mr. Matej Kavčič, attorney at law, is hereby elected Chair of the General Meeting of NLB d.d.*

**Grounds**

In accordance with the Companies Act (hereinafter: ZGD-1) and the Articles of Association of Nova Ljubljanska banka d.d. (hereinafter: the Articles of Association), the Management Board hereby convenes the General Meeting. It had invited Notary Public Miro Košak from Ljubljana to participate, and the latter accepted the invitation and confirmed his attendance.

The Management and Supervisory Boards are obliged to propose to the General Meeting adoption of General Meeting resolutions in accordance with the ZGD-1. Pursuant to Article 17 of the Articles of Association, the General Meeting of NLB d.d. shall elect its chair at the General Meeting of NLB d.d. The Management Board of NLB d.d. and the Supervisory Board of NLB d.d. hereby propose to the General Meeting of NLB d.d. to elect Matej Kavčič, attorney at law from the Law Firm Kavčič, Bračun in partnerji, o.p., d.o.o. Chair of the General Meeting of NLB d.d.

Supervisory Board of NLB d.d.

Management Board of NLB d.d.

**2. Item on the agenda: Determination of the payment for performing the function of the members of the Supervisory Board and its committees**

**The Management Board of NLB d.d. and the Supervisory Board of NLB d.d.**

hereby propose to the

General Meeting of NLB d.d.  
to discuss and pass the following

**proposed resolution under Item 2**

The members of the Supervisory Board shall receive the base pay for the performance of the office in the amount of EUR 60,000.00 gross per member annually ("Base Pay"). The Chair of the Supervisory Board shall be entitled to receive extra payment for the performance of this office accounting for 25% of the Base Pay, and the Deputy Chair of the Supervisory Board to extra payment for the performance of this office accounting for 15% of the Base Pay (both extra payments together: "Top-up Payment").

The members of a Supervisory Board committee shall receive a top-up payment for performing the function, which shall amount to 10% of the Base Pay per individual committee member ("Member of a Committee Payment"), whereby the Member of a Committee Payment shall be paid for membership of up to two committees, regardless if an individual member of the Supervisory Board is member of more than two committees. In addition to a Member of a Committee Payment, the Chair of a Supervisory Board committee shall be entitled to a Chair of a Committee Payment in the amount of 15% of the Base Pay ("Chair of a Committee Payment"), whereby the Chair of a Committee Payment shall be paid for the performance of the office of the Chair in up to one committee, regardless if an individual member of the Supervisory Board performs this office in more than one committee.

The members of the Supervisory Board shall receive the Base Pay, Top-up Payment, Member of a Committee Payment, and Chair of a Committee Payment in proportional monthly payments to which they are entitled for as long as they perform the office. The monthly payment shall amount to one twelfth of the above stated annual amounts. If they perform the office for less than one month, they shall be entitled to the proportional payment calculated based on the number of days they perform each function.

The Supervisory Board members shall be entitled to the reimbursement of travel expenses, daily allowances and costs of overnight accommodation related to their work in the Supervisory Board, namely up to the amount specified in the regulations on reimbursement of work-related expenses and other income not included in the tax base. Accommodation expenses shall be reimbursed if the permanent or temporary residence of a Supervisory Board member or a member of a Supervisory Board committee is at least 100 kilometres away from the place of work and when a Supervisory Board member is unable to return as there is no public transport connection scheduled or due to objective reasons.

Supervisory Board members shall not be entitled to any benefits exceeding the provision of the conditions for unhindered work of the Supervisory Board (payment of insurance premiums, except for liability insurance, company car, company flat and fuel). Supervisory Board members shall be entitled to benefits providing for or improving the conditions or method of their work, considering the Bank's needs and the individual requirements of individual Supervisory Board members, on which the Supervisory Board shall decide (IT equipment, professional training, visits to institutions, organisations and bodies, and liability insurance).

On the day this resolution is adopted, the resolution on the determination of the Supervisory Board and committee members' attendance fees which was adopted at the 22nd Annual General Meeting of NLB d.d. on 11/6/2013 shall cease to be valid.

## Grounds

The General Meeting of NLB adopted a resolution at its 22<sup>nd</sup> regular General Meeting of Shareholders of NLB d.d. on 11/6/2013 about the determination of attendance fees of the members of the Supervisory Board of NLB d.d. and the members of the committees of the Supervisory Board of NLB d.d.

The proposed wording of the amended General Meeting resolution brings several novelties that are consistent with the responsibilities and mandates that the NLB Supervisory Board members are required to comply with in accordance with the law, good practice recommendations and Corporate Governance Code. The essential novelty is abolition of attendance fees, which increases the amount of the base pay paid to the members of the Supervisory Board of NLB d.d. together with possible top-up payments in proportionate monthly payments. Consequently, the amount of top-up payments made so far from the chairmanship or participation in the NLB Supervisory Board Committees shall be altered accordingly.

Each member of the Supervisory Board of NLB d.d. shall receive the payment for the performance of the office in the amount of EUR 60,000.00 gross per year (Base Pay). The Chairman of the Supervisory Board of NLB d.d. shall be entitled to receive a top-up payment in the amount of 25% of the Base Pay, and the Deputy Chairman of the Supervisory Board of NLB d.d. to a top-up payment in the amount of 15% of the Base Pay.

The members of a Supervisory Board committee shall receive a Member of a Committee Payment in the amount of 10% of the Base Pay, whereby this payment shall be paid for membership of up to two committees. In addition, the Chairman of a Supervisory Board committee shall be entitled to an additional Chairman of a Committee Payment in the amount of 15% of the Base Pay of the Chairman of a Committee; however, this payment shall be made for the performance of the office of the Chairman in up to one committee.

Supervisory Board of NLB d.d.

Management Board of NLB d.d.