

**SV-895/2016**

**Bar code**  
SID16027766

COAT OF ARMS

INSTRUMENT

**NOTARY PUBLIC**

**NADA KUMAR**

1000 LJUBLJANA

**NOTARY PUBLIC NADA KUMAR**

Slovenska cesta 56, Ljubljana  
Phone: 01/433 93 75; 01/433 93 88; 01/300 37 70  
Fax: 01/232 50 00  
Email: [pisarna@notarka-kumar.si](mailto:pisarna@notarka-kumar.si)

Ref. No: SV-895/2016

**NOTARIAL RECORD**

The undersigned Deputy Notary Public Barbara Andrič Velkavrh, substituting the Notary Public Nada Kumar pursuant to provisions of Article 103 (one hundred and three) of the Notary Act, hereby confirm that the amended provisions of the consolidated text of the Articles of Association of the company **SID – Slovenska izvozna in razvojna banka, d.d., Ljubljana, Ulica Josipine Turnograjske 6 (six), 1000 (one thousand) Ljubljana**, as of 6 July 2016 (sixth July two thousand and sixteen) in its Articles 3 (three), 4(four), Chapter III, Article 7 (seven), in renumbered Article 8 (eight), in the current Articles 9 (nine) through 18 (eighteen), to be renumbered as Articles 8 (eight) through 17 (seventeen), in renumbered Article 10 (ten), in renumbered Article 11 (eleven), in renumbered Article 12 (twelve), in renumbered Article 13 (thirteen), in renumbered Article 15 (fifteen), in renumbered Article 17 (seventeen), in the new Article 18 (eighteen), in Article 19 (nineteen), in the title of Article 20 (twenty), in Article 21 (twenty-one), in new Article 22 (twenty-two), in renumbered Article 23 (twenty-three), in Chapter V to be deleted, in renumbered Article 24 (twenty-four), in former Article 24 (twenty-four) to be deleted, in former Article 29 (twenty-nine) to become new Article 25 (twenty-five), in the title of former Chapter VI to become Chapter V, in the title of renumbered Article 26, in the title of former Chapter VII to become Chapter VI, in current Articles 25 (twenty-five) through 28 (twenty-eight) to be renumbered as Articles 26 (twenty-six) through 29 (twenty-nine), in Chapter VIII to be deleted, in the title of former chapter IX to become Chapter VII, and in Article 31 (thirty-one), conform to the resolutions of the General Meeting concerning the amendments of the Articles of Association adopted by the same on 6 July 2016 (sixth July two thousand and sixteen) and confirmed in the Notarial Record under ref. No SV-894/2016 by the Notary Public Nada Kumar.

The original of the present instrument is retained by the Notary Public.

The clean copy of the Articles of Association has been bound together with the present Notarial Record.

The company shall be issued a copy of the Notarial Record, and another copy in book-entry form shall be issued for the needs of entry in the Court/Business Register.

Ljubljana, 6 July 2016 (sixth July two thousand and sixteen)

Personal signature of Deputy Notary Public and stamp:

L.S.

**NADA KUMAR**

**Coat of Arms**

**NOTARY PUBLIC**

**LJUBLJANA**

**Deputy Notary Public**

**Barbara ANDRIČ-VELKOVRH**

**signed**



**ARTICLES OF ASSOCIATION**  
**of**  
**SID – SLOVENSKA IZVOZNA IN RAZVOJNA BANKA, d.d., LJUBLJANA**  
**(SLOVENE EXPORT AND DEVELOPMENT BANK, Inc., LJUBLJANA)**

**PREAMBLE**

Proceeding from and in consideration of:

1. The Slovene Export Insurance and Financing Corporation Act, whereunder Slovenska izvozna družba, družba za zavarovanje in financiranje izvoza Slovenije, d.d., Ljubljana (the Slovene Export Corporation, Export Insurance and Finance Corporation of Slovenia, Inc., Ljubljana) was established in 1992 as a financial organization for the provision of insurance and financing of export transactions and performance of other transactions focused on encouragement and promotion of economic relations with foreign countries, with a prescribed minimum of 51% (fifty-one per cent) participation of the Republic of Slovenia in the initial capital of the Corporation;
2. The Act Governing Insurance and Financing of International Business Transactions (ZZFMGP) regulating the fundamentals of insurance and financing of international business transactions as the trade policy of the Republic of Slovenia, and the role of the Republic of Slovenia in such activities that provide the economy of the Republic of Slovenia with appropriate security and possibility of competitive appearance on foreign markets, in compliance with internationally agreed rules and conditions pursuant to which Slovenska izvozna družba, d.d., Ljubljana (the Slovene Export Corporation Inc, Ljubljana), was transformed into a bank,
3. The Slovene Export and Development Bank Act (ZSIRB) designating SID – Slovenska izvozna in razvojna banka, d.d., Ljubljana (the Slovene Export and Development Bank, Inc., Ljubljana) as a specialized Slovene export and development incentive bank authorized to engage in activities according to the ZSIRB, and as an authorized institution under the ZZFMGP,

and

4. Other laws and individual documents governing incentive and development forms and modes of national, European and international business operations in covering market gaps and other (permitted) incentives and assistance, in particular international development cooperation, through exercising individual rights and obligations and the role of the Republic of Slovenia and its institutions in pursuing the objectives of the sustainable development strategy of the Republic of Slovenia,

the role, the purpose and the tasks of operations of SID – Slovenska izvozna in razvojna banka, d.d., Ljubljana shall be to promote, in general economic and public interest and in particular through appropriate financial instruments and services:

- Sustainable and balanced economic development of the Republic of Slovenia through financing and insurance of international business transactions and cooperation as well as other methods of operation of economic operators on a national level, in particular of small and medium size enterprises; research and innovations along with other forms of economic and development cooperation which increase competitiveness and excellence of economic operators in the territory of the Republic of Slovenia,



- Sustainable development of environment with a high degree of protection of environment and habitat, of public and utility infrastructure, and in particular energy efficiency with a special stress on voluntary restraint and quality as well as local factors,
- Social progress, education and employment, and other diverse forms and methods of significance in these areas in the Republic of Slovenia and abroad through international development cooperation,

and other forms and/or economic activities contributing towards growth, development and prosperity, whereby the management and supervision bodies of SID – Slovenska izvozna in razvojna banka, d.d., Ljubljana shall, within the framework of strategic policies, meet the requirements of the users of such services and exercise as well as progressively improve the same by way of introducing and implementing:

- systems of overall assessment and management of specific development risks,
- quality management systems and
- corporative and social responsibility.

## **I. GENERAL PROVISIONS**

### **Name**

#### **Article 1 (one)**

The name of the Bank shall read as follows: "SID – Slovenska izvozna in razvojna banka, d.d., Ljubljana".

The abbreviated name of the Bank shall read as follows: "SID banka, d.d., Ljubljana".

The English translation of the Bank's name shall read as follows: "SID Bank Inc., Ljubljana".

In place of the entire name, the Bank shall be hereinafter referred to as "the Bank".

### **Registered office**

#### **Article 2 (two)**

The registered office of the Bank shall be in Ljubljana.

The business address of the Bank shall be: Ulica Josipine Turnograjske 6 (six). A change of business address shall not entail any amendment of the Articles of Association.

### **Activity**

#### **Article 3 (three)**

The Bank shall perform financial services in accordance with the Banking Act (Zban-2), the Slovene Export and Development Bank Act and subject to the approval of the competent authority.

The financial services performed by the Bank shall be in particular:

- 1) accepting deposits from well-informed entities, granting loans including mortgage loans and factoring with or without recourse, financing commercial transactions, including financing exports based on purchase with discount and without recourse of long-term outstanding receivables secured by a financial instrument (forfeiting), issuing guarantees and other warranties,



- 2) trading for its own account or for the account of clients in foreign means of payment, including foreign exchange transactions, standardised futures contracts and options, foreign currency and interest rate instruments, and transferable securities,
- 3) trading for its own account in money market instruments,
- 4) credit reference services: collection, analysis and provision of information on the creditworthiness of legal entities,
- 5) insurance brokerage under the Act Governing Insurance and the Financing of International Commercial Transactions.

In addition to financial services for which the Bank has obtained a permit from the Bank of Slovenia, the Bank may also perform ancillary banking and investment services.

For the needs and purpose of registering the Bank, the activity of the Bank as laid down in this Article is classified in accordance with the Standard Classification of Activities into the following sub-sections of the Standard Classification of Activities:

- K 64.190 Other monetary intermediation
- K 64.920 Other credit granting
- K 64.990 Other non-categorised financial service activities, except insurance and pension funding
- K 66.120 Brokerage in trade in securities and commodities
- K 66.190 Other activities auxiliary to financial services, except insurance and pension funding
- K 66.210 Risk and damage evaluation
- K 66.220 Insurance agency activity
- K 66.290 Other activities auxiliary to insurance and pension funding
- M 70.100 Business management activity
- M 70.220 Other business and management consultancy activities
- N 82.910 Activities of collection agencies and credit bureaus

On the basis of the Slovene Export and Development Bank Act, the Bank shall have the status of an authorised institution on behalf of and for the account of Republic of Slovenia pursuant to the Act Governing Insurance and Financing of International Commercial Transactions for:

- 1) concluding and implementing insurance contracts,
- 2) concluding and implementing reinsurance and retrocession contracts,
- 3) issuing financial instruments,
- 4) concluding international trade and investment financing transactions, i.e. credit operations, and
- 5) implementing other programmes.

In performing its activity, the Bank shall use the instruments at its disposal to perform various financing services and related activities for the purpose of, inter alia, international development cooperation, and in this framework, which includes development and/or official assistances of the Republic of Slovenia, also perform services for other persons.

In view of its status and legal nature, the Bank shall also be able to perform other tasks and activities on the basis of a separate contract with the Republic of Slovenia or other bodies governed by public law.

## **Mode of Performing Activities and the Operations of the Bank**

### **Article 4 (four)**



The Bank shall perform its activities or particular transactions in compliance with the limitations laid down by laws, particularly the Slovene Export and Development Bank Act (ZSIRB), the Banking Act (ZBan-2) and the Companies Act (ZGD-1).

Pursuant to the role, the purpose and the tasks of the Bank the performance of the operations of the Bank shall always be in compliance with fundamental principles laid down in ZSIRB in particular which also define the goals of the Bank's operations. All the documents of the Bank shall take these principles into account and their contents shall be based on these principles. This shall also apply to all individual transactions of the Bank which shall be evaluated in accordance with:

- Comprehensive assessment of all types of risks associated with the transaction and purposes of financing (e.g., economic, environmental, social),
- Thorough assessment of economic and financial eligibility of a transaction and/or a project,
- Assessment of other factors and fundamental principles of the Bank's operations.

In accordance with the principle of long-term financial balance of the operations of the Bank, appropriate collaterals or other forms of securities shall be formed in the use of all financial operations or activities. Special-purpose financial assets can also be earmarked for international development co-operation, such assets being used in accordance with the legal stipulations.

The Bank shall support all transactions and projects in the amount of a maximum of 85 (eighty-five) % of the planned operation. A higher percentage of support shall be possible in the following cases:

- refinancing of banks and other financial institutions, as well as balancing of liquidity, or
- when the support of only up to 85 (eighty-five) % is precluded due to the nature of the operation and the operation does not exceed the amount of EUR 5,000,000.00 (five million) or
- consent of the Supervisory Board.

Detailed provisions concerning the contents of the preceding paragraph may be stipulated by a bylaw of the Bank to be adopted by the Management Board subject to the consent of the Supervisory Board.

The Bank shall perform incentives and development operations in accordance with the ZSIRB and may only exceptionally perform other transactions auxiliary to its core activity.

The Bank shall set up separate keeping and recording of transactions representing the exercising of powers under the ZSIRB, the ZZFMGP and other specific mandates.

## **II. SHARE CAPITAL AND TYPES OF SHARES**

### **Share capital**

#### **Article 5 (five)**

The share capital of the Bank shall amount to EUR 300,000,090.70 (three hundred million ninety 70/100 Euros) divided into 3,121,741 (three million one hundred and twenty-one thousand seven hundred and forty-one) no-par value shares. All shares are ordinary registered shares of the same class and each no-par value share shall have the same proportion and the related amount in the share capital.

### **Types of shares**



#### **Article 6 (six)**

The shares of the Bank shall be issued in a book-entry form, as ordinary, registered and indivisible shares.

### **III. ROLE OF SHAREHOLDER**

#### **The Role of the Republic of Slovenia**

#### **Article 7 (seven)**

Since it is in the interest of the Republic of Slovenia that the operation of the Bank is of a long-term and stable nature, it shall provide adequate financial means and/or capital adequacy which shall enable the Bank to assume risks in line with its mission, role and purpose of operation, as defined by the relevant laws and the Articles of Association.

In line with the competencies of the bodies of the Bank, the single shareholder shall act in the sustainable interest of the Bank and in line with the long-term goals of sustainable development of the Republic of Slovenia and thus carry out its competencies, promote and further diversify financial services to the benefit of general economic and public interest, while observing the basic principles and rules, stipulated in the Slovene Export and Development Bank Act (ZSIRB), the Banking Act (ZBan-2) and the Companies Act (ZGD-1).

The Republic of Slovenia, being the single shareholder, shall ensure the conditions applicable to the performance of the above tasks and shall accordingly assume individual risks and guarantees, in particular with reference to individual mandates and attends to exercising the role of the Bank in forwarding various development assets.

In accordance with the Bank's objective and tasks, the performance of activities of the Bank shall at all times be in line, in particular, with:

1. Long-term development policies and goals of the Republic of Slovenia and of the European Union,
2. Quality and economic viability of projects and investments, and
3. Direct or indirect financial value for the clients of the Bank's services.

### **IV. BODIES OF THE BANK**

#### **Governance**

#### **Article 8 (eight)**

The Bank shall apply a dual-track governance.

#### **Bodies of the Bank**

#### **Article 9 (nine)**

The Bank shall have the following bodies:

- 1) the General Meeting,
- 2) the Supervisory Board,
- 3) the Management Board.

#### **General Meeting**

### **Article 10 (ten)**

The General Meeting of the Bank shall be called by the Management Board of the Bank in accordance with Article 295 of ZGD-1, while it can also be called by the Supervisory Board of the Bank in accordance with Article 281 of ZGD-1.

The General Meeting shall be convened in accordance with law and with the present Articles of Association by way of a registered letter to the sole shareholder.

The materials for the General Meeting of the Bank shall be delivered to the shareholder simultaneously with the convocation.

On the day the registered letter referred to in the first paragraph hereunder is sent, the Bank must publish all notices and data required by the ZGD-1 on its website.

The Management Board shall be obliged to attend the General Meeting of the Bank, but shall hold no voting rights.

The members of the Supervisory Board may, on the basis of the invitation of the sole shareholder, attend the General Meeting of the Bank and participate in its work, but shall hold no voting rights.

At the invitation of the Management Board or by the Supervisory Board and subject to the consent of the sole shareholder, other invitees may, with no voting rights, likewise attend the General Meeting of the Bank and participate in its work.

### **Representation of the Sole Shareholder at the General Meeting of the Bank**

#### **Article 11 (eleven)**

Voting rights and other rights of the sole shareholder shall be exercised in accordance with Article 4 of the Slovene Export and Development Bank Act (ZSIRB) by the Republic of Slovenia, which in accordance with the Slovenian Sovereign Holding Act authorises Slovenski državni holding, d.d. (Slovenian Sovereign Holding), to act on behalf of, and for the account of, the sole shareholder in accordance with the law.

A representative of the Slovenian Sovereign Holding is obliged to present an adequate written authorisation to the Bank before the General Meeting at the latest. The original copy of the authorisation shall be kept by the Bank.

When ZGD-1 gives the right to the sole shareholder to use electronic means, the sole shareholder may send proposals, authorisations and other documents to the Bank by electronic mail to the address specified in the call for the General Meeting.

### **Time and Place of Sessions of the General Meeting**

#### **Article 12 (twelve)**

Sessions of the General Meeting shall be held at least once a year upon the expiry of the financial year at the seat of the Bank or at the seat of the sole shareholder or at a place or in premises determined by the sole shareholder. The precise time and place of the General Meeting shall be determined in the call for the General Meeting.

### **Supervisory Board**



### **Article 13 (thirteen)**

The members of the Supervisory Board shall be appointed by the Government of the Republic of Slovenia for a period of five years in accordance with the fourth paragraph of Article 18 of ZSIRB.

The Supervisory Board shall adopt the Rules of Procedure which regulate, in further detail, the principles, the procedures and the mode of work of the Supervisory Board.

A member of the Supervisory Board may resign from the Supervisory Board with a notice period which starts on the day the Management Board of the Bank receives the written resignation statement and which continues until the day of the appointment of a new (substitute) member of the Supervisory Board. In any event, the post of the member of the Supervisory Board who has resigned shall be terminated with the expiry of a period of 3 months from the day of the resignation if the Government of the Republic of Slovenia fails to appoint a new (substitute) member of the Supervisory Board within this period. A member of the Supervisory Board may exceptionally resign without a notice period in the event of objectively justified reasons (for example, a long-term illness or other long-term absence, a potential conflict of interest), which shall be stated in the resignation statement.

### **Quorum**

### **Article 14 (fourteen)**

The Supervisory Board shall constitute a quorum if the majority of Supervisory Board members are present at adopting the resolutions.

The validity of a resolution by the Supervisory Board shall require the majority of the votes cast. Each member of the Supervisory Board shall have one vote. Where votes are tied, the decision in favour of which the Chairman of the Supervisory Board, or in his absence, the Deputy Chairman of the Supervisory Board, casts his vote shall prevail.

### **Competencies of the Supervisory Board**

### **Article 15 (fifteen)**

The Supervisory Board shall have competences in accordance with the Banking Act (ZBan-2) and the Companies Act (ZGD-1) and shall supervise the operations and management of the Bank, in particular by:

1. adopting strategic policies of the Bank,
2. appointing and dismissing the Management Board of the Bank,
3. approving the business policy and financial plan of the Bank,
4. examining and approving the draft annual report of the Bank,
5. examining the Management Board's proposal for the allocation of the distributable profit,
6. approving the appointment, dismissal and remuneration of the head of the Internal Audit Department and the act regulating the purpose, importance and tasks of the Internal Audit Department, supervising the compliance of procedures and efficiency of the Internal Audit Department, and giving approval to the annual and multi-annual work plan of the Internal Audit Department,
7. giving approval to determining the organisation of the system of internal controls,
8. approving the risk management plan and dismissing the risk management manager,



9. approving the rules of operation or implementation of tasks of the compliance service and, if necessary, requesting a report be compiled on the implementation of the tasks of the compliance service,
10. adopting and supervising the implementation of the general principles of the remuneration policy,
11. giving approval to concluding a contract on the implementation of internal audit services with an external contractor, to amending the contract and termination of the contract by the Bank,
12. addressing the findings of the Bank of Slovenia, tax inspection and other supervisory authorities in supervisory procedures of the Bank,
13. verifying annual and other financial reports of the Bank and giving reasoned opinions thereof,
14. explaining its opinion on the annual report of the Internal Audit Department and its opinion on the annual report of the Management Board to the General Meeting of shareholders of the Bank,
15. in accordance with the provisions of the Banking Act (ZBan-2) and the Companies Act (ZGD-1), appointing commissions of the Supervisory Board, while making efforts to ensure the continuity of work of these commissions,
16. performing other tasks in accordance with the law and the Articles of Association.

The Supervisory Board shall also be competent for:

1. issuing prior consent for the conclusion of a legal transaction with an entity in a special relationship with the Bank, in accordance with the Banking Act (ZBan-2),
2. issuing prior consent for the conclusion of a legal transaction or approval for a limit to the exposure on the basis of which a major exposure of the Bank to an individual client or a group of related persons or a risk of a further increase of the exposure could occur, in accordance with the Banking Act (ZBan-2) and the Slovene Export and Development Bank Act (ZSIRB),
3. issuing consent for the conclusion of a legal transaction or approval for a limit to the exposure on the basis of which the overall exposure of the Bank to an individual client or a group of related persons would reach or exceed:
  - 25 (twenty-five)% of the Bank's capital or every additional 25 (twenty-five)% of the Bank's capital, in the event of an investment in a bank or a state with an internal credit rating equal to, or higher than, BBB-,
  - 10 (ten)% of the Bank's capital or every additional 10 (ten)% of the Bank's capital, in the event of an investment in a bank or a state with an internal credit rating lower than BBB-,
  - 10 (ten)% of the Bank's capital or every additional 10 (ten)% of the Bank's capital, in the event of an investment in an entity which is not a bank or a state with an internal credit rating equal to or higher than BBB-,
  - 10 (ten)% of the Bank's capital or every additional 5 (five)% of the Bank's capital, in the event of an investment in an entity which is not a bank or a state with an internal credit rating lower than BBB-,
4. issuing consent for the conclusion of an individual legal transaction which:
  - exceeds EUR 10,000,000.00 (ten million), in the event of an investment in an entity, which is not a bank or a state, with the internal credit rating lower than BBB- and higher than C+,
  - exceeds EUR 5,000,000.00 (five million), in the event of an investment in an entity which is not a bank or a state with an internal credit rating lower than B-,
  - is insured with an insurance policy in accordance with the Act Governing Insurance and the Financing of International Commercial Transactions,
5. issuing consent for the conclusion of a legal transaction of long-term borrowing by the Bank, because of which the total long-term borrowing by the Bank from the latest



consent of the Supervisory Board would increase by more than 25 (twenty-five)% of the Bank's capital,

6. issuing consent for financing transactions that exceed 85% of support for the planned transaction or project if so determined by these Articles of Association,
7. issuing consent for a capital investment in another legal entity that exceeds 1 (one)% of the Bank's share capital,
8. issuing consent for the implementation of a commercial activity by a member of the Management Board,
9. issuing consent for write-off claims by the Bank that exceed 1 (one)% of the Bank's share capital,
10. issuing consent regarding other matters in accordance with the law and the Articles of Association.

The determination of credit ratings referred to in the preceding paragraph is regulated in detail by the internal act of the Bank, which is adopted by the Management Board with the consent of the Supervisory Board. The terms referred to in the preceding paragraph are applied in accordance with the meaning determined in the rules regulating prudential requirements for banks in the currently valid wording.

Notwithstanding what is stated in the preceding paragraphs of this Article, the Supervisory Board shall consent to any individual transaction or to an approval or increase in the limit of exposure to an individual client or a group of related persons in all cases when the Bank is concluding a deal related to contingency reserves due to which 10 (ten)%, or every additional 5 (five)% of the entire amount of contingency reserves is reached or exceeded, while contingency reserves on the current account in a commercial bank shall not be deemed an individual transaction and not considered in the calculation of the total exposure to the commercial bank or group of related persons.

The Supervisory Board shall be authorised to amend the Articles of Association concerning only adjustments to the wording of the Articles of Association with the validly adopted decisions of the General Meeting in accordance with the relevant decision of the General Meeting of the Bank.

### **Report by the Supervisory Board**

#### **Article 16 (sixteen)**

The Supervisory Board shall make up a report concerning its performance that shall contain in particular:

- 1) Findings relating to the annual report,
- 2) Position taken concerning the audit report attached to the annual report,
- 3) Opinion on the compliance of the annual report with the Bank's books, rules of the profession and accounting standards currently in force;
- 4) Opinion on the proposed allocation of accumulated profits and/or coverage of loss, if any, as well as proposal for their adoption or rejection;
- 5) Findings related to possible violations of regulations and bylaws of the Bank and resolutions of its bodies.

### **Management Board**

#### **Article 17 (seventeen)**

The Management Board of the Bank represents the Bank and manages its operations.

The Management Board of the Bank shall consist of a minimum of two members and a

maximum of three members, of whom one shall be appointed the President of the Management Board of the Bank. The number of members of the Management Board shall be determined by the Supervisory Board.

Members of the Management Board of the Bank shall be appointed by the Supervisory Board for a period of 5 (five) years, with the possibility of reappointment.

No later than six months prior to the date of the expiry of the term of office, the Supervisory Board shall be obliged to inform the members of the Management Board of their decision on re-appointment or non-appointment.

## **Conduct of Operations and Decision-Making**

### **Article 18 (eighteen)**

The Management Board manages the Bank to the benefit of the Bank independently and on its own responsibility and it has all authorisations for this in accordance with the law and the Articles of Association.

Each member of the Management Board is entitled to one vote.

### **Article 19 (nineteen)**

The Management Board shall require the consent of the Supervisory Board in all matters stipulated by law and by the present Articles of Association.

Should the Supervisory Board refuse to give its consent to a particular matter, the Management Board may require that the consent be subject to the resolution of the General Meeting of the Bank.

### **Article 20 (twenty)**

In the event of a two-member Management Board of the Bank, the decisions shall be adopted by common accord.

In case of absence of such common accord, the decision shall not be adopted and the Management Board shall immediately notify the President of the Supervisory Board thereof. The Supervisory Board shall discuss the same as soon as possible, at the latest on its subsequent regular session, and it shall immediately convey its opinion about the incurred situation to the Management Board.

In the event of a three-member Management Board of the Bank, the decisions shall be adopted by an ordinary majority of all the members' votes. Each Management Board member shall have one vote. In case of absence of one member of the three-member Bank's Management Board, the remaining two members shall adopt their decisions by common accord. In case of disagreement, the provision from the preceding paragraph shall apply if the Management Board in its full composition fails to adopt the relevant decision on the same issue within 30 (thirty) days.

## **Representation of the Bank**

### **Article 21 (twenty-one)**



The members of the Management Board shall represent the Bank jointly in accordance with statutory limitations.

If the Bank has a two-member Management Board, the two members are authorised together to represent the Bank in legal transactions.

If the Bank has a three-member Management Board, two members are authorised together to represent the Bank in legal transactions.

The Management Board of the Bank shall issue special Rules on powers held by the employees and authorized signatories of the Bank, specifying in detail the extent of such powers and regulating all issues related to signing.

#### **Article 22 (twenty-two)**

The Management Board shall regulate adequate handling of confidential information with internal acts and other measures and organise operations in a way which prevents to the greatest extent possible abuses of confidential information and possible conflicts of interest in the operations of the Bank in accordance with the law, good practice, special tasks and authorisations implemented by the Bank.

All information regarding which it is obvious that the Bank and clients of the Bank would suffer damage or may suffer damage if an unauthorised person came to know it shall be considered a business secret.

Information which is public information in accordance with the law shall not be considered a business secret.

#### **Other Bodies and Services of the Bank**

#### **Article 23 (twenty-three)**

The Management Board of the Bank may also appoint other bodies and services of the Bank to perform individual tasks from among the competences of the Management Board of the Bank, such as a Credit Board, a Liquidity Board and other. The structure, competences, authorisations and manner of work shall be determined by the Management Board of the Bank with rules.

The Management Board of the Bank may establish a special development council as advisory body composed of the representatives of legal entities from the business sector, expert community or reputable experts in individual business or other areas, as well as other legal entities (e.g. trade unions) or interested public (e.g. non-governmental organisations). The development council shall be composed of up to 15 members and shall meet as required but at least once a year.

#### **Internal Audit and the Compliance Service**

#### **Article 24 (twenty-four)**

Internal audit and compliance of operations are directly subject to the Management Board and functionally and organisationally separated from other organisational units and functions of the Bank.

Internal audit shall aim at providing assurances and consultancy in view of increased benefits and improvement of operations of the Bank by promoting a prudent and well-regulated evaluation method applicable to risk control and management procedures.

The person who manages the compliance service is responsible to the Management Board, and he/she shall report to the Management Board and the Supervisory Board on his or her findings.

## **Special Fund**

### **Article 25 (twenty-five)**

Based on its purpose and role and in accordance with the application of the legal provisions of operation, and particularly the principle of long-term financial balance from Article 4 hereof, the Bank may also establish special funds for risk equalisation and hedging of assumed risks and for setting aside financial assets for the purpose of international development co-operation. Such funds and financing can be provided by the state from its assets in accordance with the fulfilment of its role in the activities and ownership of the Bank, or by third legal entities in accordance with the business purposes and in co-operation with the Bank.

## **V. REGULATION OF LABOUR AND OTHER LEGAL RELATIONSHIPS**

### **Article 26 (twenty-six)**

The Management Board of the Bank may adopt general internal acts to lay down special conditions for performing individual jobs or type of work, among other relating to the need to meet the requirements of banking or investment operations or the Bank's other transactions, high level of theoretical or practical experience in the areas of activities performed by the Bank, no conviction or achievement of the highest ethical and professional standards.

The conditions from the previous paragraph hereunder may also apply in the cases of other legal relationships with third persons (contracts, orders, etc.) in which the Bank enters.

## **VI. ALLOCATION OF NET PROFITS OF THE FINANCIAL YEAR AND ACCUMULATED PROFITS**

### **Net Profits/Other Reserves Arising from Profits**

#### **Article 27 (twenty-seven)**

On adoption of the annual report, the Management Board and the Supervisory Board may allocate a part of the amount of the net profits of the financial year, such as are residual after the utilization of the net profits of the financial year for statutory purposes, to creation of other profit-based reserves.

Other profit-based reserves may not be disbursed to the shareholders or to any other parties.

### **Statutory Reserves**

#### **Article 28 (twenty-eight)**

The Bank shall create its statutory reserves in the amount of up to 50% (fifty per cent) of its share capital by dedicating, in a particular financial year, at least 50% (fifty per cent) of its net



profits, reduced by the amounts, if any, allocated to coverage of loss brought forward and the amounts allocated to create statutory reserves and reserves for own shares.

The Bank may allocate its statutory reserves to covering the net loss of the financial year, to covering the loss brought forward, to the share capital increase out of the company's assets and for financial rehabilitation of major losses arising out of operation and/or extraordinary business events.

### **Accumulated Profits**

#### **Article 29 (twenty-nine)**

The allocation of the accumulated profits shall be subject to the decision of the General Meeting of the Bank which may decide in its resolution that the accumulated profits shall be transferred to other profit-based reserves.

### **Publication of Data**

#### **Article 30 (thirty)**

Data and communications subject to publication by law shall be published by the Bank in the Official Gazette of the Republic of Slovenia, unless stipulated otherwise by the relevant law, and on its website.

## **VII. TERM OF THE BANK**

### **Term of the Bank**

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

The Bank has been established for an indefinite period. The Bank may be dissolved due to the reasons determined by law.

## **VIII. TRANSITIONAL AND FINAL PROVISIONS**

### **Disputes**

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

Any dispute arising between a shareholder and the Bank in connection with the rights and obligations deriving from the present Articles of Association and other bylaws of the Bank that the parties are unable to settle in an amicable way within a reasonable period of time shall be resolved by the court of subject-matter jurisdiction in Ljubljana.

### **Counterparts of the Articles of Association**

#### **Article 33 (thirty-three)**

The original copy of the Articles of Association shall be retained in the Office of the Secretary of the Bank. Shareholders may obtain a copy of the Articles of Association from the competent organizational unit of the Bank.

Personal signature of Deputy Notary Public and stamp:

L.S.  
**NADA KUMAR**  
**Coat of Arms**  
NOTARY PUBLIC  
**LJUBLJANA**

**Deputy Notary Public**  
**Barbara ANDRIČ-VELKOVHR**  
**signed**



Notary Public NADA KUMAR hereby certifies

that this is a copy of the original instrument *Notarial Record*

*Ref. No: SV-895/16.*

The instrument has been drawn up on a computer and consists of 13 pages.

The instrument is affixed with a stamp.

According to the client, the original instrument underlying the copy is retained by *Notary Public Nada Kumar*.

In Ljubljana, 7 July 2016

L.S.

**NADA KUMAR**

**Coat of Arms**

**NOTARY PUBLIC**

**LJUBLJANA**

Deputy Notary Public  
Barbara ANDRIČ-VELKOVHR  
personal signature

Podpisana Barbara Hočevar Balon, z odločbo Republiškega sekretariata za pravosodje, organizacijo uprave in proračun SRS št. 74/a-24/84 z dne 24.10.1984 postavljena za stalnega sodnega tolmača za angleški jezik, izjavljam, da se ta prevod povsem ujema s slovenskim izvirnikom.

The undersigned Barbara Hočevar Balon, designated a permanent legal interpreter for English by the Decree of the Secretariat of Justice, Administration and Budget of the Socialist Republic of Slovenia, no 74/a-24/84 dated 24 October 1984, confirms herewith that this translation is in full compliance with the Slovene original.

Ljubljana, 8.9. 2016





