

# ARTICLES OF ASSOCIATION OF SLOVENIAN SOVERIGN HOLDING

## I INTRODUCTORY PROVISIONS

### Article 1 (one)

Pursuant to Article 77, Paragraph 1 of ZSDH-1, the Slovenian Sovereign Holding, (hereinafter referred to as: the "Company") was established by assuming the powers and obligations of Slovenian Sovereign Holding by Slovenska odškodninska družba d.d. (hereinafter referred to as: "SOD") as of the date of entry into force of ZSDH-1. The assumption of powers and obligations was carried out in such a way that SOD acquired powers, obligations and tasks in accordance with ZSDH-1, while also retaining all its powers, rights and obligations prior to its transformation into a Company.

## II GENERAL PROVISIONS

### Article 2 (two)

The sole founder and shareholder of the Company is the Republic of Slovenia.

The Company shall operate as a public company with rights, obligations and liabilities set forth in ZGD-1, ZSDH-1, Slovene Compensation Fund Act (ZSOS) (Official Gazette of the Republic of Slovenia, No. 21/11 – official consolidated text; hereinafter referred to as: "ZSOS") and other laws and these Articles of Association.

### Article 3 (three)

These Articles of Association shall regulate:

- - the Company's corporate name and the registered office;
- - the Company's objects;
- - the Company's share capital and shares,
- - the Company's bodies,
- - the Company's annual report, net profit and provisions,
- - announcements and provision of information,
- - confidentiality and prohibition of competition,
- - the Company's legal documents,
- - the Company's duration and dissolution,
- - transitional and final provisions.

## III CORPORATE NAME AND REGISTERED OFFICE

### Article 4 (four)

The Company's corporate name shall read: **Slovenski državni holding, d. d.**

The abbreviated Company's corporate name shall read: **SDH.**

The translation of the corporate name shall read: **Slovenian Sovereign Holding**.

The abbreviated translation of the corporate name shall read: **SSH**.

The Company's registered office shall be in Ljubljana.

The Company's business address shall be in Ljubljana, Mala ulica 5 (five).

The Company shall have a corporate logo and stamp containing the corporate name and the registered office. The design and the use of the corporate logo shall be determined by the Company's Management Board.

#### IV COMPANY'S PURPOSE

##### Article 5 (five)

The purpose of the Company is to provide for the concerted management of capital assets owned by the Company, Kapitalska družba pokojninskega in invalidskega zavarovanja, d.d. (hereinafter referred to as: "KAD") and capital assets of the Republic of Slovenia in order to establish stable ownership, cut the management costs and increase the long-term profitability and value of these assets with the aim of achieving economic and development and public interest objectives.

The Company must establish a transparent capital assets management system which is compliant with Slovenian and international guidelines on best practice in management of state-owned assets and corporate governance in general and pursues the optimization of management costs and satisfies statutory obligations. The system should enhance compliance of operations as well as traceability and accountability in decision-making by clearly allocating powers and duties and by implementing measures for limiting the risks of corruption and other unethical and undue conduct and influence and lobbying practices.

The purpose of the Company in the capacity of a financial organization is also to provide for the settlement of liabilities due to beneficiaries under the Denationalization Act, Cooperatives Act and other regulations regulating the denationalization of assets, the settlement of liabilities under the Act Regulating the Issuing of Bonds in Compensation for Confiscated Property pursuant to the Abrogation of the Penalty of Confiscation of Property, Act on Payment of Compensation to Victims of War and Post-War Violence and Reimbursement of Investments in Public Telecommunications Network Act, and other liabilities resulting from the statutory obligations referred to in this Article regarding the settlement of liabilities.

For the realization of tasks referred to in the preceding paragraph, the Company shall issue bonds and other securities, manage and dispose of securities and other assets acquired in accordance with the law, and carry out all other tasks in accordance with applicable regulations and these Articles of Association which enable the obligations referred to in the preceding paragraph to be fulfilled.

The Company shall be obliged to ensure an adequate return and liquidity to meet the obligations referred to in Paragraph 3 of this Article.

The Company shall carry out its activities in the manner stipulated by ZSDH-1, ZSOS and these Articles of Association.

In accordance with the provisions of the Decree on Standard Classification of Activities (Official Gazette of the Republic of Slovenia, Nos. 69/07 and 17/08), the objects of the Company are classified as the following categories:

- F41 Construction of buildings
- F41.100 Development of building projects
- F41.200 Construction of residential and non-residential buildings
- J63.110 Data processing and related activities
- J63.990 Other information service activities n.e.c.
- K64.190 Other monetary intermediation
- K64.200 Activities of holding companies
- K64.910 Financial leasing
- K64.920 Other credit granting
- K64.990 Other financial service activities, except insurance and pension funding n.e.c.
- K66.190 Other activities auxiliary to financial services, except insurance and pension funding
- L68.100 Buying and selling of own real estate
- L68.200 Renting and operating of own or leased real estate
- L68.310 Real estate agencies
- L68.320 Management of real estate on a fee or contract basis,
- M69.10 Legal activities
- M69.103 Other Legal activities
- M70.220 Business and management consultancy activities
- N82.910 Activities of collection agencies and credit bureaus
- N82.990 Other business support service activities n.e.c.
- P85.590 Other education n.e.c.

Without entering the activity into the Slovenian Business Register, the Company may also carry out other business which is necessary for its existence and for the pursuit of activities listed in these Articles of Association which, however, do not constitute a direct pursuit of an activity, with the exception of those transactions that are subject to statutorily stipulated special conditions and or for the pursuit of which a prior consent by a responsible body or organization is required by the law.

## V SHARE CAPITAL AND SHARES

### Article 6 (six)

The share capital of the Company shall amount to EUR 301,765,982.3 (three hundred and one million seven hundred and sixty-six thousand nine hundred and eighty-two and eighty-three and 30/100) and is divided into 189,788 (one hundred and eighty-nine thousand seven hundred and eighty-eight) no-par value shares. The subscribed contribution of the share capital has been fully paid up.

### Article 7 (seven)

The shares are ordinary shares registered in the name of the Republic of Slovenia giving their holder the right to manage the Company, the right to a dividend and the right to be paid the remaining value of the Company's assets in case of its liquidation.

Republic of Slovenia shall waive its right to a dividend, as long as the Republic of Slovenia is the sole shareholder of Company.

The shares are issued in a non-materialized form.

## VI ASSETS TO COVER THE COMPANY'S LIABILITIES UNDER ZSOS

### Article 8 (eight)

Assets for the settlement of liabilities referred to in Article 5, Paragraph 3 of these Articles of Association shall be created as follows:

- on the basis of management and disposal of securities and other assets acquired in accordance with Articles 9, 10 and 11 of ZSOS and in accordance with other acts;
- from funds generated by the issue of other Company's securities;
- from funds raised by means of borrowing activities;
- from other Company's income except from assets acquired in the manner referred to in the first and second indents of Article 9 of these Articles of Association;
- from the state budget;
- in any other manner.

## VII ASSETS FOR COMPANY'S OPERATION

### Article 9 (nine)

The funds for the operation of the Company shall be provided as follows:

- from the budget of the Republic of Slovenia;
- from other funds of the Company's founder;
- from the category of funds generated on the basis of management and disposal of securities and other assets acquired in accordance with Articles 9, 10 and 11 of ZSOS and other Acts;
- from the category of funds generated by the issue of the Company's securities and other debt instruments;
- from funds obtained from the management of capital assets held by the Republic of Slovenia and third parties in accordance with Article 27 of ZSDH-1;
- from the category of other income generated by own operations.

## VIII COMPANY'S BODIES

### Article 10 (ten)

The Company shall have the following bodies:

- the Management Board;
- the Supervisory board
- the General Meeting;
- the Expert Committee for Economic and Social Affairs.

The Company's bodies are not bound by any instructions given by the government authorities or third persons and must act in an independent and autonomous manner in the pursuit of their

activities, in accordance with the objectives set out in the strategy and other asset management-related documents, as laid down in ZSDH-1.

## **A Management Board**

### Article 11 (eleven)

The Management Board shall organize and direct the work of the Company and shall have the authority and be held responsible for all management and business decisions taken by the Company in accordance with ZSDH-11, and for the adoption and implementation of all decisions for which other Company's bodies are not responsible for in accordance with ZSDH-1 or these Articles of Association. The Management Board shall be responsible for the legality of the Company's business.

In accordance with Article 47, Paragraph 1 of ZSDH-1, the Management Board shall need to obtain a consent granted by the Supervisory Board for the following transactions:

- for legal transactions related to the approval of short-term loans granted to legal entities which are not authorised by the Bank of Slovenia to carry out banking transactions – regardless of the nominal amount of an individual transaction;
- for legal transactions from issuing guarantees to third persons- regardless of the nominal amount of an individual transaction;
- for legal transactions from borrowing or granting loans with a repayment term exceeding 365 (three hundred sixty-three) calendar days- regardless of the nominal amount of an individual transaction;
- for the acquisition of capital assets with a cost exceeding EUR 1 (one) million and the disposal of capital assets with a carrying amount exceeding EUR 1 (one) million
- the adoption of the Criteria for Measuring the Performance of State-Owned Enterprises;
- the adoption of the draft Annual Asset Management Plan;
- the adoption of the Asset Management Policy;
- the adoption of the Code of Corporate Governance for SOEs;
- for concluding agreements on the provision of advisory services, such as agreements concluded with legal and financial advisors, agreements for carrying out due diligence of a company, agreements for company's valuations in processes for the disposition of capital assets, the value of which exceeds EUR 40,000.00 (forty thousand and 00/ 100), excluding VAT, per contractor.

### Article 12 (twelve)

The Management Board of the Company is composed of the President of the Management Board and up to two members who are all appointed by the Company's Supervisory Board on the basis of a public call for tenders.

The term of office for the Management Board President and members lasts for four years with the possibility of his/her reappointment.

The remuneration of the Management Board President and the members of the Company's Management Board shall be determined by the Company's Supervisory Board.

Any breach of duties under ZSDH-1 or of any instruments of governance shall constitute a severe violation of obligations assumed by a Management Board Member. The provisions of ZGD-1 apply for the dismissal of a Management Board Member.

#### Article 13 (thirteen)

A person who fulfils conditions stipulated in ZGD-1 and ZSDH-1 may be appointed as a member of the Company's Management Board.

#### Article 14 (fourteen)

The Management Board shall make decisions under its authority by a simple majority of all members, and each member of the Management Board shall have one vote. In the event of an equal number of votes, the vote of the President of the Management Board shall be the casting vote. Where the Management Board acts in the absence of the President of the Management Board and the result of the vote is a tie, the vote of the member of the Management Board, who has been appointed as a temporary Deputy President by the President of the Management Board, shall be the casting vote.

In the event of absence of the President of the Management Board or a member of the Management Board, he/she shall be replaced by another member of the Management Board and/or an employee of the Company by virtue of a special mandate. The authorisation system shall be regulated by the Company's bylaws also during the presence of the Management Board.

The President of the Management Board shall represent the Company individually and without any limitations. Members of the Management Board shall represent the Company jointly with the President of the Management Board.

#### Article 15 (fifteen)

The Supervisory Board shall conclude an employment contract with a member of the Management Board in which the total remuneration of an individual member of the Management Board shall be determined, together with other rights, obligations and responsibilities, in accordance with applicable regulations. The provisions of the law governing the remuneration of members of supervisory bodies in companies held in majority ownership by the Republic of Slovenia and self-governing local communities shall not apply in this case.

#### Article 16 (sixteen)

In accordance with ZSDH-1, the Management Board shall appoint a three-member Nomination Committee composed of experts in corporate governance, human resources management and the functioning of supervisory boards. One member of the Nomination Committee may be employed in the Company while the other two shall be external experts. A member of the Nomination Committee shall not be a member of any body of a political party, the Management Board of the Company or the Supervisory Board of the Company and must not be employed in a company in which the Company manages capital assets.

The Nomination Committee is a consultation body of the SSH Management Board, which carries out duties that relate to the implementation of procedures for recruiting candidates for members of Supervisory Bodies of SOEs, their evaluation and their accreditation.

The Management Board shall take decisions on the remuneration of external experts who participate in the Nomination Committee. Upon a proposal by the Nomination Committee, the Management Board shall adopt the criteria, the procedure for determining the suitability of candidates and the methods of operation of the Nomination Committee.

When the Management Board of the Company proposes or appoints candidates for bodies of companies who have not been proposed by the Nomination Committee, it shall disclose such decisions to the SSH Supervisory Board, including the conditions and criteria according to which the proposed candidates were more suitable than the nominated ones. The traceability must be ensured as to how these candidates have been selected, who they have been invited to participate in the process and how the candidate's eligibility criteria has been established.

## **B Supervisory board**

### Article 17 (seventeen)

The Supervisory Board of the Company shall oversee the implementation of the Company's governance instruments and its business. Within the scope of its tasks, the Supervisory Board shall particularly do the following:

- review and verify the Company's books of account and its records;
- approve the Company's financial plan;
- review the annual report and the proposal for the use of the balance-sheet profit, draw up a written report on the review results obtained to be delivered to the General Meeting and take a position on the Auditor's Report;
- approve the Annual Report of the Company;
- submits to the General Meeting a proposal for the appointment of the Auditor;
- appoint the members of the Management Board and decide on the dismissal of the Management Board;
- propose resolutions to the General Meeting if so provided by law;
- supervise the implementation of the strategy and the Annual Asset Management Plan and the Company's operations;
- appoint the members of the Audit Committee and of other committees, as necessary;
- harmonize the text of the Company's Articles of Association with the applicable decisions made by the General Meeting; and
- perform other duties in accordance with ZSDH-1 and ZGD-1.

### Article 18 (eighteen)

The President of the Supervisory Board shall convene and chair the meetings of the Supervisory Board and publish decisions made by the Supervisory Board.

The President of the Supervisory Board shall represent the Company in relation to the members of the Management Board.

A member of the Supervisory Board shall withdraw from decision-making on affairs related to him/her personally.

### Article 19 (nineteen)

The Supervisory Board of the Company shall appoint an Audit Committee.

In accordance with ZGD-1, the Supervisory Board may also appoint other committees when this is necessary for the pursuit of its work.

The provisions of ZGD-1 shall apply in full to the Audit Committee.

The procedure for the operation of the Audit Committee and other committees shall be determined by the Supervisory Board on the basis of a proposal from the Audit Committee.

#### Article 20 (twenty)

The members of the Supervisory Board shall receive an attendance fee for their work, the amount of which shall be determined by the General Meeting. Where the Supervisory Board appoints committees, the president and the members of the committees shall be entitled to an attendance fee, the amount of which shall be determined by the General Meeting.

In addition to the attendance fee referred to in the preceding paragraph, the members of the Supervisory Board and the members of committees of the Supervisory Board shall be entitled to reimbursement of material and other expenses incurred in connection with their attendance at meetings.

#### Article 21 (twenty-one)

The Supervisory Board shall regulate in detail the manner of its work and the conditions for its work by virtue of its Rules of Procedure.

### **C General Meeting**

#### Article 22 (twenty-two)

The General Meeting shall make decisions on the Company's fundamental matters, as defined in ZGD-1 and ZSDH-1, on the issue of new shares and their placing on the market, and shall adopt the criteria for measuring the performance of SOEs.

#### Article 23 (twenty-three)

The General Meeting shall be convened and held in accordance with the applicable regulations.

### **D Expert Committee for Economic and Social Affairs**

#### Article 24 (twenty-four)

The Expert Committee for Economic and Social Affairs (ECESA) is the SSH Management Board's consultation body which shall give opinions and initiatives related to the economic and social matters.

At its meetings, the ECESA shall adopt opinions and initiatives that are related to affairs which result or may result in issues concerning the labour law, the company's Articles of Association or have or may have social impacts for SSH employees or for enterprises managed by the Company.

The meetings of the ECESA shall be convened by the President of the ECESA, who shall be elected by the members from among the members themselves. The meetings shall be convened as and when necessary, to be decided by the President of ECESA himself/herself, upon a proposal of at least two members of the ECESA or upon the proposal by the Management Board,



provided that the President of the ECESA shall be obliged to convene the session of ECESA at least twice a year.

At the ECESA meeting, the Company's Management Board shall report in particular on:

- the Company's HR and business plan and the general acts of the Company relating to the management and disposal of assets in the companies managed by the Company;
- any other matter relating to economic and social affairs which the Management Board and the ECESA consider that it should be discussed at the ECESA's meeting.

The Management Board of the Company may also report to the ECESA at its meeting on the following matters:

- the plan for the sale of the State's capital assets; and
- the management of the State's capital assets.

The Company's Management Board shall not be obliged to comply with the positions, decisions or initiatives of the ECESA, but is obliged to explain to the ECESA its actions and positions in cases where they deviate from the positions, decisions or initiatives of the ECESA.

The ECESA shall have the right to inform the public of its positions, insofar as no confidential information regarding the Company or companies managed by the Company is disclosed, specifically, by means of joint press releases which have been coordinated with the Company's Management Board. The President of the ESECA and the Management Board of the Company shall agree on the press release after each ECESA meeting.

Prior to the commencement of their duties, all members of the ESECA shall be required to sign a declaration on confidentiality and professional secrecy with the view of protecting confidential information of the Company.

The detailed work of the ESECA shall be determined by the rules of procedure approved by the Management Board of the Company on a proposal from the ESECA.

## IX COMPANY'S ANNUAL REPORT, NET PROFIT AND PROVISIONS

### Article 25 (twenty-five)

The Company keeps books of accounts in accordance with International Financial Reporting Standards as stipulated by the Commission Regulation No 1126/2008 of 3 November 2008 (third November two thousand and eight) on adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council.

The Management Board of the Company is required to draw up the Annual Report within the statutory deadlines and to submit it to the Supervisory Board, together with the Auditor's Report and a proposal for the use of the balance sheet profit.

The Supervisory Board must draw up a written report to the General Meeting on the result of its examination of the Annual Report and the proposal for the use of the balance-sheet profit. In the report, the Supervisory Board shall state how and to what extent it has supervised the management of the Company during the financial year. The Supervisory Board shall also take a position on the Audit Report in its report as well as state its comments or approve the Annual Report. When the Supervisory Board approves the Annual Report, the Annual Report is adopted.

The Supervisory Board must deliver its report to the Management Board within one month of the submission of the Company's Annual Report, failing which the Management Board must immediately set the Supervisory Board an additional deadline of not more than one month. If the Supervisory Board fails to deliver the report even within the additional period, the Supervisory Board shall be deemed not to have approved the Annual Report.

After any loss carried forward has been recovered and the statutory reserves have been established in accordance with the applicable regulations, the balance of the net profit for the financial year shall be allocated to other reserves.

## X ANNOUNCEMENTS AND PROVISION OF INFORMATION

### Article 26 (twenty-six)

The Company shall disclose to the public on its website such information which is relevant to its business and information on the management of its investments in accordance with the ZSDH-1.

The Company shall ensure that the shareholder and other interested members of the public are informed through public announcements in accordance with the applicable regulations and on its website.

Where there is an obligation to publish particular information or communications of the Company, such information or communications shall be published in the manner prescribed by the regulations in force from time to time.

The Company shall also provide for publication in a daily newspaper published throughout the territory of the Republic of Slovenia where expressly required by law or other general regulation.

The Company's Management Board shall be responsible for informing the shareholder, the Supervisory Board and the public.

## XI BUSINESS SECRET AND NON-COMPETITION AND ANTI-CORRUPTION CLAUSES

### Article 27 (twenty-seven)

The Company shall stipulate that all documents and information for which it is evident that the Company would suffer significant damage if they were to come to the knowledge of an unauthorised person, and in particular those set out in a special act of the Company, shall be considered to be business secret.

All employees, members of the bodies and external persons who, in the performance of their duties, are aware of information which is considered to be a business secret shall be bound by the obligation of professional secrecy and confidentiality.

### Article 28 (twenty-eight)

In particular, it shall be a breach of professional secrecy and confidentiality to communicate information, which is a business secret, to an unauthorised person, to allow an unauthorised person to have access to such information, to act in an attempt to obtain access to such

information or to act in a negligent manner with regard to such information on the part of a person who is under a duty to protect such information.

A person violating this provision shall also be liable for the damage caused in accordance with the rules of tort law.

#### Article 29 (twenty-nine)

Members of the Management Board and Supervisory Board and employees of the Company may not participate as partners of an unlimited liability company, general partners of a limited partnership, partners and managers of a limited liability company, members of the management board, board of directors and supervisory board of a public limited company, or as proxies in any other company or as an entrepreneur engaged in an activity which is or may be in competition with the activities of the Company.

The prohibition of competition referred to in the preceding paragraph shall be specified in the employment contract.

## XII COMPANY'S LEGAL DOCUMENTS

#### Article 30 (thirty)

The Management Board of the Company shall prepare proposals and drafts of instruments of governance, the preparation, adoption and amendment of which shall be governed by the provisions of ZSDH-1 and these Articles of Association.

The Company shall also maintain internal general acts regulating the internal organisation, rules and standards of operation, and procedures and instructions for conduct in specific areas of the Company's activities.

The Articles of Association, amendments and supplements to the Articles of Association shall be adopted by the General Meeting of the Company upon a proposal of the Management Board or the Supervisory Board.

Other acts required by law and these Articles of Association shall be adopted by the Management Board, unless otherwise provided in these Articles of Association, and shall be communicated to the Supervisory Board.

## XII DURATION AND DISSOLUTION OF THE COMPANY

#### Article 31 (thirty-one)

The Company shall be established for an indefinite period.

The Company shall be dissolved for the reasons and in accordance with the procedure laid down by law.

#### XIV TRANSITIONAL AND FINAL PROVISIONS

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

These Articles of Association shall enter into force on the date of their entry in the Slovenian Business Register.

On the date of entry into force of these Articles of Association, the Articles of Association of SSH - Notarial Deed No SV 254/22 of 3 March 2022 (March twenty-third, two hundred and twenty-two) shall cease to have effect.