

Ljubljana Stock Exchange Articles of Association

13 June 2019



LJUBLJANSKA BORZA

LJUBLJANA *Stock Exchange*

**Amendments and supplements to the Articles of Association, which were adopted by the Ljubljana Stock Exchange Inc. General Meeting of Shareholders on 13 June 2019, enter into force and use as at 13 June 2019 (entry into Court Register).

Note: The English version of the Ljubljana Stock Exchange Inc. Articles of Association is a translation of the Slovene original. In case of linguistic discord, the Slovene original – being the legal version – shall prevail.



On the basis of the Companies Act and Markets in Financial Instruments Act, the Ljubljana Stock Exchange Inc. General Meeting of Shareholders adopted, on 13 June 2019, amendments and supplements to the Articles of Association, the consolidated version of which reads:

LJUBLJANA STOCK EXCHANGE INC. ARTICLES OF ASSOCIATION

(consolidated version)

Article 1

The Ljubljana Stock Exchange Inc. Articles of Association (hereinafter referred to as the "Articles of Association") shall regulate:

- the definitions of terms;
- general provisions (the definition and objective of the Exchange, its name and registered office, activities, confidential business information, publication of notices, Exchange shareholders, share capital, Exchange shares);
- the management, corporate bodies and process of decision-making;
- the organisation and operations of the Exchange;
- the Exchange annual report and allocation of distributable profit;
- Exchange employees;
- the term and dissolution of the Exchange;
- transitional and final provisions.

Article 2

Definitions

The terms used in these Articles of Association and in the other general acts of the Exchange, used in the appropriate declination and number, shall have the following meanings:

- **Exchange:** Ljubljana Stock Exchange Inc.;
- **ZGD:** Commercial Companies Act;
- **ZTFI:** Markets in Financial Instruments Act;
- **Articles of Association:** Ljubljana Stock Exchange Articles of Association;
- **Exchange member:** A legal person that has been admitted to Exchange membership upon meeting the requirements stipulated by the ZTFI, executive regulations and the Exchange Rules;
- **Trader:** A natural person authorized to carry out Exchange transactions for an Exchange member firm if in compliance with the requirements stipulated by the ZTFI, executive regulations and the Exchange Rules;
- **Agency:** Securities Market Agency;
- **Rules:** Ljubljana Stock Exchange Rules;
- **Stock exchange market:** Regulated market in financial instruments pursuant to the ZTFI, which is operated by the Exchange and for which the Exchange has obtained authorization for operation from the Agency;
- **MTF:** Multilateral trading facility, which brings together buying and selling interests in financial instruments of many third persons in accordance with non-discretionary rules, by concluding legal sell or purchase transactions in the respective financial instruments;
- **CSI system:** System for the central storage of regulated information;
- **SEOnet system:** Ljubljana Stock Exchange Inc. system of electronic announcements.



I. GENERAL PROVISIONS

Article 3

Definition, Objective and Vision of the Exchange

- (1) The Exchange is a joint-stock company incorporated in order to ensure proper conditions for the matching of supply and demand in the trading in securities and other financial instruments, and for organized, transparent, liquid, and effective trading in securities, in accordance with the law and other regulations.
- (2) The business objective of the Exchange is to maximize the company's value in the long-term for the benefit of its shareholders, while also ensuring secure, transparent, efficient, stable and successful regulated market in Slovenia, developing local capital market in the segment of small and medium-sized enterprises and abiding by the regulations governing the market in financial instruments.
- (3) The vision of the Exchange is to become the information and financial intersection point for the local and regional capital market and to offer the highest quality services to all users of our services and business partners.
- (4) Trading in securities and other financial instruments shall be conducted in compliance with the law and these Articles of Association, and in compliance with the Rules, Instructions and other general acts of the Exchange as adopted by the Management Board.

Article 4

Exchange Activities

- (1) The Exchange shall perform the following activities:
 - operate the stock exchange market in financial instruments, for which it had obtained authorization from the Agency;
 - publish the prices of financial instruments;
 - provide information on supply and demand, market values and other data on financial instruments;
 - conduct research and analysis of the financial market;
 - provide technical services to support trading;
 - operate an MTF;
 - operate a CSI;
 - sell and maintain the software developed for the purposes of providing its services;
 - organise and provide training in relation to its services for participants in financial instruments market;
 - provide other services or activities having similar features to services and activities referred to in previous points of this paragraph in terms of the method of provision and the risks to which the Exchange is exposed when providing them.
- (2) The Exchange activity entered into the court register shall be determined according to standard activity classification.
- (3) The Exchange may also conduct any other business necessary for its existence and normal operations, which is not classified as straightforward Exchange activities.



Article 5

The Exchange was incorporated on the basis of the Memorandum of Incorporation on 26 December 1989 and was as a joint-stock company entered into the register of the Ljubljana District Court.

Article 6

Name and Registered Office of the Exchange

- (1) The Exchange shall operate under the name: Ljubljanska borza vrednostnih papirjev, delniška družba, Ljubljana (Ljubljana Stock Exchange, Incorporated).
- (2) The abbreviated name of the Exchange shall be: Ljubljanska borza, d. d., Ljubljana (Ljubljana Stock Exchange, Inc.).
- (3) The English translation of the name shall be: Ljubljana Stock Exchange, Incorporated.
- (4) The registered office of the Exchange shall be in Ljubljana.
- (5) The Exchange shall have its own trademark and stamp containing the name. The form, storage and application of its own trademark and stamp shall be specified by the Management Board.

Article 7

- (1) The Management Board shall adopt Exchange Rules and Instructions, wherein it shall lay down in detail, pursuant to the law:
 - rules on financial instruments traded on the stock exchange market,
 - rules on member firms,
 - rules on trading on the stock exchange market,
 - detailed competences of other Exchange bodies, the manner of their work and their decision-making.
- (2) The Management Board may adopt MTF Rules, wherein it shall lay down in detail, pursuant to the law:
 - transparent criteria for selecting financial instruments eligible for trading on the MTF,
 - rules and procedures for fair and orderly trading on the MTF, and
 - transparent and non-discriminatory rules on access to the MTF.

Article 8

Confidential Business Information

- (1) Confidential business information shall refer to the data designated as such by a written resolution of the Exchange Management Board or by the Rules. Such provisions within the Rules and such a written resolution determining the type of data considered as confidential shall be known to any persons obliged to abide by the rules of business confidentiality.
- (2) Confidential business information shall also refer to the data, the nature and importance of which is such that it could, in the event of disclosure to unauthorized persons, cause substantial damage to the Exchange or to other legal persons.



- (3) Confidential business information shall also refer to the data delivered to the Exchange by other legal persons to facilitate its activities and being marked "confidential".

Article 9

- (1) Confidential business information shall be guarded by all Exchange employees, its members and their employees, members of corporate bodies and external persons who in the course of their work come into contact with business information recognized as confidential.
- (2) Business confidentiality shall be considered violated in particular by disclosing confidential business information to an unauthorized person, by facilitating an unauthorized person's access to such data, by actions aimed at obtaining such data, as well as by the negligent handling of such data by a person obliged to guard it, etc.
- (3) According to the provisions of the law of damages, the offender shall be liable for the damage caused.

Article 10

Confidential Information

Members of Exchange bodies, its shareholders and employees as well as other persons that in the course of their work or in providing services to the Exchange come into contact with confidential information on issuers, member firms or another person – notwithstanding the manner in which they obtain this information – must not forward this information to third persons nor use it themselves or enable third persons to use it.

Article 11

The detailed rules on the criteria for determining business information as confidential, on the protection of such Exchange data and confidential information and the measures for their preservation, storage and application shall be specified by the Exchange Management Board, pursuant to the ZTFI.

Article 12

Publication of Notices

The Exchange notices for shareholders shall be published on the Exchange's public website (www.ljse.si), except for the convocation of the General Meeting, which shall be sent by registered mail to all shareholders.

Article 13

- (1) The announcements and notices to Exchange members shall normally be sent via the electronic system.
- (2) Notices to the Exchange employees shall normally be sent via e-mail.

Article 14

Exchange Shareholders

The Exchange shall be organized as a joint-stock company. Exchange shareholders may be natural and legal persons.



Article 15

The share of voting rights or the share of the Exchange capital held by an individual shareholder shall be subject to the restrictions imposed by the rules on the Agency's authorization to acquire a qualified holding and by the rules on prohibition of cross sharing, pursuant to ZTFI.

Article 16 *Share Capital*

- (1) The Exchange share capital totals EUR 1,400,893.01 and is divided into 33.571 ordinary registered no-par shares of the same class. The shares are issued in dematerialized form.
- (2) Pursuant to the law and these Articles of Association, holders shall be entitled to the following rights arising from Exchange shares:
 - the right to participate in the management of the company,
 - the right to dividends,
 - the preemptive right to buy a proportionate amount of shares upon an increase of the company's share capital,
 - the right to an appropriate portion of the remaining assets after the winding-up or bankruptcy of the company,
 - other rights pursuant to the law and these Articles of Association.

Article 17 *Preemptive Right*

Holders of ordinary registered no-par shares shall have the preemptive right to buy shares of subsequent issues, in compliance with the relevant resolution adopted at each General Meeting of Shareholders.

Article 18 *Exchange Shares*

The shares of the first issue are ordinary registered shares. In case of share capital increase, only ordinary registered no-par shares shall be issued.

Article 19

The Central Securities Clearing Corporation Inc. (KDD) shall keep the Exchange share register. In relations to the Exchange, the shareholder shall be the person entered into the share register.

Article 20

- (1) Share capital increase or decrease shall be decided on at the General Meeting of Shareholders. The share capital increase or decrease shall be carried out in compliance with the measures for the increase or decrease of the same, as provided for in the ZGD.
- (2) In the event of a new issue of no-par shares, they shall be registered shares and paid for in cash, non-cash contributions or rights.

Article 21

The Exchange shall assume liability for its obligations with the entirety of its assets.



II. ADMINISTRATION, CORPORATE BODIES AND MANNER OF DECISION-MAKING

Article 22 Corporate Bodies

The Exchange corporate bodies are the following:

- General Meeting of Shareholders;
- Management Board;
- Supervisory Board;
- Board of Issuers;
- Board of Members.

Article 23 General Meeting of Shareholders

The General Meeting shall be composed of the Exchange shareholders. Each shareholder shall have one representative at the General Meeting.

Article 24

The General Meeting shall:

- decide on the annual report – if the Supervisory Board does not authorize it or if the Management and Supervisory Boards confer the decision on the annual report upon the General Meeting;
- upon the proposal of the Management and Supervisory Boards decide on the profit for appropriation;
- nominate as well as recall members of the Supervisory Board;
- decide on the discharge of members of the Management Board;
- decide on the discharge of members of the Supervisory Board;
- adopt the Articles of Association and the amendments thereof, whereby such a resolution shall be adopted by a min. 2/3 majority of represented share capital;
- decide on the measures for share capital increase or decrease;
- decide on the dissolution of the Exchange (activities), whereby the relevant resolution of the General Meeting shall be adopted with a min. 3/4 majority of represented share capital;
- decide on the appointment of an auditor;
- pass votes of no confidence to members of the Management Board;
- adopt resolutions on the issue and withdrawal of shares;
- exceptionally, if so required by the Management Board, decide on the issues related to business activities.

Article 25

- (1) The General Meeting shall be convened by the Management Board.
- (2) The General Meeting shall be convened at least once a year, following the preparation of the annual report. The session of the General Meeting at which the General Meeting adopts decisions on the distribution of accumulated profit and on the discharge must be held within the first eight months after the end of the financial year.



- (3) General Meeting of Shareholders is held at the Ljubljana Stock Exchange registered office. In the convocation of the General Meeting the Management Board may determine that the General Meeting is held at the business address of the chosen notary public.

Article 26

- (1) The shareholders whose total holdings account for five (5) per cent of subscribed capital may present a written request for the Management Board to convene a General Meeting.
- (2) Upon receiving the request from the preceding paragraph, the General Meeting shall meet as soon as possible but no later than within two (2) months after the receipt of the request.

Article 27

- (1) The convening for a General Meeting shall be sent by registered mail to all shareholders, whereby the shareholders' names and addresses are taken from the valid share register. The day on which the convocation is put in the mail shall be considered the day the convocation of the General Meeting is published. The mail needs to be sent at least thirty (30) days before the session of the General Meeting.
- (2) Notwithstanding the legal provisions or these Articles of Association on the content of the convocation, convocation deadline, publication of convocation, provisions regarding deadlines and publication of supplements to the agenda and provisions regarding the majority needed in order for the Management Board to make a decision to convene a General Meeting, the General Meeting may make decisions if all shareholders are present and validly represented at the General Meeting.
- (3) The General Meeting may be attended and the voting rights exercised solely by those shareholders who are registered as holders of shares in the central registry of dematerialized securities at the end of the fourth (4) day prior to the General meeting (record date for participation on the general meeting).
- (4) Should the decision on dividend payment be adopted at the Meeting, the shareholders entitled to the dividend payment shall be those who are registered as holders of shares in the central registry of dematerialized securities on the day, stipulated in the resolution of the General Meeting as a record date for payment of dividends.

Article 28

The General Meeting is chaired by the President of the General Meeting. The President of the General Meeting is elected by the General Meeting at the beginning of its session.

Article 29

The General Meeting shall constitute a quorum if at least 1/2 of the votes of all the shareholders with voting rights are represented.

Article 30

- (1) Except in cases provided for by law or these Articles of Association, the General Meeting shall adopt resolutions with a simple majority of the votes cast.



- (2) Each ordinary no-par share shall ensure its owner one vote. Voting at the General Meeting shall be carried out by ballots, or alternatively by raising hands, or through electronic and other comparable media.
- (3) Shareholders may also vote by regular or electronic mail prior to the session of the General Meeting. A shareholder may vote by completing a ballot paper and sending the duly signed ballot paper by post to the Ljubljana Stock Exchange registered office or by sending a scanned completed and signed ballot paper by electronic mail to the e-mail address of the Exchange, which is determined by the Management Board in the convocation of the General Meeting. Together with the ballot papers the shareholder must also submit an excerpt from the court register in accordance with Article 31 (2) of Articles of Association. Only ballot papers, which the Exchange receives at the latest one day prior to the session of the General Meeting in accordance with this Article, shall be taken into account.

Article 31

- (1) The shareholders who are legal persons shall be represented by their proxies or legal representatives.
- (2) The proxy or representative shall submit their power of attorney or extract from the court register to an authorized employee of the Exchange at least thirty minutes prior to each General Meeting. Should the proxy or legal representative fail to submit their authorisation or extract from the court register in due time, they shall not be able to exercise their voting right.
- (3) Joint representatives of several shareholders shall submit their written power of attorney on joint representation prior to the commencement of the General Meeting.

Article 32

An auditor or other external participants may also be invited to the General Meeting. Should confidential information be communicated at the Meeting, that particular part of the convening may be closed to the public.

Article 33

Management Board

- (1) The Management Board shall consist of two (2) to (3) members, of whom one is appointed as the President of the Management Board. The number of Management Board members shall be determined with a resolution of the Supervisory Board.
- (2) At least two (2) members of the Management Board shall jointly represent the Exchange in legal transactions. Neither of the Management Board members may be authorized for individual representation of the Exchange and the entirety of its business activities.
- (3) The Management Board of the Exchange may, by a special resolution, which is adopted unanimously, authorise each individual member of the Management Board to independently make decisions in individual matters and transactions related to regular operations of the Exchange.



- (4) The Management Board shall act in the best interest of the Exchange, independently and at their own responsibility.

Article 34

The Management Board shall:

- run and represent the Exchange as stipulated by ZGD, ZTFI, the Articles of Association and the Management Board Rules of Procedure;
- realize the Exchange development strategy and its planned activities as determined by the Supervisory Board;
- ensure that the Exchange acts in accordance with the provisions of ZTFI;
- ensure that the Exchange defines and obeys the rules governing its business activities;
- organize and ensure smooth operations of the Exchange;
- organize and ensure the implementation of the decisions adopted at the General Meeting and those by the Supervisory Board;
- prepare the programme and financial objectives of the Exchange operations;
- convene the General Meeting;
- in co-operation with the Supervisory Board propose resolutions for all items on the General Meeting agenda subject to the shareholders' decision-making at the Meeting;
- provide shareholders with reliable information on items on the agenda dealt with at the General Meeting;
- within three months after the end of the business year at the latest prepare the annual report and present it to the Supervisory Board together with the auditor's report and the proposal for the allocation of profit;
- should the Supervisory Board fail to present its opinion within one month following the receipt of the annual report, immediately set another deadline within the framework of the month to follow;
- present shareholders with the annual report and the Supervisory Board's report as well as ensure their availability to the shareholders at the Exchange registered office;
- ensure that the information important for the issuers is available to the public;
- appoints members of the Board of Issuers and the Board of Members;
- handle and adopt decisions on all other matters it is authorized to in accordance with the provisions of ZGD, ZTFI, the Exchange Articles of Association, the Exchange Management Board Rules of Procedure, the Exchange Rules, and other general acts of the Exchange.

Article 35

- (1) As a rule the Management Board shall adopt resolutions on matters it is authorised to unanimously. In the event of disagreement, unless stipulated otherwise by these Articles of Association, the resolutions shall be adopted by the majority of the votes cast by all members of the Management Board. In the voting procedure the President and each member of the Management Board shall have 1 (one) vote.
- (2) In the event of the parity of votes, the President of the Management Board shall have the casting vote.

Article 36

- (1) The Management Board shall be appointed and recalled by the Supervisory Board.



- (2) The Management Board shall be elected for a maximum 5 (five) year renewable term.

Article 37

- (1) A person eligible to sit on the Management Board shall:
- have appropriate professional skills, as well as characteristics and experience needed to manage the Exchange,
 - not have been finally sentenced for a criminal offence as stipulated by law,
 - have obtained the authorisation from the Agency to act as member of the Exchange Management Board.
- (2) The first condition from the previous paragraph of this Article shall be met if the person in question has adequate theoretical knowledge and practical skills to manage the Exchange. The first condition from the previous paragraph of this Article shall be deemed met if the person in question has at least five years of experience in running the business of a company of a comparable size and activity as the Exchange or other comparable businesses.

Article 38

- (1) A member's term on the Management Board may end prior to expiration of their term of office:
- at the request of the member in question;
 - if discharged by the Supervisory Board due to serious violations of their duties or due to their incompetence to conduct business;
 - should a vote of no confidence be passed at the General Meeting, except in the event of obviously unsubstantial claims;
 - should other business or economic reasons (important changes in the structure of the shareholders, reorganisation, introduction of new products, significant deviation of activities and similar) favour such a decision;
 - if so provided for by law.

Article 39

(deleted)

Article 40

Supervisory Board

- (1) The Supervisory Board shall be composed of three (3) to five (5) members, of which all shall be elected by the General Meeting. The number of the Supervisory Board members shall be determined with a resolution of the General Meeting.
- (2) All Members of the Supervisory Board shall have equal rights and obligations unless otherwise specified by these Articles of Association.
- (3) The Supervisory Board may form special Supervisory Board committees, either for the entire term of the Supervisory Board or upon special events when problematic issues call for efficient solutions. The types of such committees, their composition and nomination of committee members shall be stipulated in the Supervisory Board Rules of Procedure.



- (4) The Supervisory Board may, according to its Rules of Conduct, invite Chairman of the Board of Members and/or the Chairman of the Board of Issuers to an individual meeting of the Supervisory Board, if his/their presence is required for discussing individual items of the agenda. The Rules of Conduct of the Supervisory Board shall provide detailed rules on terms and conditions, reasons and situations when the Supervisory Board may invite to its meeting a non-member of the Supervisory Board.

Article 41

- (1) The Supervisory Board shall:
- appoint the Member and President of the Management Board;
 - be able to discharge the Member and President of the Management Board;
 - (deleted);
 - supervise the Exchange activities;
 - inspect and verify Exchange business books and documentation, cash in hand, deposited securities and other things;
 - through the President of the Supervisory Board conclude contracts with members of the Management Board, specifying their rights and obligations, salaries and other takings;
 - grant loans to members of the Management Board;
 - decide on the adoption of reports by the Management Board on matters specified by law;
 - at any time be able to request the Management Board to submit a report on any issue related to Exchange activities having or expected to have a considerable effect on the position of the Exchange;
 - be able to appoint a member for a temporary member of the Management Board for a maximum of one year, replacing the missing or retained member of the Management Board;
 - in co-operation with the Management Board (alone in case of elections of members of the Supervisory Board and auditors) prepare the proposal of a resolution for each item on the agenda to be dealt with by the General Meeting;
 - elect the President of the Supervisory Board and their deputy from among its members;
 - propose to the General Meeting or to the Court the discharge of a member of the Supervisory Board if so provided for by ZGD;
 - approve contracts between a member of the Supervisory Board and the Exchange;
 - consider the annual report as well as the proposal for the allocation of distributable profit prepared by the Management Board, form its opinion on the matter and provide the General Meeting with it in writing;
 - present the written opinion mentioned above to the Management Board not later than a month following the receipt of the annual report;
 - approve the payment of interim dividends;
 - adopt the amendment to the Exchange's Articles of Association, if the Assembly delegates to it the power to amend the Articles of Association if the amendment concerns only the alignment of the text of the Articles of Association with valid adopted decisions;
 - may decide on other matters in accordance with the applicable legislation and internal acts of the Exchange.
- (2) In addition to the duties from the preceding paragraph, the Supervisory Board shall study the reports on Exchange activities and submit proposals to the Management Board for the elimination of irregularities, should any be established.



Article 42

- (1) The members of the Supervisory Board shall be appointed for a 4 (four) year term.
- (2) The General Meeting may discharge the elected members of the Supervisory Board before their term of office expires. The resolution on discharge shall be adopted by a min. 3/4 majority of the votes cast.

Article 43

- (1) In the voting procedure at the Supervisory Board meetings, each member of the Board shall have 1 (one) vote. In the event of the parity of votes, the President of the Board shall have the casting vote.
- (2) The Supervisory Board shall pass resolutions at meetings convened in accordance with the Supervisory Board Rules of Procedure.
- (3) At their first meeting, the members of the Supervisory Board shall elect the President from among their number. The Board's meetings shall be convened by the President. Should the President be absent or detained, meetings shall be convened by the President's deputy.

Article 44

- (1) Members of the Supervisory Board receive a fee for holding office for performing their tasks.
- (2) The amount of the fee for holding office shall be determined by the decision adopted by the General Meeting, observing the recommendations laid down in the Corporate Governance Code for Joint Stock Companies along with those put forward by the Slovenian Directors' Association.

Article 45

Board of Issuers

- (1) The Board of Issuers shall be an expert Exchange group composed to discuss significant expert and development matters related to issuers.
- (2) The Board's main tasks shall be:
 - identifying significant capital market issues related to issuers,
 - monitoring development trends related to corporate governance, transparency of operations, disclosure of regulated information, etc,
 - mutual informing among members of the Board on topical problems related to issuers,
 - learning of the planned activities of the Exchange and of the planned changes of the Rules as related to issuers,
 - providing the Exchange with opinions and initiatives regarding the further development and activities related to issuers,
 - assisting the Exchange in communicating with capital market participants, the public and the regulator.



Article 46

- (1) The Board shall be composed of at least five (5) but not more than eight (8) members appointed among representatives of issuers and renowned experts from the field, by the Management Board. Board members shall be appointed for a three (3) year term. Board members shall not represent any listed company in particular, but shall act on behalf of all issuers and shall work towards capital market development.
- (2) The detailed competences of the Board, its composition, manner of appointing members and terminating their term of office, as well as other matters related to the Board's operations, shall be stipulated in the Rules of Procedure, jointly adopted by the Board of Issuers and the Management Board.

Article 47

Board of Members

- (1) The Board of Members shall be an expert Exchange group composed to discuss significant expert and development matters related to member firms.
- (2) The Board's main tasks shall be:
 - identifying significant capital market issues related to member firms,
 - monitoring development trends related to stock exchange trading systems, stock exchange trade settlement, financial products, etc,
 - mutual informing among members of the Board on topical problems related to member firms,
 - learning of the planned activities of the Exchange and of the planned changes of the Rules as related to member firms,
 - providing the Exchange with opinions and initiatives regarding the further development and activities related to member firms,
 - assisting the Exchange in communicating with capital market participants, the public and the regulator.

Article 48

- (1) The Board shall be composed of at least five (5) but not more than eight (8) members appointed among representatives of stock exchange member firms and renowned experts on capital markets, by the Management Board. Board members shall be appointed for a three (3) year term. Board members shall not represent any member firm in particular, but shall act on behalf of all member firms and shall work towards capital market development.
- (2) The detailed competences of the Board, its composition, manner of appointing members and terminating their term of office, as well as other matters related to the Board's operations, shall be stipulated in the Rules of Procedure, jointly adopted by the Board of Members and the Management Board.

Article 49

(deleted)



Article 50

(deleted)

III. ANNUAL REPORT AND ALLOCATION OF DISTRIBUTABLE PROFIT

Article 51

The annual report along with the opinion of the Supervisory Board shall be available to the Exchange shareholders at the Exchange registered office and web site from the date the General Meeting is convened.

Article 52

The financial year shall be equal to the calendar year. The Management Board shall submit to the Supervisory Board the annual report as reflecting the company's situation on 31 December, for the previous financial year.

Article 53

Upon the proposals from the Management and Supervisory Boards, the profit for appropriation shall be, following the approval of the General Meeting, allocated to:

- other reserves from profit;
- shareholders' dividends;
- the remuneration fund for the members of the Management and Supervisory Boards;
- retained profit.

Article 54

- (1) Dividends shall be paid out to the shareholders to their bank accounts within the terms, in the amount and in the manner agreed at the General Meeting.
- (2) The conditions from the previous paragraph shall also be met in the payout of the share of profit allocated by the General Meeting to other ends.

IV. EXCHANGE EMPLOYEES, THEIR RIGHTS AND DUTIES

Article 55

In order to run the Exchange activities efficiently and rationally, the Exchange business operations shall be divided into organizational units. The internal organisation and systematization of jobs shall be regulated through special rules adopted by the Management Board. The Exchange employees shall exercise their rights and duties through the Employees' Council, pursuant to the temporary legislation.

Article 56

The Management Board shall appoint heads of organisational units, their duties, competences and powers, as well as the powers of other Exchange employees.



V. TERM AND DISSOLUTION OF THE EXCHANGE

Article 57

The Exchange has been incorporated for an indefinite period of time and may be dissolved under conditions provided for by law and these Articles of Association.

VI. TRANSITIONAL AND FINAL PROVISIONS

Article 58

Any amendments and supplements to these Articles of Association shall be made in the same manner as foreseen for the adoption of the Articles of Association.

Article 59

These Articles of Association and the amendments thereof shall come into effect on the date of their entry into the court register.

Article 60

During the transitional period from the entry into force of the latest amendments to the Articles of Association adopted at the General Meeting on 13 June 2019 until 1 April 2020, the following provisions of the Articles of Association dated 12 June 2018 shall continue to apply with regards to the employees' representative:

- Article 40 (1) of the Articles of Association dated 12 June 2018;
- Article 42 (3) of the Articles of Association dated 12 June 2018.

Ljubljana, 13 June 2019

Ljubljana Stock Exchange, Inc.

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