

Notice of the resolutions of the General Meeting of Shareholders

On the basis of the Rules of the Ljubljana Stock Exchange and the Securities Market Act (ZTVP-1, Off. Gaz. of the RS, no. 56/99), the Management Board of the Company hereby publishes the resolutions adopted at the 10th regular General Meeting of Shareholders of the Istrabenz Holding Company held on 28 August 2006.

Opening of the General Meeting of Shareholders and establishment of a quorum

At the General Meeting of Shareholders, 75.85% of the Company's capital and 3,928,946 of all voting shares were present. The proportion of the voting shares of the five biggest shareholders present at the General Meeting of Shareholders (expressed as a percentage of total voting shares) was 58.69%.

Resolutions passed by the General Meeting of Shareholders

1. The General Meeting of Shareholders appointed:

- Stojan ZDOLŠEK, lawyer, Chairman of the General Meeting of Shareholders;
- the Credentials Committee, composed of:
- Chairman: Robert ERNESTL; and
- vote counters: Klavdija ULE, Mira PINTER.

The meeting was attended by the invited notary public Dravo FERLIGOJ.

The resolution was passed with 3,928,946 shares in favour, which accounts for 100.00% of all votes cast or 75.85% of all shares of the Company carrying the right to vote.

2. The General Meeting of Shareholders acknowledged the Annual Report for 2005, the Auditor's Opinion and the Supervisory Board's Report on the Review and Approval of the Annual Report and on the Work of the Supervisory Board in accordance with Article 282 of the Companies Act.

3. Distribution of the 2005 balance-sheet profit and granting of a discharge from liability to the Management Board and the Supervisory Board.

a) The balance-sheet profit in the amount of SIT 4,005,036,646.12 shall be allocated as follows:

1. SIT 725,200,000.00 to dividends or SIT 140 gross dividend per share;

The Company shall pay dividends to the shareholders whose complete data it has available by no later than 27 October 2006 according to the Share Register of the Company kept with the Central Register of KDD – the Central Securities Clearing Corporation, Ljubljana – as at 30 August 2006.

2. SIT 3,279,836,646.12 to other Company reserves from profit.

Payments under item 1 shall be funded as follows:

- SIT 2,328,950.00 from other reserves from 1996; and
- SIT 261,350,776.84 from other reserves from 1997; and
- SIT 461,520,273.16 from other reserves from 1998.

b). The General Meeting of Shareholders granted the Management Board of the Company a discharge from liability for 2005.

c). The General Meeting of Shareholders granted the Supervisory Board of the Company a discharge from liability for 2005.

The resolutions under item 3 of the agenda were passed with 3,928,946 shares in favour, which accounts for 100.00% of all votes cast or 75.85% of all shares of the Company carrying the right to vote.

4. Introduction of no-par value shares and amendments and supplements to the Company's Articles of Association.

a). The General Meeting of Shareholders adopted a resolution on the introduction of no-par value shares whereby 5,180,000 shares with a face value of SIT 1,000.00 each shall be converted into 5,180,000 no-par value shares.

b). The General Meeting of Shareholders adopted the amendments and supplements to the Articles of Association as submitted.

c). The General Meeting of Shareholders adopted the fair copy of the Articles of Association of the Company and authorised the Chairman of the General Meeting of Shareholders to sign it.

The resolutions under item 4 of the agenda were passed with 3,928,946 shares in favour, which accounts for 100.00% of all votes cast and 100% of the capital represented in the voting or 75.85% of all shares of the Company carrying the right to vote.

5. Conversion of the Company's share capital and authorised capital from SIT to EUR.

The share capital and the authorised capital shall on the day the euro is introduced be converted from SIT to EUR at the conversion exchange rate.

Pursuant to the fourth paragraph of Article 694 and the first paragraph of Article 329 of the Companies Act (ZGD-1) the General Meeting of Shareholders authorised the Supervisory Board of the Company to convert the tolar amount of share capital and authorised capital stated in the Articles of Association into euros at the conversion exchange rate as at the day the euro is introduced and to amend the Articles of Association of Istrabenz so as to state the relevant amount of the share capital and authorised capital in euros.

The above resolution was passed with 3,928,946 shares in favour, which accounts for 100.00% of all votes cast and 100% of the capital represented in the voting or 75.85% of all shares of the Company carrying the right to vote.

6. The General Meeting of Shareholders appointed the auditing company KPMG SLOVENIJA, podjetje za revidiranje, d.o.o., Železna cesta 8a, Ljubljana, the auditor of the Company for 2006.

The above resolution was passed with 3,928,845 shares in favour, which accounts for 100.00% of all votes cast or 75.85% of all shares of the Company carrying the right to vote.

7. The General Meeting of Shareholders determined the remuneration of the Supervisory Board members and the Chairman for the period between 1 January 2005 and 30 May 2005.

For the period between 1 January 2005 and 30 May 2005 the Supervisory Board members shall receive basic remuneration for performing their function and a bonus on account of special obligations in the gross amount of SIT 217,560.00 monthly. The Supervisory Board Chairman shall receive an additional payment for the performance of special functions in the gross amount of SIT 217,560.00 per month. Those members of the Supervisory Board whose term of office did not extend throughout the month shall receive a proportionate part of the monthly remuneration.

The Chairman and the members of the Supervisory Board shall receive remuneration for all past months as a one-off payment effected within 15 days of this resolution being passed by the General Meeting of Shareholders.

This resolution was passed with 8 shares AGAINST and 3,928,938 shares FOR; the latter accounting for 99.9998% of all votes cast or 75.85% of all shares of the Company carrying the right to vote.

8. The General Meeting of Shareholders determined the remuneration of the Supervisory Board members and the Chairman.

Taking into account the "Criteria Applying to the Membership, Work and Payments to the Supervisory Board Members" adopted by the Management Board of the Association of Supervisory Board Members, and the recommendations for the remuneration of Supervisory Board members, the members of the Supervisory Board shall receive basic remuneration for performing their function and a bonus on account of special obligations in the gross amount of EUR 1,000 per month. The Supervisory Board Chairman shall receive an additional payment for the performance of special functions in the gross amount of EUR 1,000 per month. The members and the Chairman of the Supervisory Board shall receive remuneration for the performance of their function for as long as they perform the function. The members and the Chairman of the Supervisory Board shall be entitled to remuneration according to this paragraph for the period starting with the calendar month following the adoption of this resolution by the General Meeting of Shareholders. Until the euro is introduced, the members and the Chairman of the Supervisory Board shall be entitled to remuneration in tolar, calculated at the mean exchange rate of the Bank of Slovenia as at the day of payment. For their work in the established committees of the Supervisory Board the members and the Chairperson(s) of such committees shall receive a monthly remuneration in the gross amount of EUR 500 and EUR 1,000 respectively throughout the period that the committee is operating. Until the euro is introduced, the members and the Chairperson(s) of the committees shall be entitled to remuneration in tolar, calculated at the mean exchange rate of the Bank of Slovenia as at the day of payment.

All members of the Supervisory Board shall, in addition to remuneration for the performance of their function, receive an attendance fee according to item 9.12. of the Articles of Association and in line with the resolution of the General Meeting of Shareholders dated 30 May 2003; until the introduction of the euro in the currently set amount in tolar and following the introduction of the euro in euros, calculated at the SIT/EUR conversion exchange rate.

This resolution was passed with 8 shares AGAINST and 3,928,938 shares FOR; the latter account for 99.9998% of all votes cast or 75.85% of all shares of the Company carrying the right to vote.

9. The General Meeting of Shareholders adopted the amendments and supplements to the Rules of Procedure of the General Meeting of Shareholders as an integral text and as proposed. As the amendments and supplements to the integral text of the Rules of Procedure of the

General Meeting of Shareholders were passed, the currently applicable fair copy of the *Rules of Procedure of the General Meeting of Shareholders* dated 31 May 2002 shall cease to have effect.

The resolution was passed with 3,928,946 shares in favour, which accounts for 100.00% of all votes cast or 75.85% of all shares of the Company carrying the right to vote.

Announced challenging legal proceedings

All resolutions were adopted in the form proposed.

No challenging legal proceedings were announced at the meeting.

Management Board of the Istrabenz Holding Company