



On the basis of item 9.2. of the Articles of Association of the ISTRABENZ Holding Company, the second paragraph of Article 295 of the Companies Act-1, the Rules of the Ljubljana Stock Exchange and in line with the resolution adopted by the Management Board of the Company on 22nd April 2010, the Management Board hereby convenes the

**16th regular General Meeting of Shareholders of the ISTRABENZ Holding Company
to be held at 1 p.m. on Thursday, 27th May 2010
in the Galea-Batana Hall of the Grand Hotel Portorož, Obala 33, Portorož**

with the following

AGENDA:

1. Opening of the General Meeting of Shareholders and the election of its working bodies;

The Management Board hereby proposes to the General Meeting of Shareholders to adopt the following resolution:

The following are elected:

- Chairman of the General Meeting of Shareholders: Uroš Ilić, lawyer,
- the Credentials Committee, composed of:
 - Chairman: Gregor Mavsar,
 - Vote Counters: Klavdija Ule, Mira Pinter.

The meeting will be attended by the invited notary public Dravo Ferligoj.

2. Presentation of Annual Report of the Istrabenz Holding Company and the Istrabenz Group for 2009 with auditor's opinions and the written report of the Supervisory Board on the examination and approval of the Annual Report, information on the income of the Management and Supervisory boards and granting of discharge from liability;

The Management board and the Supervisory board hereby propose to the General Meeting of Shareholders to adopt the following resolution:

- a) The General Meeting of Shareholders grants discharge from liability to the Company's Management Board for the financial year 2009.
- b) The General Meeting of Shareholders grants discharge from liability to the Company's Supervisory Board for the financial year 2009.

3. Appointment of the Company's auditing house for the financial year 2010;

The Supervisory Board proposes to the Shareholders' Meeting to adopt the following resolution:

The General Meeting of Shareholders appoints the auditing house KPMG SLOVENIJA, podjetje za revidiranje, d.o.o., Železna cesta 8a, Ljubljana as Company's auditing house for the financial year 2010.

4. Changes to the Articles of Association of the Company due to required harmonisation of stated activities with the new Standard Classification of Activities, and the harmonisation of provisions with the Act amending the Companies Act (ZGD-1C) in the part referring to the payments for the Supervisory Board members, the convening of the General Meeting of Shareholders, the informing of the shareholders, the notifying of participation and the participation at the General Meeting of Shareholders, the changes of provisions regarding the increase of the Company's share capital and the representation of the Company;

The Management Board and the Supervisory Board hereby propose to the Shareholders' Meeting to adopt the following resolution:

The General Meeting of Shareholders adopts the proposed changes to the Articles of Association due to required harmonisation of the stated activities with the new Standard Classification of Activities, and the harmonisation of provisions with the Act amending the Companies Act (ZGD-1C, Official Gazette of the Republic of Slovenia, No. 42/2009) in the part referring to the payments for the Supervisory Board members of the Company, the convening of the General Meeting of Shareholders, the informing of the shareholders, the notifying of participation and the participation at the General Meeting of Shareholders, the changes of provisions regarding the increase of the Company's share capital and the representation of the Company, as ensues from the text which is a constituent part of the materials for the General Meeting of Shareholders.

5. Introduction to and discussion about the Extraordinary audit report on the findings of the extraordinary audit performed within the company Istrabenz, holdinška družba, d.d. in relation to the business year 2007;

The Management Board and the Supervisory Board hereby propose to the General Meeting of Shareholders to adopt the following resolution:

The General Meeting of Shareholders is introduced to the Extraordinary audit report on the findings of the extraordinary audit performed within the company Istrabenz, holdinška družba, d.d. in relation to the business year 2007, as submitted by the auditing house ABC revizija, družba za revizijo in sorodne storitve d.o.o., Dunajska 101, Ljubljana on 10th March 2009, and is informed about the consideration of the findings ensuing from the aforementioned extraordinary audit report in the items of the company's Annual Report.

6. Introduction to and discussion about the Reports on special audit and the adopting of decision on the filing of the action for damages;

The Management Board and the Supervisory Board hereby propose to the Shareholders' Meeting to adopt the following resolution:

- a) The General Meeting of Shareholders is introduced to the "Report on the findings resulting from the audit procedures", carried out in line with the decree No. Ng 9/2009 adopted by the District Court in Koper on 8th October 2009, and the "Report on the findings resulting from the audit procedures", carried out in line with the decree No. Ng 19/2008 adopted by the District Court in Koper on 24th April 2009, prepared respectively by the auditing house BDO Revizija d.o.o., Cesta v Mestni log 1, 1000 Ljubljana.

- b) Based on the findings of the "Report on the findings resulting from the audit procedures", carried out in line with the decree No. Ng 9/2009 adopted by the District Court in Koper on 8th October 2009, and the "Report on the findings resulting from the audit procedures", carried out in line with the decree No. Ng 19/2008 adopted by the District Court in Koper on 24th April 2009, prepared respectively by the auditing house BDO Revizija d.o.o., Cesta v Mestni log 1, 1000 Ljubljana, a decision is adopted that with regard to the management of the business transactions that were subject to the aforementioned audit procedures, no action for damages shall be filed against the members of management and supervisory bodies with the term of office coinciding with the afore-mentioned period.

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Information for the shareholders:

Availability of the materials for the General Meeting of Shareholders, the draft resolutions with grounds and the information regarding the General Meeting of Shareholders

The materials for the General Meeting of Shareholders, including the draft resolutions with grounds, the text with proposed changes to the Articles of Association with grounds, the fair copy of the Articles of Association, the Annual Report, the report of the Supervisory Board, the Corporate Governance Statement and other materials as stated in paragraph 2, Article 297.a of the Companies Act-1 (ZGD-1), are available to the shareholders for inspection from the Secretariat of the Management Board of the Company in Koper, Cesta Zore Perello Godina 2, every working day from 9 a.m. to 2 p.m., from the day the notice of convening the General Meeting of Shareholders is published up until and including the day it is held. The materials are also available on the Company's website (www.istrabenz.si). The notice of convening the General Meeting of Shareholders, the draft resolutions with grounds, the text with proposed changes to the Articles of Association and other materials are published also on the website of the Ljubljana Stock Exchange (<http://seonet.ljse.si>). The information from paragraph 3, Article 296 of the Companies Act-1 (ZGD-1) and extensive information on the shareholders' rights with regard to their request to place additional items on the agenda, the submitting of resolutions' counter-proposals, the proposals to be subject to the voting and the shareholders' right to be informed (paragraph 1 of the Article 298, paragraph 1 of the Article 300, Articles 301 and 305 of the Companies Act (ZGD-1)) are all published on the Company's website.

Requests and proposals of the shareholders

Shareholders whose total interest accounts for one-twentieth of the subscribed capital may request in writing that an additional item be placed on the agenda. The request must be sent to the Company within seven days at the latest following the publication of the convocation of the General Meeting of Shareholders. The request must be accompanied in writing by a proposed resolution to be decided upon by the General Meeting of Shareholders or, if the General Meeting of Shareholders will not adopt a resolution on an individual agenda item, an explanation of that item. In line with paragraph 3, Article 298 of the Companies Act-1 (ZGD-1), the management board will publish those additional agenda items whose publishing has been requested within seven days at the latest following the publication of this convocation of the General Meeting of Shareholders. The shareholders may submit their request to place additional items on the agenda also via e-mail to info@istrabenz.si.

The shareholders may submit in writing the resolution proposals and the voting proposals to each item of the agenda. The management board will publish the shareholders' proposals in the same manner that the convening of the General Meeting of Shareholders is published, only if the shareholder has sent the Company a reasonably justified proposal within seven days following the

publication of the convening of the General Meeting of Shareholders, and if it has informed the Company of its intention to object to the proposal of the management or supervisory body at the General Meeting of Shareholders and that it will call on other shareholders to vote in favour of its proposal. In line with Article 301 of the Companies Act (ZGD-1), the shareholder is not obliged to state the grounds when submitting voting proposals. The shareholder's proposal will be published and communicated according to the provision of the Article 296 of the Companies Act (ZGD-1), providing that the shareholder sent the proposal with reasonable grounds within seven days following the publication of the convocation of the General Meeting of Shareholders. The shareholders may submit their resolution proposals and voting proposals to the Company also via e-mail to info@istrabenz.si.

Each request to place an additional item on the agenda, the resolution proposals and the voting proposals that are sent to the Company via e-mail, have to be scanned, sent in form of attachment and must contain the personal signature of the natural person or, in case of legal persons, the personal signature of the representative and the seal/stamp of that legal person, if it is used. The Company has the right to prove the identity of the shareholder or the party that authorised the submitting of the request or the proposal via e-mail, and to verify the authenticity of the signature.

Shareholder's right to be informed

At the General Meeting of Shareholders, the shareholders have the right to pose questions and request matters concerning the Company where this is important for the assessment of the agenda. The shareholder's right to be informed ensues from paragraph 1, Article 305 of the Companies Act-1 (ZGD-1).

Invitation to larger shareholders in line with the item 4.2. of the Corporate Governance Code for Joint Stock Companies

The Istrabenz Holding Company hereby invites all larger shareholders, especially the institutional investors and the State, to inform the public about their policy related to the management of their investment in the Joint Stock Company Istrabenz Holding, as for instance the voting policy, the manner and the frequency of performing corporate governance activities and the communication dynamics with the management or supervisory bodies of the Company.

Conditions for participation at the General Meeting of Shareholders and the exercising of voting rights

Shareholders may participate at the General Meeting of Shareholders and exercise the shareholders' voting rights provided that they announce their participation at the General Meeting of Shareholders in writing and send it to the Management Board at least three days prior to the day it is held, that is up until and including 24th May 2010, and who are as at 23rd May 2010 entered in the Share Register of the Company. The announcing of participation in writing cannot be submitted via e-mail. The Company will consider valid only the registration forms undersigned with original signatures.

Each shareholder entitled to participate at the General Meeting of Shareholders, has the right to authorise a natural or legal person to exercise the voting right on his/her behalf. The written authorisation must be sent to the Company and is kept by the Company. The registration form for exercising the voting right through an authorised representative is available on the Company's website and from the Secretariat of the Management Board of the Company in Koper, Cesta Zore Perello Godina 2, every working day from 9 a.m. to 2 p.m., from the day the notice of convening the General Meeting of Shareholders is published up until and including the day it is held. The shareholders can send the authorisation to the Company also via e-mail, to the e-mail address info@istrabenz.si. The

authorisation which is sent via e-mail has to be scanned, sent as an attachment and must contain the personal signature of the natural person or, in case of legal persons, the personal signature of the representative of the legal person and the seal/stamp of the legal person, if it is used. The Company has the right to prove the identity of the shareholder or the party submitting the authorisation via e-mail, and to verify the authenticity of the signature.

Shareholders may revoke authorisations in the same manner in which it was conferred.

Shareholders or their authorised representatives identify themselves at the General Meeting of Shareholders with a personal document or a written authorisation. Legal representative must also present an extract from the Companies Register.

On the day when the notice of convening the General Meeting of Shareholders is published, the Company has 5,180,000 ordinary registered no-par-value shares. As provided by law, each share grants to its holder one vote at the General Meeting of Shareholders. As at 26th April 2010, the Istrabenz Holding Company has 978 own shares with no voting rights.

Shareholders are kindly requested to come to the General Meeting of Shareholders an hour before the scheduled time so that a record of their attendance may be established and preparation for voting carried out.

You are kindly invited!

Management Board
of the Istrabenz Holding Company