
LUKA KOPER, Port and Logistics System Operator, Plc.
Vojkovo nabrežje 38, 6000 Koper, Slovenia

Explanation of resolutions proposed for the 30th General Meeting of Shareholders of LUKA KOPER, d.d.

Item 2 – Proposed resolution on appropriation of accumulated profit and granting of discharge to the Management Board and Supervisory Board

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

2.1. Accumulated profit amounting as at 31 December 2017 to 17,261,910.95 euros is allocated as follows:

- a portion of accumulated profit in the amount of 14,700,000.00 euros is allocated for the paying out of dividends in the gross amount of 1.05 euros per ordinary share,
- the remaining portion of accumulated profit totalling 2,561,910.95 euros remains undistributed.

The Company shall pay out dividends on 31 August 2018 to all shareholders entered as holders of the shares in the Central Book-Entry Securities Register as of the end of 30 August 2018.

2.2. The General Meeting of Shareholders discharges the Management Board of responsibility for 2017.

2.3. The General Meeting of Shareholders discharges the Supervisory Board of responsibility for 2017.

Explanation of the proposed resolutions:

Pursuant to Article 294 of the Companies Act (ZGD-1), simultaneously with the decision on appropriation of accumulated profit, the general meeting shall also adopt a decision whether to discharge the management board and supervisory board members. According to the law, the discussion on granting discharge of liability shall be linked to the discussion on appropriation of accumulated profit and for this purpose, the management board shall submit to the general meeting the annual report and the report of the supervisory board on the results of the annual report verification. According to the article stated above, when the general meeting is deciding on appropriation of accumulated profit, the management shall notify the shareholders on the remuneration received by the members of the management and supervisory bodies for the performance of their duties in the past financial year. In the specific case, this information is disclosed in the annual report. In view of the above, before the discussion and decision concerning the appropriation of accumulated profit and granting of discharge to the management board and supervisory board, the discussion and presentation of the 2017 annual report and supervisory board's report concerning the approval of the 2017 annual report will take place under the same item of the agenda, and the management board will inform the shareholders on the remuneration received by the members of the management and supervisory bodies for the performance of their duties in the company in the past financial year. Therefore, by considering that all above stated topics are interconnected, it is reasonable that the discussion on them takes place simultaneously.

The supervisory board discussed the Annual Report of the company Luka Koper, d. d. and the Luka Koper Group for 2017 as well as the management board's proposal on the appropriation of accumulated profit at its 11th regular meeting held on 26 April 2018.

On the same occasion, the supervisory board was acquainted with and discussed the audit report released by the certified audit company BDO Revizija, d.o.o. in which the audit company declared that the financial statements which form the Annual Report 2017 present fairly, in all material aspects, the financial position of the company Luka Koper d.d. and the Luka Koper Group as at 31 December 2017, as well as its income statement and cash flow statement for 2017. After the examination of the company's Annual Report, the supervisory board stated that the reporting on the performance of the company Luka Koper, d.d. and the Luka Koper Group gives a true and a fair view of their financial position on 31 December 2017. The report of the supervisory board on the verification of the Annual Report of the company Luka Koper, d.d. and the Luka Koper Group for 2017 was included by the supervisory board in the 2017 Annual Report in the section Report of the Supervisory Board. The contents of the Annual Report of the company Luka Koper, d.d. and the contents of the consolidated Annual Report of the Luka Koper Group, together with the audit report for 2017, were confirmed by the members of the supervisory board at their 11th meeting held on 26 April 2018 which pursuant to the provision of Article 282 of the Companies Act (ZGD-1) and based on the provisions of the company's Articles of Association represents the formal legal adoption of the Annual Report.

In the financial year 2017, Luka Koper, d.d. generated 33,143,408.44 euros of net profit. Based on the Management Board's proposal and in line with Article 230(3) of the Companies Act (ZGD-1), 16,571,704.22 euros were allocated by the company to other reserves at the end of financial year 2017. The Company establishes that accumulated profit for 2017 totals 17,261,910.95 euros.

(in €)	2017	2016
Net profit for the financial year	33,143,408.44	40,581,115.50
Retained net profit carried forward	690,206.73	31,045.24
Increase in other reserves	-16,571,704.22	-20,290,557.75
Total accumulated profit	17,261,910.95	20,321,602.99

The Company's Management Board and Supervisory Board hereby propose to the General Meeting of Shareholders to allocate accumulated profit amounting on 31 December 2017 to 17,261,910.95 euros as follows:

- a portion of accumulated profit in the amount of 14,700,000.00 euros shall be allocated for the paying out of dividends in the gross amount of 1.05 euros per share,
- the remaining portion of accumulated profit totalling 2,561,910.95 euros shall remain undistributed.

The proposed resolution on accumulated profit appropriation and the proposed paying out of dividends are based on the achieved business results, development plan as well as on the management board's assessment of reasonableness of the proposed allocation, by simultaneously taking into consideration the shareholders' interest in adequate dividend yield and long-term increase in dividend value.

As stated above, based on the provision of Article 294(1) of the Companies Act, the decision of the general meeting on appropriation of accumulated profit shall be made simultaneously with the decision on the vote of discharge. While submitting the resolution proposal on the granting of discharge, we propose to the shareholders to confirm and approve the work of the company's management board and supervisory board in 2017. Based on the provisions of the Slovene Corporate Governance Code of Listed Companies, this proposal shall be voted on separately for the management board and supervisory board. If so decided by the general meeting or required by shareholders whose combined interests make up at least one-tenth of the share capital, the discharge of an individual member shall be voted on separately. The proposals are based on the common corporate practice suggesting that discharge shall be granted only to active and not former members of the management

and supervisory bodies. Therefore, the vote of no confidence passed by the general meeting on 28 December 2017 in relation to the previous management board formed of three members is not relevant since they no longer perform the function of president/members of the management board.

Dimitrij Zadel
President of the Management Board

Uroš Ilić, MSc.
President of the Supervisory Board

Attachment:

- Annual report of the company Luka Koper, d.d. and the Luka Koper Group for 2017.