

STATEMENT OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Management Board of the parent company Luka Koper, d.d. manages the Company in accordance with its Articles of Association, the Companies Act, and the Corporate Governance Code for Joint Stock Companies.

The pertinent Articles of Association of Luka Koper d.d. do not allow for any categories of approved capital by way of which the Management could increase the Company's share capital. In 2006, the Company had no basis for a contingent increase in the share capital.

The Company observes the Corporate Governance Code

The Corporate Governance Code for Joint Stock Companies was jointly phrased and adopted by the Ljubljana Stock Exchange, Inc., Ljubljana, the Association of Supervisory Board Members of Slovenia, and the Managers' Association of Slovenia on 18 March 2004, agreeing on adopting its amendments on 14 December 2005 and 5 February 2007.

The Corporate Governance Code is available on the Ljubljanska borza, d.d. (Ljubljana Stock Exchange) (www.ljse.si) home page.

The Management Board of the parent company of Luka Koper, d.d. adopted the following statement: During the period from the latest publication of its Statement of compliance with the Code, on 3 April 2006, to the publication of a summary 2006 Annual Report, the Management Board observed the provisions of the Corporate Governance Code for Joint Stock Companies, with the exception of certain digressions relating to individual items of the Code.

Item 1.1.: In revising its Articles of Association, the Company shall define the maximization of the Company's value as its key goal alongside other goals pursued by the Company in the performance of its activities.

Item 3.4.6.: The members of the Supervisory Board are not insured against liability.

Item 3.5.5.: More detailed criteria for assessing the existence of conflicts of interest and the measures to be taken in connection with them shall be set forth by the Company in the Rules of Procedure for the work of the Supervisory Board.

The signers of the Statement of compliance with the Corporate Governance Code: Management Board and Supervisory Boards

Public offering prospectus

The Company regularly publishes all changes in its prospectus for public offering. Information on the ten largest shareholders on the last day of 2006 and their shareholdings, as well as data on the total payments, reimbursements and other benefits of the Management Board members are published in the summary 2006 Annual Report.

Rules on trading restrictions and disclosures of trading in shares of the Company and the associated companies

The Management Board established that a special internal act governing restrictions for trading in the Company's shares was not required.

General Meeting of shareholders

As a rule, the parent company's General Meeting of shareholders is convened once a year. The most important powers of the General Meeting include approving proposals for the allocation of distributable net profit, giving a discharge to the members of the Supervisory Board and the Management Board, and relieving members of the Supervisory Board of their duties and appointing them. In 2006, the Management Board convened one General Meeting of Luka Koper, d.d.'s shareholders. At its 12th session held on 22 August 2006, the General Meeting supported the proposal of the Management and the Supervisory Board concerning the allocation of distributable profit, adopted a resolution that as from 1 January 2006 the annual reports of Luka Koper, d.d. shall be prepared in accordance with International Financial Reporting Standards, and adopted the amendments to the Articles of Associations relating to the introduction of no-par value shares and to the publication of information relevant to shareholders. The General Meeting gave consent to the Luka Koper Business strategy for the period up to 2015 but decided not to give a discharge for 2005 to the Management Board with term of office until 25 July 2005 and to the Supervisory Board with term of office until 7 July 2005. The General Meeting did, however, adopt a resolution to give to the Management Board with term of office from 25 July 2005 and to the Supervisory Board with term of office from 7 July 2005 a discharge for 2005, which was later subject to the contesting action.

Supervisory Board

The Supervisory Board of the parent company is composed of nine members, of which six are representatives of the shareholders, while three represent the employees:

- STARMAN Marko, Msc, representative of the Republic of Slovenia, president of the Supervisory Board
- VERLIČ Peter, Phd, representative of the Republic of Slovenia, deputy president of the Supervisory Board
- JAZBEC Tatjana, representative of the Luka Koper employees, member of the Supervisory Board
- JERMAN Robert, representative of the Luka Koper employees, member of the Supervisory Board
- MEZEK Metod, representative of small shareholders of Luka Koper, member of the Supervisory Board
- PAVLETIČ Alverino, representative of the Luka Koper employees, member of the Supervisory Board
- POPOVIČ Boris, representative of the Municipality of Koper, member of the Supervisory Board
- VALENTINČIČ Marko, representative of the Funds of the Republic of Slovenia, member of the Supervisory Board
- ZADEL Bojan, representative of the Republic of Slovenia, member of the Supervisory Board

The Supervisory Board meets as the need arises, but at least once in every quarter. The principal powers of the Supervisory Board include: supervising the conduct of the Company's business operations, examining and approving the annual report and the proposal for the allocation of distributable profit, appointing the Management Board of the Company and relieving its members

of their duties, deciding on the establishment of business units within the country and abroad and on the Company's equity participations in corporate entities in the country and abroad, giving consent to the Management Board for the conclusion of all transactions with value exceeding five percent of the Company's share capital. The functioning of the Supervisory Board is defined in more detail in its Rules of Procedure.

Management Board

The Management Board has four members:

- Robert Časar, president of the Management Board
- Aldo Babič, Msc, deputy president of the Management Board
- Marjan Babič, Msc, member of the Management Board
- Pavle Krumenaker, employee director

At its 12th regular session, acting on the unanimous proposal of the Management Board adopted on 6 June 2006, the Supervisory Board adopted a resolution to relieve Marjan Babič, Msc, of his duties of deputy president of the Management Board and appointed Aldo Babič, Msc, to this position. On the same day, Marjan Babič, Msc, was appointed member of the Management Board. The Management Board decided to take this action due to the significance of the fields covered by the aforementioned members, as well as to strengthen the role of marketing, in particular, in foreign markets. The work of the Management Board is governed by the Rules of Procedure. The president of the Management Board represents and acts on behalf of the joint stock company independently and without limitations. In his absence, this task is performed by the deputy. Each member of the Management Board represents and acts on behalf of the Company within his/her area of responsibility, and is competent and responsible for issuing instructions, managing, organising, coordinating and supervising business operations and the conclusion of business transactions.

Management of subsidiary companies

Company	Director
Luka Koper INPO, d.o.o	Iztok Faganeli
Luka Koper Pristan, d.o.o.	Darko Grgič
Adria-Tow, d.o.o.	Robert Geršak
Luka Kopar Beograd, d.o.o.*	

* Dormant company

The operations of subsidiary companies are supervised by their respective General Meetings, as provided in the contracts of members. Among other things, General Meetings of subsidiary companies approve business plans, adopt resolutions on the allocation of distributable profit, appoint directors and relieve them of their duties.