

**Explanation of resolutions proposed for 22<sup>nd</sup> General Assembly of Luka Koper d.d. shareholders to take place at 1 pm on Monday 8<sup>th</sup> July 2013, in the Plenary Hall of the Primorska Chamber of Commerce and Industry, Ferrarska Ulica 2, Koper, Slovenia.**

**Item 3 – Presentation of the 2012 Annual Report of Luka Koper d.d. and the Luka Koper Group, together with the auditor's opinion and the Supervisory Board's report on its review of the 2012 Annual Report of Luka Koper d.d. and the Luka Koper Group**

**The Management Board proposes that the General Assembly adopts the following resolution:**

The General Assembly shall be presented with the adopted 2012 Annual Report of Luka Koper d.d. and the Luka Koper Group, together with the auditor's opinion as well as the Supervisory Board's report on its review of the 2012 Annual Report of Luka Koper d.d. and the Luka Koper Group.

The General Assembly is introduced to the remunerations of Management and Supervisory Board members, which are listed on pages 196 to 199 of the Annual Report.

**Management Board explanation of the proposed resolution:**

At its 38<sup>th</sup> regular session, held on 4<sup>th</sup> April 2013, the Supervisory Board examined the 2012 Annual Report of Luka Koper d.d. and the Luka Koper Group, as well as the Management Board's proposal as to the allocation of distributable profit. The Supervisory Board was introduced and it examined the auditor's report in which the authorised auditor Ernst & Young d.o.o establishes that the financial statements which are part of the Annual Report provide a true and fair overview of the financial situation, cash flow and performance of both the parent company and the Group. The Supervisory Board has no comments on the auditor's report.

Based on its examination of the Annual Report of Luka Koper d.d. and the Luka Koper Group, the Supervisory Board has established that said document is clear, exact and provides a true and fair overview of business performance, hence it has no comment on it. The Supervisory Board prepared a report on its examination of the Annual Report of Luka Koper d.d. and the Luka Koper Group which is included in the Supervisory Board Report for 2012 contained within the aforementioned Annual Report.

The Luka Koper d.d. Annual Report and consolidated Annual Report of Luka Koper Group, together with the pertaining auditor's report for 2012 was unanimously endorsed by the members of the Supervisory Board at their 4<sup>th</sup> April 2013 meeting. Hence the Annual Report was formally adopted in accordance with the provisions of Article 282 of the Companies Act RS and the company Statute of Luka Koper d.d..

The Management Board

Attachment:

2012 Annual Report of Luka Koper d.d. and the Luka Koper Group

---

---

**Explanation of resolutions proposed for 22<sup>nd</sup> General Assembly of Luka Koper d.d. shareholders to take place at 1 pm on Monday 8<sup>th</sup> July 2013, in the Plenary Hall of the Primorska Chamber of Commerce and Industry, Ferrarska Ulica 2, Koper, Slovenia.**

**Item 4 - Proposal as to the allocation of distributable profit for 2012, and endorsement of the Management and Supervisory Boards for their work in 2012**

**The Management and Supervisory Boards propose that the General Assembly adopts the following resolution:**

4.1.

The General Assembly is informed that distributable profit for 2012 amounts to € 3,763,795.

The General Assembly shall endorse the following proposal as to the allocation of distributable profit, which, as of 31st December 2012, amounted to € 3,763,795:

- A portion of distributable profit in the amount of € 2,380,000 shall be disbursed as dividends in the gross value of € 0.17 per share;
- the remaining distributable profit in the amount of € 1,383,795 shall remain undistributed.

The dividend shall pertain to the shareholders registered in the Luka Koper d.d. share register on the second day following the General Assembly meeting which decides upon the allocation of distributable profit. Dividends will be disbursed to shareholders within 60 days of the General Assembly meeting.

4.2

The General Assembly shall endorse for their work in 2012:

- Dr Gregor Veselko, who performed the function of the Management Board President until 7<sup>th</sup> September 2012;
- Tomaž Martin Jamnik, who performed the function of Deputy President of the Management Board until 31<sup>st</sup> May 2012;
- Bojan Brank, Management Board President, who has been performing this function since 7<sup>th</sup> September 2012;
- Matjaž Stare, Management Board Member – Workers Director.

4.3.

The General Assembly shall endorse the Supervisory Board for its work in 2012.

**Management Board and Supervisory Board explanation of the proposed resolutions:**

4.1

In 2012, Luka Koper d.d. generated net profit in the amount of € 7,527,590. Based on the Management Board's resolution, and in accordance with Paragraph 3 of Article 230 of the Companies Act RS, the company formed - in the preparation of its Annual Report - other revenue reserves in the amount of fifty percent of net distributable profit for 2012, a sum amounting to € 3,763,795.

---

(in euros)	2012	2011
<b>Net profit for the fiscal year</b>	<b>7,527,590</b>	<b>-1,849,205</b>
<b>Decrease of revenue reserves</b>	<b>-</b>	<b>-1,849,205</b>
Decrease of other revenue reserves	-	-1,849,205
<b>Increase of revenue reserves</b>	<b>3,763,795</b>	<b>-</b>
Increase of other revenue reserves	3,763,795	-
<b>Total distributable profit</b>	<b>3,763,795</b>	

The Management and Supervisory Boards propose that the General Assembly distribute dividends for 2012 in the gross amount of € 0.17 per share, namely in the total amount of € 2,380,000. The remaining distributable profit in the amount of € 1,383,795 shall remain undistributed. In making this proposal, the Management and Supervisory Boards acted with the diligence of a good manager, and believe that such an allocation of distributable profit is compliant with the company's dividend policy and strategic guidelines; furthermore, the allocation takes into consideration the interests of shareholders in relation to ensuring the long-term growth of share value.

#### 4.2 & 4.3

The Management and Supervisory Boards propose that their work in 2012 is endorsed.

In 2012, the Management Board managed the company appropriately and in compliance with regulations.

In 2012, the Supervisory Board appropriately performed its supervisory function of the company's operations and management in compliance with regulations.

The Management Board  
The Supervisory Board

Attachment:

- 2012 Annual Report of Luka Koper d.d. and the Luka Koper Group

---

**Explanation of resolutions proposed for 22<sup>nd</sup> General Assembly of Luka Koper d.d. shareholders to take place at 1 pm on Monday 8<sup>th</sup> July 2013, in the Plenary Hall of the Primorska Chamber of Commerce and Industry, Ferrarska Ulica 2, Koper, Slovenia.**

**Item 5 - Appointment of external auditor for fiscal 2013**

**The Supervisory Board proposes that the General Assembly adopts the following resolution:**

The auditors Ernst & Young d.o.o., Dunajska Cesta 111, Ljubljana, Slovenia, shall be appointed as external auditor for fiscal 2013.

**Supervisory Board explanation of the proposed resolution:**

The 2012 Annual Report of Luka Koper d.d. together with the 2012 Consolidated Annual Report of the Luka Koper Group must be examined by an external auditor in a manner and under the terms determined by law.

The auditors Ernst & Young d.o.o., Dunajska Cesta 111, Ljubljana, Slovenia, which audited Luka Koper d.d. and Luka Koper Group between 2009 and 2012, is one of the world's big four internationally renowned auditing firms. Thus the Supervisory Board proposes that the General Assembly appoint Ernst & Young d.o.o., Dunajska Cesta 111, Ljubljana, Slovenia, as external auditor for 2013.

The proposal of a resolution regarding the appointment of Ernst & Young d.o.o to audit the company's Annual Report is based on the 20<sup>th</sup> May 2013 proposal by the Supervisory Board Audit Commission, which was submitted to the Supervisory Board in compliance with Article 280 of the Companies Act RS.

The Supervisory Board

---

---

**Explanation of resolutions proposed for 22<sup>nd</sup> General Assembly of Luka Koper d.d. shareholders to take place at 1 pm on Monday 8<sup>th</sup> July 2013, in the Plenary Hall of the Primorska Chamber of Commerce and Industry, Ferrarska Ulica 2, Koper, Slovenia.**

**Item 6 - Election of Supervisory Board members**

**The Management and Supervisory Boards propose that the General Assembly adopts the following resolutions:**

6.1

Luka Koper d.d. shareholders establish that as of 14<sup>th</sup> July 2013 the mandate of the following five Supervisory Board members shall expire: Dr Janez Požar, Jordan Kocjančič, Tomaž Može, Bojan Brank and Dr Marko Simoneti.

6.2

New Supervisory Board members shall be elected for a four-year term commencing 15<sup>th</sup> July 2013.

**Management Board and Supervisory Board explanation of the proposed resolutions:**

The Supervisory Board appointed a nomination commission to propose candidates for election to the Supervisory Board of Luka Koper d.d. for a four-year term. The nomination commission did not submit any proposal to the Supervisory Board as to new candidate members, and likewise the Supervisory Board did not propose any candidate members for election to the Supervisory Board by the General Assembly.

Hence, in relation to this item of the Agenda and within the statutory term following the call for 22<sup>nd</sup> General Assembly, the Supervisory and Management Boards call upon the shareholders to nominate candidates for election to the Supervisory Board. In compliance with the Companies Act RS, such proposals can, at the latest, be submitted at the General Assembly meeting.

The Management Board  
The Supervisory Board

---

---

**Explanation of resolutions proposed for 22<sup>nd</sup> General Assembly of Luka Koper d.d. shareholders to take place at 1 pm on Monday 8<sup>th</sup> July 2013, in the Plenary Hall of the Primorska Chamber of Commerce and Industry, Ferrarska Ulica 2, Koper, Slovenia.**

**Item 7 - Determination of remuneration and attendance fees for Supervisory Board members as well as Supervisory Board Commission members for the following twelve (12) months**

**The Management Board proposes that the General Assembly adopts the following resolution:**

On the basis of the provisions of Article 25 of the Luka Koper d.d. Statute, the General Assembly shall adopt a resolution on the determination of remuneration and attendance fees for members of the Supervisory Board as well as members of Supervisory Board Commissions for the following twelve (12) months. This shall be as follows:

- Each Supervisory Board member shall receive € 275 (gross) as an attendance fee for their participation at a Supervisory Board meeting.
  - For their participation at a Supervisory Board Commission meeting, a Supervisory Board Commission member shall receive an attendance fee in the amount of 80% of the attendance fee for participation at a Supervisory Board meeting.
  - The attendance fee for a correspondence meeting shall amount to 80% of the regular attendance fee.
  - Notwithstanding the aforementioned, i.e. regardless of the number of meetings attended in a fiscal year, a Supervisory Board member shall be entitled to the remuneration of attendance fees - for either Supervisory Board or Supervisory Board Commission meetings - to an aggregate maximum amount of 50% of their basic remuneration for performing their function as a Supervisory Board member.
  - In addition to attendance fees, Supervisory Board members shall receive basic remuneration for performing their function as a member of the Supervisory Board in an annual amount of € 11,000 gross per individual member.
  - The President of the Supervisory Board shall also be entitled to a 50% supplement to their basic remuneration as a member of the Supervisory Board, whilst the Deputy President of the Supervisory Board shall be entitled to a 10% supplement to their basic remuneration for their Supervisory Board member function.
  - The President of a Supervisory Board Commission shall also be entitled to a 50% supplement to their basic remuneration for the performance of a Supervisory Board Commission member function.
  - Supervisory Board Commission members shall be entitled to a 25% supplement on top of their basic remuneration for the performance of their Supervisory Board function.
  - External members of Supervisory Board Commissions - i.e. those who are not simultaneously members of the Supervisory Board - shall be entitled to remuneration in the amount of € 11,000 (gross) per year for the performance of their function.
  - For the period in which they perform their respective functions, Supervisory Board and Supervisory Board Commission members shall receive their basic remuneration and supplements in proportional monthly instalments.
  - Each monthly payment shall amount to one twelfth of the annual amounts defined above. In the event that a Board member performs their function for less than a month, they shall be entitled to proportional payment according to the number of days worked.
  
  - Notwithstanding the above, an individual Supervisory Board Commission member shall only be entitled to supplementary payments up to a total amount equal to 50% of their basic remuneration as a Supervisory Board member - regardless as to the number of commissions they are members of, or preside over.
-

- 
- The restriction as to the total amount of attendance fee or supplement payments to Supervisory Board members shall in no way whatsoever affect the obligation to attend meetings of either the Supervisory Board or the Commission of which they are a member; such shall remain their legally prescribed responsibility.

### **Management Board explanation of the proposed resolution:**

At its 20<sup>th</sup> meeting, held on 19<sup>th</sup> July 2012, Luka Koper d.d.'s General Assembly of shareholders adopted a resolution to determine the attendance fees of Supervisory Board members as well as remuneration in relation to the performance of their function. The resolution adopted by the Assembly remains in force for a period of one year (twelve months) from its adoption at the Assembly meeting. Following the expiration of the twelve-month period, the criteria and legal basis for attendance fee payments cease to be valid, as does the criteria for the calculation of attendance fees and the remuneration of Supervisory Board members and Supervisory Board Commission members for the performance of their function.

Meeting the status and terms of a large enterprise, Luka Koper d.d., Vojkovo Nabrežje 38, Koper, Slovenia, is a public limited company whose shares are listed and traded on the stock market. On 12<sup>th</sup> April 2012, *Slovenska Odškodninska Družba* (SOD), as the manager of Republic of Slovenia's direct and indirect capital investments, adopted Recommendations by the Manager of Indirect and Direct Capital Investments of RS. Recommendation No. 1 (Remuneration of supervisory board members) includes tables with recommended amounts for the remuneration of supervisory board members for the performance of their function. Despite being a large company, Luka Koper d.d. is still implementing rehabilitation measures to consolidate its operational performance in the face of future challenges. Thus, in the determination of remuneration for the performance of Supervisory Board function over the coming year, the Management Board believes that it is inappropriate to use criterion 4.1 of the SOD Recommendations applicable to large companies in a good financial condition (and whose securities are traded on capital markets or by banks). Hence the basic remuneration for the performance of LK Supervisory Board member function shall be € 11,000 gross, per member, per annum.

The Management Board was not able to act on SOD's Recommendation No. 2 (regarding the remuneration of external members of Supervisory Board Commissions and other external experts required to implement the Supervisory Board tasks) due to the fact the Article 25 of the company's Statute explicitly determines that the Supervisory Board and Supervisory Board Commission members are entitled to attendance fees and remuneration for the performance of their function in the amount determined by the General Assembly on an annual basis.

It is proposed that the General Assembly should endorse a gross amount of € 11,000 per year plus supplements for the performance of Supervisory Board member function, this being an appropriate basis for remuneration over the next twelve-month period. Likewise, external members of Supervisory Board Commissions would receive the same basic remuneration as Supervisory Board members, but without supplements.

It is proposed that the General Assembly should set the attendance fee in the gross amount of € 275. In accordance with the company's Statute, Supervisory Board and Supervisory Board Commission members are also entitled to the reimbursement of travel and other expenses in relation to their attendance at meetings.

The Management Board

---

---

**Explanation of resolutions proposed for 22<sup>nd</sup> General Assembly of Luka Koper d.d. shareholders to take place at 1 pm on Monday 8<sup>th</sup> July 2013, in the Plenary Hall of the Primorska Chamber of Commerce and Industry, Ferrarska Ulica 2, Koper, Slovenia.**

**Item 7 - General Assembly authorisation for the acquisition of treasury stock**

**The Management Board proposes that the General Assembly adopts the following resolution:**

The General Assembly shall authorise the company to acquire and dispose of treasury stock under the following conditions:

- Authorisation for the acquisition of treasury stock shall be valid for 36 months from the date that such is granted by the General Assembly.
- Authorisation shall apply in relation to the acquisition of a maximum of 1,400,000 LKPG shares; namely, the total amount of treasury stock acquired and held by the company may not exceed 10% of Luka Koper d.d.'s total share capital.
- The purchase price for the acquisition of LKPG shares as treasury stock:
  - shall not be more than 10% above the average daily trading price of the company's share on the Ljubljana Stock Exchange over the previous calendar month prior the date of acquisition;
  - shall not be lower than € 4.17, which is the base value of the share as a fractional proportion of the company's issued share capital.
- The company may only acquire treasury stock via the stock exchange.
- The company may use existing treasury stock as well as treasury stock acquired by way of this authorisation for all, or some, of the following purposes:
  - for exchange of business or financial assets on the basis of prior Supervisory Board consent;
  - for employee stock options aimed at employees of Luka Koper d.d. or associated companies; or
  - for eventual disposal to a strategic investor on the basis of prior Supervisory Board consent.
- The price at which the company shall dispose of its treasury stock may not be lower than its average purchase price, nor may it be lower than the average daily trading price of the LKPG share on the Ljubljana Stock Exchange over the previous full calendar month prior to the date of disposal.
- In the event treasury stock is disposed of under the terms and for the purposes determined in this authorisation, any pre-emptive right shall be excluded in the disposal of shares.
- At the first regular General Assembly meeting following the date of any eventual acquisition of treasury stock, Management shall be obliged to inform shareholders as to the reasons and purpose of the acquisition, the total number and holding of acquired shares, as well as their value. At the first regular General Assembly meeting following the date of any eventual disposal of treasury stock, the Management Board shall report to shareholders as to the reasons and purpose of the disposal, the total number and portion of disposed shares, as well as the amount realised. In addition - and from the perspective of the interests of the company and its shareholders - Management shall submit the opinion of an independent financial consultant as to the appropriateness of disposal.

**Management Board explanation of the proposed resolution:**

It is proposed that the General Assembly should grant the company authorisation to acquire and dispose of treasury stock. Compliant with the proposed authorisation, the company shall only be allowed to acquire treasury stock in the regulated market (stock exchange), which is fully compliant

---

---

with the principle of equality of shareholders pursuant to Article 221 of Companies Act RS. The purchase price for the acquisition of treasury stock shall not:

- be more than 10% above the average daily trading price of the company's share on the Ljubljana Stock Exchange over the previous calendar month; and
- be lower than € 4.17, which is the base value of the share as a fractional proportion of the company's share capital.

Based on the proposed authorisation, the company may acquire treasury stock for the following purposes:

- for exchange of business or financial assets;
- for employee stock options aimed at employees of Luka Koper d.d. or associated companies;
- for eventual disposal to a strategic investor or partner.

For all three aforementioned purposes, the Management Board shall require prior consent from the Supervisory Board. This allows the company to use treasury stock to finance the acquisition of other assets, provide employee stock options involving employees of Luka Koper d.d. or associated companies, as well as administer the eventual disposal of shares to a strategic partner, in the event that the company establishes that such would be compliant with its business interests and strategic orientations.

In compliance with pertinent regulations, the company does not exercise management rights deriving from its ownership of treasury stock.

Consequent to the above-listed purposes of treasury stock use, pre-emptive rights and the principle of all shareholders equal position in the disposal of shares cannot be applied. In any such event, shares may only be disposed of to a previously identified person, entity, asset holder or strategic partner. For this reason, the authorisation explicitly excludes shareholder pre-emptive right in the disposal of treasury stock. The mandatory prior consent of the Supervisory Board as well as a report to the General Assembly at the first meeting following any disposal of treasury stock, together with the submission of the opinion of an independent financial consultant as to the suitability of disposal from the perspective of shareholder interest, shall ensure that the company will only dispose of treasury stock in the accomplishment of its strategic objectives. At the same time, any such disposal shall not disproportionately impact or damage the interests of shareholders. The disposal of shares for purposes deriving from the General Assembly's authorisation shall also be subject to Supervisory Board consent.

Under the terms and conditions described above, the exclusion of pre-emptive rights in the disposal of treasury stock is in the company's economic interest. At the same time, authorisation shall also determine the terms and procedures in the disposal of treasury stock, and this too shall ensure that the interests of all shareholders are protected. Based on the aforementioned, we believe that the exclusion of existing shareholders' pre-emptive rights is substantiated due to the fact that this is the only way in which the company's objectives may be accomplished.

Further to the aforementioned purposes of the acquisition of treasury stock, the Management Board believes that such is also reasonable due to the low market prices being realised by LKPG shares; treasury stock acquisition accordingly represents a good business opportunity for the company as well as a consequent increase in its assets.

The Management Board

---