

STATEMENT OF CONFORMITY WITH THE CORPORATE GOVERNANCE CODE

The company Petrol d.d., Ljubljana hereby makes its statement of conformity with the Corporate Governance Code

In the period from 1 January 2016 to 31 December 2016, the Company was bound by the Corporate Governance Code (hereinafter 'the Code') as jointly drawn up and adopted by the Ljubljana Stock Exchange, the Slovene Directors' Association and the Managers' Association of Slovenia. The Code in its revised wording was adopted on 8 December 2009 and entered into force on 1 January 2010. It is available both in Slovene and in English from the website of the Ljubljana Stock exchange at <http://www.ljse.si/>. The company has not adopted a corporate governance code of its own. It is managed in accordance with the Companies Act and within the framework of the above Code. In compliance with the Code's recommendations, the Supervisory Board and the Management Board jointly drew up and, at the Supervisory Board meeting of 23 November 2010, adopted the Corporate Governance Policy of Petrol d.d., Ljubljana, which was published via the Ljubljana Stock Exchange SEOnet information system on 28 December 2010. The policy was updated at the Supervisory Board meetings of 12 December 2013, 11 December 2014 and 15 December 2016, and published via the Ljubljana Stock Exchange SEOnet information system (the version currently in force is available at http://seonet.ljse.si/default.aspx?doc=PUBLIC_ANNOUNCEMENTS_BY_PRIME_MARKET_IS_SUERS&doc_id=62075) on 23 December 2013, 13 January 2015 and 23 December 2016, respectively. It is also available, in Slovene and in English, from the website of Petrol d.d., Ljubljana (www.petrol.si).

Declaration of compliance with the Code

The company conducts its operations in compliance with the Code, i.e. both its guiding principles and specific recommendations. Any significant deviations from the Code are listed and explained below.

- The Articles of Association do not include a reference to other objectives other than the maximisation of value, as the Company's fundamental legal act is to state only the characteristics required by corporate law in order to provide a broader description of the Company as a legal entity rather than obscuring the clear picture of the legal entity by including other definitions. Where necessary, all other objectives are transparently disclosed in documents published on the Company's website or in public announcements via the Ljubljana Stock Exchange SEOnet information system (the Code: Corporate Governance Framework, point 1).
- Independence statements of Supervisory Board members have not been published on the Company's website, in accordance with a Supervisory Board decision. The Company did report the fact that the Supervisory Board members pronounced themselves on the independence criteria, stating that the disclosures of potential conflicts of interest are not such that could affect unbiased and objective performance of their duties or the decision-making process of any Supervisory Board member (the Code: Supervisory Board, second paragraph of point 8).
- Due to a high degree of data confidentiality and to ensure a higher standard of communication with Supervisory Board members, information technology is seldom used to convene meetings and distribute Supervisory Board documents. It will be introduced as soon as all members of the Supervisory Board and its committees are equipped with sufficiently secure connections and protocols to prevent unauthorised access to documents.

and, where necessary or desirable, to securely provide themselves with printed documents (the Code: Supervisory Board, point 8.4).

- The Supervisory Board did not specify the term of the committees (apart from an external member of the audit committee they are composed of Supervisory Board members). The terms of office of committee members who are also Supervisory Board members end when their post of Supervisory Board member expires or when they are relieved of their duties (the Code: Supervisory Board, point 13.2).
- The Company has not drawn up an internal act or rules that would lay down additional rules on trading limitations regarding its shares in addition to legal provisions and regulations. Nevertheless, any person having access to internal information signs a special statement to keep internal information confidential. In accordance with the requirements of the Securities Market Agency, the Company keeps a list of persons with access to internal information (the Code: Transparency of Operations, point 20.3).
- The Company does not disclose in its annual report the positions held by Management Board members and Supervisory Board members in the management and supervisory bodies of non-related companies since the members are required to notify the Supervisory Board of any potential breaches of competition prohibition or instances of dependence (the Code: Transparency of Operations, point 22.5).
- The Company discloses only gross remuneration of individual Management Board and Supervisory Board members, as required by law, but not their net remuneration (the Code: Transparency of Operations, point 22.7).

Since its entry into force on 1 January 2017, the Slovene Corporate Governance Code for Public Companies, essentially an updated version of the Code that had been in force in 2016, became the Company's new reference code. The revised Code was drawn up and, on 27 October 2016, adopted by the Ljubljana Stock Exchange and the Slovene Directors' Association. It is available from the website of the Ljubljana Stock exchange. The Supervisory Board and the Management Board will prepare their own activities plan, including a review of the corporate governance policy and of any activities that will ensure compliance, so far as is reasonably practicable, with the Code's recommendations.

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Tomaž Kuntarič
President of the Supervisory Board

Tomaž Berločnik
President of the Management Board

Ljubljana, 17 February 2017