

LUKA KOPER, port and logistics system operator, public limited company  
Vojkovo Nabrežje 38,  
6501 Koper  
Slovenia



**Explanation of resolutions proposed at the 19<sup>th</sup> General Assembly of Luka Koper d.d. shareholders, which shall take place at 1 pm on Monday 11<sup>th</sup> July 2011 in the Plenary Hall of the Primorska Chamber of Commerce and Industry, Ferrarska Ulica 2, Koper, Slovenia.**

**Item 3 – Presentation of the 2010 Annual Reports for Luka Koper d.d. and the Luka Koper Group, together with the auditor's opinion and the Supervisory Board report as to its examination of the 2010 Annual Reports for Luka Koper d.d. and the Luka Koper Group**

**The Management Board proposes that the General Assembly adopt the following Resolution:**

The General Assembly shall be presented with the 2010 Annual Reports for Luka Koper d.d. and the Luka Koper Group, together with the auditor's opinion and the Supervisory Board report as to its examination of the 2010 Annual Reports for Luka Koper d.d. and the Luka Koper Group.

In addition, the Assembly shall be introduced to the remunerations of the Management and Supervisory Board members, which are listed on pages 188 and 189 of the Annual Report.

**Management Board explanation to the proposed Resolution:**

Pursuant to the provisions of the Companies Act RS, the Supervisory Board has examined Luka Koper d.d. and Luka Koper Group Annual Reports for 2010 which were submitted by the Management Board. The Annual Reports were examined by Supervisory Board audit commission in the presence of representatives of the authorised auditor Ernst & Young, and had no comments on it. The Supervisory Board established that these Reports present a true and legitimate overview of the company's and the Group's operations and situation in 2010; at its session of 22<sup>nd</sup> April 2011, the Supervisory Board endorsed the Reports. The Supervisory Board was also introduced the auditor's report and had no comments. Based on the conclusions of the audit commission and its endorsement of the Annual Reports, the Supervisory Board has prepared a report on its examination of the 2010 Annual Reports of Luka Koper d.d. and the Luka Koper Group.

Management Board  
Luka Koper d.d.

Attachment:

- 2010 Annual Report of Luka Koper d.d. and the Luka Koper Group

**Explanation of resolutions proposed at the 19<sup>th</sup> General Assembly of Luka Koper d.d. shareholders which shall take place on Monday, 11<sup>th</sup> July 2011, at 1 pm in the Plenary Hall of Primorska Chamber of Commerce and Industry, Ferrarska Ulica 2, Koper, Slovenia.**

**Item 4 – Proposal as to the allocation of distributable net profit for 2010**

**The Management Board proposes the General Assembly to adopt the following Resolution:**

The General Assembly shall be introduced to the fact that the company generated no profit in 2010; in 2010 Luka Koper d.d. generated a net loss in the amount of € 2,431,887.92. During the period of compilation of the Annual Report, this loss was covered through the release of other revenue reserves.

**Management Board explanation to the proposed Resolution:**

In 2010, Luka Koper d.d. generated a net loss in the amount of € 2,431,887.92. This loss has been covered through the release of other revenue reserves:

<b>(in EUR )</b>	<b>2010</b>	<b>2009</b>
<b>Distributable net profit/loss total</b>	<b>0.00</b>	<b>0.00</b>
Release of other revenues reserves	2,431,887.92	59,191,002.63
Net profit/loss for the financial year	-2,431,887.92	-59,191,002.63
Retained net profit	0.00	0.00

Due to the fact that there was no profitable net profit in 2010, shareholders at this year's General Assembly meeting shall not decide upon its allocation.

Consequently, the Management and Supervisory Board do not propose any disbursement of dividends for fiscal/calendar 2010.

In the formulation of this proposal, the Management and Supervisory Boards have acted with the diligence of a good manager. All relevant circumstances which affected Luka Koper d.d.'s performance have been considered, as has its commercial and financial state characterised by the company's high degree of indebtedness, and plans for the current fiscal year.

Management Board  
Luka Koper d.d.

Attachment:

- 2010 Annual Report of Luka Koper d.d. and the Luka Koper Group

**Explanation of resolutions proposed at the 19<sup>th</sup> General Assembly of Luka Koper d.d. shareholders which shall take place at 1 pm on Monday 11<sup>th</sup> July 2011, in the Plenary Hall of the Primorska Chamber of Commerce and Industry, Ferrarska Ulica 2, Koper, Slovenia.**

<b>Item 5 – Endorsement of the Management and Supervisory Boards for 2010</b>
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**The Management Board proposes the General Assembly to adopt the following Resolution:**

The General Assembly shall endorse the Management and Supervisory Boards for 2010.

**Management Board explanation to the proposed Resolution:**

The Management Board proposes the Management and Supervisory Boards be endorsed for 2010. In 2010, the Management Board managed the company appropriately and compliant with regulations. Also compliant with regulations, the Supervisory Board appropriately performed its supervisory and control function over the company's operations and management.

Management Board  
Luka Koper d.d.

**Explanation of resolutions proposed at the 19<sup>th</sup> General Assembly of Luka Koper d.d. shareholders, which shall take place at 1 pm on Monday 11<sup>th</sup> July 2011, in the Plenary Hall of the Primorska Chamber of Commerce and Industry, Ferrarska Ulica 2, Koper, Slovenia.**

<b>Item 6 - Appointment of an external auditor for fiscal 2011</b>
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**The Management Board proposes that the General Assembly adopt the following Resolution:**

The auditors *Ernst & Young, Revizija, poslovno svetovanje d. o. o.*, Dunajska Cesta 111, Ljubljana, Slovenia, shall be appointed as external auditor for fiscal 2011.

**Management Board explanation to the proposed Resolution:**

The Luka Koper d.d. annual report and the consolidated annual report of the Luka Koper Group for 2011 has to be examined by an external auditor in a manner and under terms determined by law. The auditor has to scrutinize the financial reports and review the business report to an extent required to establish whether its content is congruent with other components of the annual report and consolidated annual report.

The Management Board proposes that the Assembly appoint the auditors *Ernst & Young, Revizija, poslovno svetovanje d. o. o.*, Dunajska cesta 111, Ljubljana, Slovenia, who have performed the external audits for the 2009 and 2010 reports.

Management Board  
Luka Koper d.d.

**Explanation of resolutions proposed at the 19<sup>th</sup> General Assembly of Luka Koper d.d. shareholders, which shall take place at 1 pm on Monday 11<sup>th</sup> July 2011, in the Plenary Hall of the Primorska Chamber of Commerce and Industry, Ferrarska Ulica 2, Koper, Slovenia.**

**Item 7- Amendments to the Luka Koper d.d. Statute**

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

The General Assembly shall adopt the proposed amendments to the Statute of Luka Koper, a public limited company, port and logistics system operator. The notary public shall prepare a clean copy of the Statute of Luka Koper d.d.

**Management Board explanation to the proposed Resolution and the individual proposed amendments to the Statute of Luka Koper d.d.:**

The provision of **Paragraph 1 of Article 4** of the Statute of Luka Koper d.d. shall be supplemented with the following activity codes to be added to the company's existing activities in their numerical order:

<i>A 01.110</i>	<i>Growing of cereals (except rice), legumes and oil crop</i>
<i>C 33.140</i>	<i>Repair of electrical equipment</i>
<i>D 35.119</i>	<i>Other production of electricity</i>
<i>D 35.130</i>	<i>Distribution of electricity</i>
<i>D 35.140</i>	<i>Trade of electricity</i>
<i>E 38.110</i>	<i>Collection and disposal of non-hazardous waste</i>
<i>E 38.120</i>	<i>Collection and disposal of hazardous waste</i>
<i>E 38.210</i>	<i>Treatment and disposal of non-hazardous waste</i>
<i>E 38.220</i>	<i>Treatment and disposal of hazardous waste</i>
<i>E 39.000</i>	<i>Remediation activities and other waste management services</i>
<i>F 42.220</i>	<i>Construction of utility projects for electricity and telecommunications</i>
<i>F 43.210</i>	<i>Electrical installation</i>
<i>F 43.290</i>	<i>Other construction installation</i>
<i>L 68.320</i>	<i>Management of real estate on a fee or contract basis</i>
<i>M 71.129</i>	<i>Other engineering activities and related technical consultancy</i>
<i>M 72.190</i>	<i>Other research and experimental development on natural sciences and engineering</i>
<i>N 77.110</i>	<i>Renting and leasing of cars and light motor vehicles</i>
<i>N 77.120</i>	<i>Renting and leasing of trucks</i>
<i>N 77.390</i>	<i>Renting and leasing of other machinery, equipment and tangible goods</i>

Explanation:

The company can only exploit the market opportunities if it fulfils the formal requirement, i.e. it is registered for such activity in its Statute, else it might encounter problems in the realisation of business deals or market opportunities. In order to ensure formal conditions, the General Assembly should amend the Statute by adding the above-mentioned standard classification activities to Paragraph 1 of Article 4, as proposed above.

The provision of **Paragraph 2 of Article 9** of the Statute of Luka Koper d.d., a public limited company, shall be amended by deleting Item 7 from the text. By deleting Item 7 of Paragraph 2 of Article 9, other Paragraph 2 items are appropriately altered.

Explanation:

The use of the term »*company's development plan*« is inappropriate and as such an unnecessary provision of the Statute. The company's Management Board prepares a development strategy which is endorsed by the Supervisory Board, whose members are elected by the General Assembly.

Compliant with the provisions of the Concession Agreement, the Management Board is liable to prepare a five-year development plan for the Port of Koper; thus the preparation of five-year port development plan is a contractual obligation stipulated by the Concession.

The General Assembly gave its consent to the conclusion of a concession relationship as well as endorsed the content of the Concession Agreement with the state. In addition to a five-year port development plan, the Management Board is also liable to prepare an annual investment plan.

Due to the fact that the Management Board prepares several documents which define the development orientations of the port and the company, which are adopted by the grantor or the Supervisory Board, the Management Board believes that the said provision in the Statute is not necessary, and should thus be stricken.

The provision of **Item 14 of Paragraph 1 of Article 20** of Statute of Luka Koper d.d. shall be amended to read as follows:

*Shall give prior consent to the Management Board in concluding all business, except with companies within the Luka Koper Group, and in taking out loans in the event their value exceeds 5 (five) percent of issued share capital, as well as acquisition or disposal of fixed assets in the event their value exceeds 400,000 (four hundred thousand) euros, together with business deals which were not included in the port development programme or the company's business plan. In relation to loans, management should also ask for prior consent from the Supervisory Board to the taking out of loans whose total value exceeds 20 (twenty) percent of the company's issued share capital.*

Explanation:

According to the current Statute, the Management Board requires prior Supervisory Board consent in concluding business whose value exceeds 5 (five) percent of the company's issued share capital. Item 14 of the first paragraph of Article 20 of the Statute ensures Supervisory Board control over the Management Board's conclusion of business of considerable value, namely of a magnitude which might affect the company's assets. In addition to scrutiny over the taking of loans, this Resolution shall enforce the provision of consent in all business transactions, including those involving subsidiary enterprises within Luka Koper Group.

Concluding business with Luka Koper Group subsidiaries has no impact whatsoever on the company's assets, due to the fact that Luka Koper d.d. enjoys a 100% shareholding in all Luka Koper Group subsidiaries; accordingly, any such bilateral transfer of assets consequent to business deals does not affect Luka Koper Group assets. Based on the above, we believe that *business transactions with subsidiary companies* should be deleted from Item 14 of the first paragraph of Article 20 of the company Statute.

Similar to business transactions with subsidiaries, taking out loans does not directly decrease the company's assets. Indeed, loans may be the only a way to finance the acquisition of assets or refinance the company's existing financial liabilities. Fundamentally, the acquisition of assets is either equity or debt financed. The Management Board has to attain Supervisory Board consent in the

application of assets which amount to more than 5% of the company's issued share capital. Due to the fact that the Supervisory Board's prior consent is mandatory in business involving more than 5% of the company's issued share capital, it doesn't make sense to also limit the financing of these same business transactions or the refinancing of existing financial liabilities with prior Supervisory Board consent. Similar logic is also applied in Article 330 of the Companies Act RS which only requires the Assembly's resolution in relation to business transactions which involve over 25% of assets, and not in relation to debt financing (liabilities). Due to its control over the company's capital structure it is reasonable that the Supervisory Board gives prior consent only to debt financing of a value in excess of 20% of issued share capital, which amounts to € 11.7 million and likewise accounts for 5.2% of all Luka Koper Group financial liabilities as of 31<sup>st</sup> December 2010.

The provision of **Article 25** of the Statute of Luka Koper d.d. shall be amended to read as follows:

*Article 25 (twenty-five)*

*The members of the Supervisory Board and Supervisory Board Commissions shall be entitled to attendance fees and remuneration for the performance of their function. These shall be determined on an annual basis by the General Assembly. In addition, the members of Supervisory Board and its Commissions are also entitled to the refund of travel and others expenses pertaining to their attendance at meetings.*

*Supervisory Board members shall not be entitled to participate in the distribution of the company's profit.*

Explanation:

Supervisory Board members shall be entitled to remuneration for the performance of their function, namely, supervision of the Management Board in its running of the company's operations. Such supervision requires credentials as well as additional skills and knowledge, and further to this Supervisory Board members shall be required to undertake additional tasks and activities.

A quality Supervisory Board requires the participation of highly qualified and motivated members. Determination as to the basic amount of remuneration of Supervisory Board members depends on a variety of factors, such as volume of work, the exigency and complexity of tasks undertaken, as well as members' responsibilities, requisite expertise and activities, all of this in relation to the size of the company, the complexity of its operations as well as its financial situation.

Due to the fact that the performance as well as financial situation of the company changes from one year to another, the proposed amendment anticipates the Assembly's decision as to the remuneration of Supervisory Board members for a period of one year. This allows the shareholders at the General Assembly meeting to review the activities of Supervisory Board members and the company's situation per a single year, and consequently decide as to remuneration in relation to the performance of function.

In addition to the remuneration, as per the previous paragraph, Supervisory Board members are also entitled to the attendance fees the amount of which shall be determined by a special resolution of the General Assembly.

The provisions of **Article 27** of the Statute of Luka Koper d.d. shall be amended as follows:

the word »two« shall be deleted from the text of Paragraph 1 of Article 27, whereas the word »members« from Paragraph 7 of Article 27 shall be substituted with »a member«.

Explanation:

The proposed amendment to the Statute provides for a four-member instead of a five-member Management Board, as was decided at the previous General Assembly meeting and which shall come into force one year after the adoption of the Resolution as to such.

The Management Board believes that a four-member Board shall be perfectly proficient and capable of appropriately managing the company, thus there are no professional or technical grounds for appointing a new fifth member of the Management Board.

The provisions of Paragraph 3 of **Article 51** of the Statute of Luka Koper d.d., shall be amended to read as follows:

*The amendments to the third paragraph of Article 30 (previously Article 27) of the Statute of Luka Koper d.d. shall enter into force on 19<sup>th</sup> July 2011, namely one year after the General Assembly meeting of 19<sup>th</sup> July 2010.*

Explanation:

Due to the amendment to Article 27 of the Statute in which shareholders at the General Assembly meeting adopted a resolution as to the modification of the total number of Management Board members, the provision as to the appointment of a fifth Management Board member after 19<sup>th</sup> July 2011 shall become superfluous.

Management Board  
Luka Koper d.d.



**Explanation of resolutions proposed at the 19<sup>th</sup> General Assembly of Luka Koper d.d. shareholders, which shall take place at 1 pm on Monday 11<sup>th</sup> July 2011, in the Plenary Hall of the Primorska Chamber of Commerce and Industry, Ferrarska Ulica 2, Koper, Slovenia.**

**Item 8 - Determination as to the performance of Supervisory Board members, their functions, remuneration and attendance fees, together with the disposition, remuneration and reimbursement of Supervisory Board Commissions for the following twelve (12) months**

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

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

Each Supervisory Board member shall receive € 275 (gross) as an attendance fee for their participation at a Supervisory Board meeting.

Each Supervisory Board Commission member shall receive a gross attendance fee in the amount of 80% of the attendance fee applicable for participation at a Supervisory Board meeting for their participation at a Supervisory Board Commission meeting.

The attendance fee for any correspondence meeting shall amount to 80% of the regular attendance fee.

Notwithstanding the aforementioned, i.e. regardless of participation at meetings, an individual Supervisory Board member shall be entitled to the reimbursement of attendance fees - from either Supervisory Board or Supervisory Board's Commission meetings - to a total amount of 50% of their basic remuneration for Supervisory Board member function.

Further to attendance fees, Supervisory Board members shall receive basic remuneration as to the performance of their function in the annual gross amount of € 11,000 per individual member.

The President of the Supervisory Board shall also be entitled to a 50% supplement to the basic remuneration for the performance of a Supervisory Board Commission member function.

The members of a Supervisory Board Commission shall be entitled to the supplement as to performance of their function, which per individual Commission member shall amount to 25% of their basic remuneration as to the performance of Supervisory Board Commission member.

The Supervisory Board and Supervisory Board Commission members shall receive their basic remuneration and supplement as to the performance of their function in proportional monthly instalments to which they are entitled for the period in which they perform that function.

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 the proportional payment according to the number of days worked.

Notwithstanding the above, an individual Supervisory Board commission member - i.e. regardless as to the number of commissions they are members of or preside over - shall only be entitled to

supplementary payments up to a total amount equal to 50% of their basic remuneration as a Supervisory Board member.

The restriction as to the total amount of attendance fee or supplement payments to the 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.

**The Management and Supervisory Boards explanation to the proposed Resolution:**

Luka Koper d.d., Vojkovo Nabrežje 38, Koper, Slovenia, is a public limited company whose shares are stock market listed and traded. On the basis of Item 2.C of the 8<sup>th</sup> April 2011 Recommendations of the Capital Assets Management Agency of the Republic of Slovenia, the company meets the terms and the status of a large company. Luka Koper d.d. is a large company, but due to its high degree of indebtedness it is still in a poor financial situation. As a result, the criterion of a poor situation shall be applied over the coming year in relation to the determination of remunerations for the performance of Supervisory Board functions. The amount of € 11,000 shall be used as the basis for the annual remuneration of Supervisory Board members. It is therefore proposed that the General Assembly endorse the gross amount of € 11,000 per annum as an appropriate basis for the remuneration of Supervisory Board member function, together with the supplements proposed under this Resolution.

It is also proposed that the General Assembly endorse the remuneration of attendance fees at a rate of € 275 gross per meeting.

Supervisory Board  
Luka Koper d.d.

Management Board  
Luka Koper d.d.

**Explanation of resolutions proposed at the 19<sup>th</sup> General Assembly of Luka Koper d.d. shareholders, which shall take place at 1 pm on Monday 11<sup>th</sup> July 2011, in the Plenary Hall of the Primorska Chamber of Commerce and Industry, Ferrarska Ulica 2, Koper, Slovenia.**

**Item 9 - 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:

1. the authorisation for the acquisition of treasury stock shall be valid for 36 months from the date of granting by the General Assembly;
2. the authorisation shall apply for the acquisition of a maximum 1,400,000 of company's shares; namely, together with treasury stock already held by the company, the total amount may not exceed 10% of company's issued share capital;
3. the purchase price for the acquisition of shares as treasury stock:
  - cannot exceed the average daily trading price of the company's share on the Ljubljana Stock Exchange over the previous calendar month by more than 10%;
  - cannot be lower than € 4.17, which is the base value of the share as a fractional proportion of the company's issued share capital;
4. the company may only acquire treasury stock via a stock exchange;
5. 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 any business or financial assets on the basis of prior Supervisory Board consent, or
  - for eventual disposal to a strategic investor on the basis of prior Supervisory Board consent;
6. The price at which the company shall dispose of its treasury stock may not be lower than their average purchase price nor lower than average daily trading price at the Ljubljana Stock Exchange over the previous full calendar month prior the date of their disposal;
7. In the event treasury stock is disposed for the purposes and under the terms determined in this authorisation, any pre-emptive right shall be excluded in the disposal of shares;
8. At the first regular General Assembly meeting following the date of any eventual acquisition of treasury stock, the Management Board is obliged to inform shareholders as to the reasons and purpose of the acquisition, the total number and portion 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, the Management Board shall submit the opinion of an independent financial consultant as to the suitability of disposal from the perspective of the interests of the company and its shareholders.

**Management Board explanation to the proposed Resolution:**

It is proposed that the General Assembly 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 via a stock exchange, which is fully compliant with the principle of equality of shareholders pursuant to Article 221 from Companies Act RS (ZGD-1). The purchase price for the acquisition of treasury stock shall not:

- exceed the average daily trading price of the company's share on the Ljubljana Stock Exchange over the previous calendar month by more than 10% and

- be lower than € 4.17, which is the base value of the share as a fractional proportion of the company's issued share capital.

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

- for exchange of any business or financial assets on the basis of prior Supervisory Board consent, or
- for eventual disposal to a strategic investor on the basis of prior Supervisory Board consent.

As to both purposes, the Management Board shall need prior consent from the Supervisory Board. This allows the company to use treasury stock to finance the acquisition of other assets or administer their eventual disposal to a strategic partner, which would be compliant with its business interests and strategic orientations.

Due to the above listed purposes as to the eventual use of treasury stock, the pre-emptive right and the principle of an equal position amongst shareholders 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 the shareholders' pre-emptive right in the disposal of treasury stock. The requisite prior consent by the Supervisory Board as well as the report to the General Assembly at the first meeting following treasury stock disposal, together with the submission of the opinion of an independent financial consultant as to the suitability of disposal from the perspective of the interests of the company and its shareholders, shall ensure that such a transaction shall only transpire in order to accomplish company's set strategic objectives. Simultaneously, the disposal shall not disproportionately affect or damage the interests of existing shareholders.

The exclusion of pre-emptive right in the disposal of treasury stock under the terms and conditions described above is in the company's commercial and economic interest. At the same time, the authorisation shall also determine the terms and procedures in the disposal of treasury stock which ensure that all shareholders' interests are protected. Based on the aforementioned, we believe that the exclusion of the existing shareholders' pre-emptive right is substantiated due to the fact that it is the only manner in which a strategic goal that is in the company's interest may be objectively accomplished.

Further to the aforementioned purposes of the acquisition of treasury stock, the Management Board believes that this means of acquisition is also reasonable due to the low market prices being accomplished for LKPG shares, which in itself presents a good business opportunity for the company and a consequent increase in its assets.

Management Board  
Luka Koper d.d.

**Explanation of resolutions proposed at the 19<sup>th</sup> General Assembly of Luka Koper d.d. shareholders, which shall take place at 1 pm on Monday 11<sup>th</sup> July 2011, in the Plenary Hall of the Primorska Chamber of Commerce and Industry, Ferrarska Ulica 2, Koper, Slovenia.**

**Item 10 - Resignation and appointment of a Supervisory Board Member**

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

10. 1

The General Assembly shall adopt the 12<sup>th</sup> October 2010 resignation statement and discharge request by Luka Koper d.d. Supervisory Board member Mr Boris Popovič, and shall endorse his discharge from the function of Luka Koper d.d. Supervisory Board member as of 21<sup>st</sup> October 2010, the date when the company received his resignation statement.

10. 2

Following the adoption of this resolution as to the acceptance of resignation and upon the proposal of the Municipal Council of Koper Municipality, Ms Sabina Mozetič, of Kvedrova Ulica 1, Koper, shall be appointed Luka Koper d.d. Supervisory Board member with a four-year mandate commencing 21<sup>st</sup> October 2010.

**Management Board explanation to the proposed Resolution:**

In order to meet the provisions of the Public Sector Integrity Act RS (Official Gazette of RS, Nos. [45/2010](#), [26/2011](#), [30/2011](#)), the Supervisory Board member Mr Boris Popovič as of 12<sup>th</sup> October 2010 submitted a written request to be discharged as a member of Supervisory Board of Luka Koper d.d., this due to the fact that as a professional functionary he is no longer permitted to perform a supervisory function in companies.

Paragraph 2 of Article 16 of the Statute of Luka Koper d.d., determines that *the General Assembly by ordinary majority elects 6 (six) members of the Supervisory Board for a 4 (four) year mandate. One of these six Supervisory Board members may be proposed for election by the municipality or municipalities where the port is located.*

By way of its Resolution No. 031-1/2008 of 4<sup>th</sup> November 2010, the Municipal Council of Koper Municipality proposed that the Luka Koper General Assembly appoint (elect) Ms Sabina Mozetič of Kvedrova Ulica 1 in the municipality of Koper as its nominated member of the Luka Koper Supervisory Board.

Management Board  
Luka Koper d.d.

Attachments:

- Written discharge request from Mr Boris Popovič, member of the Supervisory Board of Luka Koper d.d.;
- Resolution No. 031-1/2008 of 4<sup>th</sup> November 2010, the Municipal Council of Koper Municipality

**Explanation of resolutions proposed at the 19<sup>th</sup> General Assembly of Luka Koper d.d. shareholders, which shall take place at 1 pm on Monday 11<sup>th</sup> July 2011, in the Plenary Hall of the Primorska Chamber of Commerce and Industry, Ferrarska Ulica 2, Koper, Slovenia.**

**Item 11 - General Assembly's familiarisation with the realisation of Resolution No. 9, adopted by the 18<sup>th</sup> Shareholders' General Assembly of 19<sup>th</sup> July 2010**

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

The General Assembly shall be familiarised with the realisation of Resolution No. 9, adopted by the 18<sup>th</sup> Shareholders' General Assembly of 19<sup>th</sup> July 2010.

**Management Board explanation to the proposed Resolution:**

Through its adoption of 19<sup>th</sup> July 2010 resolution, 18<sup>th</sup> General Assembly decided that the company's Management Board should – within six months of that meeting and with the diligence of a good manager – further investigate issues as to the liability of members of the erstwhile Management and/or Supervisory bodies, and file civil actions against them for compensation of damages. These issues pertain to the arrangement and conclusion of business deals - listed in the resolution adopted at the 20<sup>th</sup> March 2009 General Assembly meeting - which damaged the company and which were, consequently, a breach of the obligations by Management and/or Supervisory Board members.

On the basis of Paragraph 3 of Article 7 of the Management Board Rules of Procedure, the Management Board adopted a resolution at its 28<sup>th</sup> August 2010 meeting that Resolution No. 9 of the 18<sup>th</sup> General Assembly of Luka Koper d.d. of 19<sup>th</sup> July 2010 shall be realised in the following manner: The law firms *Čeferin o.p. d.o.o.* and *Miro Senica & Odvetniki d.o.o.* were authorised to file damage claims on behalf of Luka Koper d.d. against the members of the former Management and Supervisory bodies who were deemed culpable in business deals that damaged the company and were the subject of the special audit as well as the General Assembly's decision to resort to law in relation to damages consequent to a breach of obligations. In relation to this, the law firms filed two actions: one in the amount of € 19,630,000 against the members of the former Management and Supervisory Boards in relation to the acquisition of a 10% share in the company TTI; whilst the second action, in the total amount of € 12,983,381.76, was filed against former members of the Supervisory Board with regard to the company Grafist d.o.o, and the acquisition and demolition of storage facilities at the Koper Passenger Terminal, the acquisition of the »Luna« facility in Sežana, the extension of Pier I, and deals related to Luka Koper's Eco companies.

Management Board  
Luka Koper d.d.