

LUKA KOPER, Port and Logistics System Operator, a Public Limited Company  
Vojkovo Nabrežje 38, 6501 Koper, Slovenia

**Explanation of proposed resolutions of the 26<sup>th</sup> General Assembly of Luka Koper d.d. shareholders that will take place at 1 pm on Wednesday 8<sup>th</sup> July 2015 in the Plenary Hall of the Primorska Chamber of Commerce and Industry, Ferrarska Ulica 2, Koper, Slovenia.**

**Item 3 - Presentation of the 2014 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 the review of the 2014 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 is presented with the 2014 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 2014 Annual Report of Luka Koper d.d. and the Luka Koper Group.

The General Assembly is presented with the remunerations of Management and Supervisory Board members listed on pages 217 to 220 of the Annual Report.

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

At its 14<sup>th</sup> session on 17<sup>th</sup> April 2015, the Supervisory Board examined the 2014 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 also examined the Auditor's Report in which the external auditor *KPMG Slovenija, podjetje za revidiranje, d.o.o.* establishes that the financial statements, which are an integral part of the Annual Report, provide a true and fair reflection of the company's and the Group's financial situation as well as their performance, capital and cash flow. The Supervisory Board had no comments on the Auditor's Report.

Through its examination of the Annual Report, the Supervisory Board established that the report on Luka Koper d.d. and Luka Koper Group is both clear and exact, and provides a true and fair overview of the company's and Group's situation as of 31<sup>st</sup> December 2014. The Supervisory Board prepared a report on its examination of the company and Group Annual Report and included this in the Supervisory Board Report for 2014, which forms an integral part of the 2014 Annual Report of Luka Koper d.d. and the Luka Koper Group.

The Luka Koper d.d. Annual Report and the consolidated Annual Report of Luka Koper Group, together with the Auditor's Report for 2014, was unanimously endorsed at the 14<sup>th</sup> meeting of the Supervisory Board held on 17<sup>th</sup> April 2015. In accordance with the provisions of Article 282 of the Companies Act RS (ZGD-1) and the company Statute the Annual Report was also formally endorsed.

Management Board

Attachment:

- 2014 Annual Report of Luka Koper d.d. and the Luka Koper Group

**Explanation of proposed resolutions of the 26<sup>th</sup> General Assembly of Luka Koper d.d. shareholders that will take place at 1 pm on Wednesday 8<sup>th</sup> July 2015 in the Plenary Hall of the Primorska Chamber of Commerce and Industry, Ferrarska Ulica 2, Koper, Slovenia.**

**Item 4 – Proposal of the allocation of distributable profit for 2014, and endorsement of the Management and Supervisory Boards for their work in 2014**

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

**4.1**

The General Assembly is informed on distributable net profit for 2015 in the amount of € 14,598,947.31.

The General Assembly shall endorse the following proposal of the allocation of distributable profit which as of 31<sup>st</sup> December 2014 amounted to € 14,598,947.31.

- a portion of distributable profit in the amount of € 8,540,000.00 will be distributed to shareholders as dividends in the gross value of € 0.61 per ordinary share;
- the remaining distributable profit in the amount of € 6,058,947.31 will be allocated to other revenue reserves.

The dividend will be remunerated to shareholders registered in the Luka Koper d.d. share register on the second business day after the date of the general 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 2014:

- Gašpar Gašpar Mišič, who performed the function of the Management Board President until 11<sup>th</sup> April 2014,
- Andraž Novak, who performed the function of the Management Board Member in the field of operations & sales until 11th April 2014,
- Andraž Novak, who performed the function of the Management Board President from 11<sup>th</sup> April 2014 to 9<sup>th</sup> June 2014,
- Dragomir Matić, Management Board President since 10<sup>th</sup> June 2014,
- Andraž Novak, Management Board Member since 10<sup>th</sup> June 2014,
- Marko Rems, who performed the function of the Management Board Member from 1<sup>st</sup> January 2014 to 31<sup>st</sup> January 2014,
- Jože Jaklin, who performed the function of the Management Board Member responsible for finance and accounting from 1<sup>st</sup> February 2014 to 31<sup>st</sup> December 2014,
- Matjaž Stare, Management Board Member - Workers Director.

**4.3.**

The General Assembly shall endorse the Supervisory Board for their work in 2014.

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

**4.1**

In 2014, Luka Koper d.d. generated net profit in the amount of € 26,448,414.59. On the basis of the Management Board's proposal and in accordance with the third paragraph of Article 230 of the Companies Act RS, the company formed other revenue reserves in the amount of 50 percent of annual net profit - i.e. € 13,224,207.30. The company established that total distributable profit for 2014 amounted to € 14,598,947.31.

(in euro)	2014	2013
<b>Net profit for the fiscal year</b>	<b>26,448,414.59</b>	<b>4,612,245.82</b>
<b>Retained net profit</b>	<b>1,374,740.02</b>	<b>1,415,638.22</b>
<b>Increase in other revenue reserves</b>	<b>-13,224,207.30</b>	<b>-2,306,122.99</b>
<b>Total distributable profit</b>	<b>14,598,947.31</b>	<b>3,721,761.05</b>

Considering the company's performance in 2014 and dividend policy, the company's Management and Supervisory Boards propose that the General Assembly endorses the following allocation of distributable profit, which as of 31<sup>st</sup> December 2014 amounted to € 14,598,947.31:

- a portion of distributable profit in the amount of € 8,540,000.00 will be distributed to shareholders as dividends in the gross value of € 0.61 per ordinary share,
- the remaining distributable profit in the amount of € 6,058,947.31 will be allocated to other revenue reserves.

The Management and Supervisory Boards believe that the Management Board's proposal on the allocation of distributable profit is compliant with the company's dividend policy and strategic guidelines which consider both shareholder interest and the long-term growth of share value.

#### 4.2, 4.3

The Management and Supervisory Boards propose that the General Assembly endorses their work in 2014.

During 2014, the Management Board managed the company appropriately and in compliance with regulations.

During 2014, the Supervisory Board performed its supervisory function over the company's operations and management appropriately and in compliance with regulations.

Management Board  
 Supervisory Board

Attachment:

- 2014 Annual Report of Luka Koper d.d. and the Luka Koper Group

**Explanation of proposed resolutions of the 26<sup>th</sup> General Assembly of Luka Koper d.d. shareholders that will take place at 1 pm on Wednesday 8<sup>th</sup> July 2015 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 2015**

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

The auditors *KPMG Slovenija, podjetje za revidiranje d.o.o.* shall be appointed the external auditor for fiscal 2015.

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

The 2014 Annual Report for Luka Koper d.d. and the 2014 Consolidated Annual Report for the Luka Koper Group has to be examined by an external auditor in a manner and under the terms determined by law. Based on the provisions of the Concession Agreement, the authorised auditor also has to examine the Report re the Concession Agreement for the provision of port services, as well as the management, development and maintenance of the Port of Koper for the reporting period.

*KPMG Slovenija, podjetje za revidiranje d.o.o.* is one of the world's four large internationally renowned auditing firms. It first audited the Financial Statements of Luka Koper d.d. and the Consolidated Financial Statements of Luka Koper Group for fiscal 2014. Based on the provisions of the Concession Agreement, the firm also executed other actions as to the provision of port services, as well as the management, development and maintenance of the Port of Koper.

The re-appointment of *KPMG Slovenija* is compliant with the provisions of the Corporate Governance Code which recommends that the external auditor be substituted at least once every five years.

The proposal of a resolution on the appointment of an external auditor is based on the 22<sup>nd</sup> May 2015 proposal by the Supervisory Board Audit Commission which was submitted to the Supervisory Board in compliance with Article 280 of the Companies Act RS.

Supervisory Board

**Explanation of proposed resolutions of the 26<sup>th</sup> General Assembly of Luka Koper d.d. shareholders that will take place at 1 pm on Wednesday 8<sup>th</sup> July 2015 in the Plenary Hall of the Primorska Chamber of Commerce and Industry, Ferrarska Ulica 2, Koper, Slovenia.**

**Item 6 - Remuneration and attendance fees for Supervisory Board and Supervisory Board Commission members**

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

Pursuant to the provisions of Article 25 of the Luka Koper d.d. Statute, the General Assembly will adopt until cancelled a resolution on remuneration and attendance fees for members of the Supervisory Board and Supervisory Board Commissions:

1. For their participation at a meeting, each Supervisory Board member will receive an attendance fee in the amount of € 275 (gross).
2. Supervisory Board Commission members will receive for their participation at a Supervisory Board Commission meeting 80% of the attendance fee for participation at a Supervisory Board meeting. The attendance fee for a correspondence meeting amounts to 80% of the regular attendance fee.
3. Regardless of the aforementioned, i.e. the number of meetings attended in a fiscal year, a Supervisory Board member will be entitled to the remuneration of attendance fees to an aggregate maximum amount of 50% of their basic remuneration for performing their function as a Supervisory Board member.
4. Regardless of the aforementioned, i.e. the number of Supervisory Board and Supervisory Board Commissions meetings attended in a fiscal year, a Supervisory Board member who is a member of Supervisory Board Commissions(s) will be entitled to the remuneration of attendance fees to an aggregate maximum amount of 50% of their basic remuneration for performing their function as a Supervisory Board member plus a 25% supplement.
5. In addition to attendance fees, Supervisory Board members will receive basic remuneration for performing their function in an annual amount of € 13,000 gross per individual member. The Supervisory Board President is also entitled to a 50% supplement to the basic remuneration for performing their function whilst the Supervisory Board Deputy President is entitled to a 10% supplement to basic remuneration for performing their Supervisory Board member function.
6. Supervisory Board Commission members will be entitled to a 25% supplement per individual member on top of their basic remuneration for the performance of their Supervisory Board function.
7. The President of a Supervisory Board Commission will also be entitled to a 50% supplement to their basic remuneration for the performance of a Supervisory Board Commission member function.
8. Regardless of the aforementioned, i.e. the number of commissions they are members of, or chair, the individual Supervisory Board member will in a fiscal year be entitled to the remuneration of supplements to an aggregate maximum amount of 50% of their basic remuneration for performing their function as a Supervisory Board member. In the event that individual Supervisory Board member's mandate is shorter than a fiscal year, the individual Supervisory Board member will be, regardless of the aforementioned, i.e. commissions they are members of, or chair, entitled to the remuneration of supplements proportional to the duration of their mandate in a fiscal year.
9. Supervisory Board and Supervisory Board Commission members will receive their basic remuneration and supplements for performing their function in proportional monthly instalments they are entitled to until they perform their function. Each monthly payment amounts to one twelfth of the annual amounts.
10. The restriction as to the total amount of attendance fee or supplements to Supervisory Board members will in no way whatsoever affect the obligation to attend meetings of either the Supervisory Board or the Commission they are a member of; such will remain their legally prescribed responsibility.

11. Compliant with the company's Statute and regulations governing the reimbursement of expenses related to work and other income not included in the tax base, the Supervisory Board and Supervisory Board Commission members are entitled to the reimbursement of travel and other expenses for their arrival and participation at meetings.
12. This resolution will enter into force and become applicable as of the day of its adoption at the General Assembly meeting, thereof annulling the resolution adopted by the General Assembly on 8<sup>th</sup> July 2014.

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

The General Assembly of Luka Koper shareholders adopted at its 25<sup>th</sup> meeting held on 8<sup>th</sup> July 2014, a resolution to determine the attendance fees of Supervisory Board and Supervisory Board commission members as well as remuneration as to the performance of the Supervisory Board and Supervisory Board commission member 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. After the expiration of the twelve-month period, the criteria and legal basis for attendance fee payment cease to be valid, as do the criteria for determination of attendance fees and the remuneration of Supervisory Board members and Supervisory Board Commission members for the performance of their function. This Resolution on the determination of remuneration and attendance fees for members of the Supervisory Board and Supervisory Board commissions was based on Recommendations in the Management of Indirect and Direct Capital Investments of RS adopted by *Slovenska Odškodninska Družba (SOD)* on 12<sup>th</sup> April 2013.

Luka Koper d.d. is a public limited company whose shares are listed and traded on the stock market, and it meets the terms and the status of a large company. On 19<sup>th</sup> December 2014, the *Slovenian Sovereign Holding* (Slovenski Državni Holding, d.d. (SDH)) adopted a new Corporate Governance Code for Companies with Capital Assets of the State which enforces certain amendments compared to the 12<sup>th</sup> April 2013 recommendations of the manager of direct and indirect capital investments of the Republic of Slovenia. As the manager of direct and indirect capital investments of the Republic of Slovenia, SDH enclosed in the said Code tables with the amounts of recommended remunerations of Supervisory Board members for the attendance at Supervisory Board meetings, Supervisory Board Commission meetings and the performance of Supervisory Board function. Luka Koper d.d. is a large company which performed well in 2014. The Annex No. 1 to the Corporate Governance Code for Companies with Capital Assets of the State - dated 19<sup>th</sup> December 2014 - provides recommendation as to the amounts of basic remuneration for performing the function of Supervisory Board and Supervisory Board commission member.

The basic remuneration for performing the function of Supervisory Board and Supervisory Board commission member prescribed for large companies that enjoy a good financial position and whose shares are traded on the stock market, ranges from € 13,000 to 15,000 gross per year. Accordingly, the proposed basic remuneration for performing the function of a Supervisory Board members amounts to € 13,000. In 2014, the company performed very well and it enjoys a good financial situation.

Pursuant to the provisions of Annex No. 1 to the Corporate Governance Code for Companies with Capital Assets of the State (19<sup>th</sup> December 2014), the attendance fee for large companies amounts to € 275 gross. The attendance fees are paid to the extent and in a manner determined by the Corporate Governance Code for Companies with Capital Assets of the State of 19<sup>th</sup> December 2014.

Pursuant to the company's Statute and the regulations governing the reimbursement of expenses related to work and other income not included in the tax base, the Supervisory Board and Supervisory Board commission members are entitled to the reimbursement of travel and other expenses related to their participation at meetings.

In previous years, the basic remuneration and other allowances to which Supervisory Board and Supervisory Board commission members are entitled for the performance of their function, were determined for a period of one year. The Management and Supervisory Boards are of opinion that

such is not necessary. Should such be amended, the basic remuneration for performing the function of Supervisory Board or Supervisory Board commission member as well as other allowances may be amended by way of a proposal submitted to the General Assembly.

Management Board  
Supervisory Board



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#### **Item 7 - Amendment of the company's Statute**

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

The provision of Article 25 of the company's Statute will be amended by adding a new sentence which reads: "The amount of remuneration of external members of Supervisory Board commissions will be determined by the Supervisory Board" and by striking out "every year".

Accordingly, the new text of the first paragraph of Article 25 of the company's Statute will read as follows: "The members of the Supervisory Board and the members of Supervisory Board commissions will be entitled to the attendance fees and remuneration for performing their function in the amount determined by the General Assembly. The amount of remuneration of external members of Supervisory Board commissions will be determined by Supervisory Board. Further to this, the members of Supervisory Board and the members of Supervisory Board commissions will also be entitled to the reimbursement of travel and other expenses for their arrival and participation at meetings."

The provision of Article 32 of company's Statute will be amended by deleting the text "with the Supervisory Board consent" from the second paragraph. Accordingly, the new text of the second paragraph of Article 32 of the company's Statute will read as follows: "The Management Board may also authorise other persons to represent the Company by a general or special Power of Attorney."

Considering these amendments to the company Statute, its revised consolidated text will be prepared.

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

##### Amendments to Article 25 of the company's Statute:

Pursuant to Article 6.9 of the Corporate Governance Code for Companies with Capital Assets of the State of 19th December 2014, the external members of Supervisory Board commissions are remunerated for their commission work from the funds intended for the work of the Supervisory Board. The abovementioned remunerations are determined by the Supervisory Board and not General Assembly. Such practice is implemented in the governance of companies with capital assets of the state. For this reason, the Management and Supervisory Boards propose the amendment of the first paragraph of Article 25 of the company's Statute. For the purpose of rationalisation, the Management and Supervisory Boards further propose that the attendance fees and remuneration for the performance of Supervisory Board and Supervisory Board commissions members function are not endorsed every year but only when such a proposal is submitted to the General Assembly.

##### Amendments to Article 32 of the company's Statute:

Pursuant to the first paragraph of Article 265 of the Companies Act RS, the Management Board manages the company's operations autonomously and upon their responsibility. Consequently, the provisions of the second paragraph of Article 32 of the company's Statute is discordant with the aforementioned article of the Companies Act RS because Supervisory Board consent is required for normal everyday business operations which infringes the legally governed status of the Management Board responsibility to manage company operations autonomously and upon their responsibility.

Management Board  
Supervisory Board

Attachment:  
- Proposal of a clean copy of the company's Statute

**Explanation of proposed resolutions of the 26<sup>th</sup> General Assembly of Luka Koper d.d. shareholders that will take place at 1 pm on Wednesday 8<sup>th</sup> July 2015 in the Plenary Hall of the Primorska Chamber of Commerce and Industry, Ferrarska Ulica 2, Koper, Slovenia.**

#### **Item 8 - Appointment of a Supervisory Board member**

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

The General Assembly establishes that the four-year mandate of Supervisory Board member Sabina Mozetič shall terminate on 12<sup>th</sup> July 2015.

Sabina Mozetič shall be elected a Supervisory Board member for a new four-year mandate commencing 13<sup>th</sup> July 2015.

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

A four-year mandate of the Supervisory Board member Sabina Mozetič expires on 12<sup>th</sup> July 2015.

According to the second paragraph of Article 16 of the company's Statute: "The General Assembly elects with a simple majority 6 (six) Supervisory Board members for a four-year term of office. One of the six members may be proposed by the municipality or municipalities governing the territory to which the land Port area pertains."

Through Resolution No. 013-3/2015 as of 28<sup>th</sup> May 2015, the Koper Municipal Council proposed that the General Assembly of Luka Koper d.d. shareholders elect Sabina Mozetič, of Kvedrova ulica št. 1, Koper, be elected as a Supervisory Board member.

This candidate for Supervisory Board membership is a graduate lawyer and has been the Director of Koper municipal administration since 2003. Ms Mozetič completed training as a supervisory or management board member and attained a certificate of qualification. According to her CV, she has performed management functions since 2004, i.e. before her appointment as the director of the local municipal administration. As a member of Luka Koper d.d. Supervisory Board since 2011, Sabina Mozetič has experience in the respective field. It should also be mentioned that she is the representative of Koper Municipality in the Institute Council of Zdravstveni Dom Koper (the local Health Center) and the General Assembly of Javno Podjetje Rižanski Vodovod Koper (the local Water Utility)

Supervisory Board

Attachments:

- Resolution No. 013-3/2015 of 28<sup>th</sup> May 2015 of Koper Municipality Council
- Sabina Mozetič's CV as a candidate for Supervisory Board membership, together with 17<sup>th</sup> June 2006 certificate as to qualification as a supervisory or management board member