

**SLOVENSKI DRŽAVNI HOLDING, d. d.
(SLOVENIAN SOVEREIGN HOLDING)**

Mala ulica 5, P. P. 139
1001 Ljubljana
Slovenia

Re: Response to parliamentary motion by Matej T. Vatovec, PhD, in the section referring to Luka Koper, d. d.

To whom it may concern,

With reference to your letter dated 31 July 2017, in which you addressed to us the parliamentary motion put forward by Matej T. Vatovec, PhD, on employing precarious workers, this is a response to the section referring to Luka Koper. Based on the provisions of the Ljubljana Stock Exchange Rules and the current legislation, the Company has posted the parliamentary motion and response to it in the Seonet system.

As regards Luka Koper, d. d., it can only respond to the doubt expressed in the parliamentary motion regarding the credibility of the Company's calculation about employing workers, as presented on page 4, and it can explain into more detail the underlying for the calculation of the costs of additional employments, which were presented at the 28th AGM as at 30 June 2017.

Port service costs incurred by Luka Koper, d. d., in 2016 totalled € 25,291,457. This amount comprises the costs of services rendered in the port area as provided by external port service providers ("EPSP") and other providers, which include SŽ – TOVORNI PROMET d. o. o., subsidiary LUKA KOPER INPO, d. o. o. and the associated undertaking ADRIA TRANSPORT d. o. o. EPSP costs in 2016 totalled € 21,849,014 and include the costs of provisioning of machinery; without machinery, EPSP costs totalled € 20,688,851 and have been included into a cost analysis of possible EPSP employments.

Category	Port service costs in Luka Koper, d. d.
Other providers of port services	3,442,443
EPSP	21,849,014
Total port service costs	25,291,457
Total EPSP without machinery	20,688,851

As at 31 May 2016 there were 1,237 permits for EPSP issued by Luka Koper, d. d.: 70% of permit holders were employed by EPSP, 19% by EPSP subcontractors, and 11% were students working for EPSP.

The average daily number of EPSP employees who entered the port in 2016 ranged between 600 to 740, depending on the month; daily maximums ranged between 820 and 920, and daily minimums between 250 and 430. The monthly cost of EPSP in 2016 ranged from € 1.6 million to a maximum of € 2 million.

The Company has estimated it would have to employ between 1,200 and 1,250 workers in order to maintain service levels from 2016. The estimated employee benefit costs of employing all EPSP workers in Luka Koper, d. d. would total € 44.3 million for 2016. The required number of employees is different from the maximum number of entries, because additional staff is needed to account for expected instances of absence from work, such as working on holidays, annual leave, sick leave and other. The cost that Luka Koper, d. d. incurred for the services of EPSP (without provision of machinery) would thus increase for 2016 from € 20.7 million to € 44.3 million, up € 23.6 million. In the event of employing EPSP workers, the Company would also have to purchase the machinery that is currently provisioned by certain EPSP.

The estimate of the costs of Luka Koper, d. d. itself employing all EPSP workers, is based on the following data and assumptions:

1. volume of individual services actually rendered in 2016;
2. on the basis of individual services rendered by EPSP we estimated the number of employees that Luka Koper, d. d. would need in order for them to perform the same services;
3. the calculated average labour costs per hour for all work posts in Luka Koper, d. d. in 2016, including wages and salaries, wage compensations, costs of additional pension insurance, employer's contributions on employee benefits, and annual holiday pay, reimbursements and other costs;
4. the calculated number of hours actually worked by employees of Luka Koper, d. d. in 2016 by factoring in absences from work due to holidays, annual leave, sick leave and other;
5. the estimate of the costs of employing all EPSP workers in Luka Koper, d. d. for 2016 is based on the data from items 1–4; employee benefit costs of those additional employments in Luka Koper, d. d. would total an average € 2,995 per month.

The estimate was made with reasonable diligence on the basis of data available to Luka Koper, d. d.

Yours sincerely,

Irena Vincek
Member of the Management Board
of Luka Koper, d. d.

Dragomir Matić
President of the Management Board
of Luka Koper, d. d.