

LUKA KOPER, Port and Logistics System Operator, Plc.
Vojkovo nabrežje 38, 6000 Koper, Slovenia

Explanation of resolutions proposed for the 28th General Meeting of Shareholders of LUKA KOPER, d.d., to be held on Friday, 30 June 2017 at 13.00 CET (1 PM) in the Visitors Centre Hall at Škocjanski zatok Nature Reserve, Sermin 50, Koper

Item 3 - Presentation of the Annual Report of LUKA KOPER, d.d. and the LUKA KOPER GROUP for 2016 with Auditor's Opinion and the Report of the Supervisory Board on the examination of Annual Report of LUKA KOPER, d.d. and the LUKA KOPER GROUP for 2016;

The Management Board hereby proposes to the General Meeting of Shareholders to adopt the following resolution:

The General Meeting of Shareholders is acquainted with the adopted Annual Report of LUKA KOPER, d.d. and the LUKA KOPER GROUP for 2016 together with the Auditor's Opinion and the Report of the Supervisory Board on the examination of the Annual Report of LUKA KOPER, d.d. and the LUKA KOPER GROUP for 2016.

The General Meeting of Shareholders is presented with the remuneration of the Supervisory Board members and Management Board members as stated on pages from 240 to 244 of the Annual Report.

Explanation of the proposed resolution by the Management Board:

At its 27th regular session held on 31 March 2017, the Supervisory Board examined the Annual Report of LUKA KOPER d.d. and the LUKA KOPER GROUP for 2016, together with the Management Board's proposal for the allocation of distributable profit. In addition, the Supervisory Board examined the Auditor's Report in which the certified auditor KPMG Slovenija, podjetje za revidiranje, d.o.o. established that the financial statements which are an integral part of the Annual Report, provide a true and fair reflection of both Company's and the Group's financial position, as well as their statements of comprehensive income, changes in equity and cash flow. The Supervisory Board did not have any comments with regard to the Auditor's Report.

Following its examination of the Annual Report, the Supervisory Board stated that it is clear, exact and provides a true and fair overview of operations and performance of the Company and the Group as of 31 December 2016. The Supervisory Board released a report on its examination of the Company's and Group's Annual Report for 2016 and included it in the Supervisory Board Report for 2016, which is part of the Annual Report of LUKA KOPER d.d. and the LUKA KOPER GROUP for 2016.

The LUKA KOPER d.d. Annual Report and the LUKA KOPER GROUP Consolidated Annual Report together with the Auditor's Report for 2016 were unanimously approved by the Supervisory Board at its session held on 31 March 2017. We state that in line with the provision of Article 282 of the Companies Act (ZGD-1) and pursuant to the Company's Articles of Association, the Annual Report was therefore formally adopted.

Management Board

Attachment:

- Annual Report of LUKA KOPER, d.d. and the LUKA KOPER GROUP for 2016

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Item 4 - Proposed appropriation of distributable profit for the financial year 2016 and granting of discharge to the Management Board and Supervisory Board for the financial year 2016;

The Management Board and the Supervisory board hereby propose to the General Meeting of Shareholders to adopt the following resolutions:

- 4.1. The General Meeting of Shareholders is informed that the distributable profit for the financial year 2016 amounts to 20,321,602.99 euros.
The General Meeting of Shareholders adopts the following proposal regarding the allocation of distributable profit amounting on 31 December 2016 to 20,321,602.99 euros:
- a portion of distributable profit in the amount of 13,440,000.00 euros shall be allocated for the paying out of dividends in the gross amount of 0.96 euros per ordinary share,
 - the remaining portion of distributable profit totalling 6,881,602.99 euros shall remain undistributed.
- The Company shall pay out dividends on 31 August 2017 to all shareholders entered as holders of the shares in the Central Book-Entry Securities Register as of the end of 30 August 2017.
- 4.2. The General Meeting of Shareholders shall discharge the Management Board of responsibility for 2016.
- 4.3. The General Meeting of Shareholders shall discharge of responsibility for 2016 the Supervisory Board composed of:
- Dr. Alenka Žnidaršič Kranjc, Dr. Elen Twrdy, Capt. Rado Antolovič, MBA, Andrej Šercer, MSc., Žiga Škerjanc, Sabina Mozetič and Mladen Jovičič;
 - Nebojša Topič, MSc., from 1 January 2016 to 27 July 2016;
 - Marko Grabljevec since 18 January 2016;
 - Rok Parovel since 12 September 2016.

Explanation of the proposed resolutions by the Management Board and Supervisory Board:

- 4.1.
In the financial year 2016, LUKA KOPER, d.d. generated 40,581,115.50 euros of net profit. Based on the Management Board's proposal and in line with third paragraph of Article 230 of the Companies Act (ZGD-1), fifty percent of net profit, i.e. 20,290,557.75 euros were allocated by the Company to other reserves at the end of the financial year 2016. The Company establishes that distributable profit for 2016 totals 20.321.602,99 euros.

(in euros)	2016	2015
Net profit for the financial year	40,581,115.50	28,845,074.48
Retained net profit carried forward	31,045.24	1,458,277.00
Increase in other reserves	-20,290,557.75	-14,422,537.24
Total distributable profit	20,321,602.99	15,880,814.24

The Company's Management Board and Supervisory Board hereby propose to the General Meeting of Shareholders to allocate distributable profit amounting as of 31 December 2016 to 20,321,602.99 euros as follows:

- a portion of distributable profit in the amount of 13,440,000.00 euros shall be allocated for the paying out of dividends in the gross amount of 0.96 euros per ordinary share,
- the remaining portion of distributable profit totalling 6,881,602.99 euros shall remain undistributed.

The Management Board and the Supervisory Board are of the opinion that the Management Board's proposal for the allocation of distributable profit is in line with the Company's dividend policy and its strategic guidelines, and it considers the shareholders' interest in the long-term growth of share value.

4.2, 4.3

The Management Board and the Supervisory Board hereby propose to the General Meeting of Shareholders to discharge the Management Board and the Supervisory Board of responsibility for 2016.

During the financial year 2016, the Management Board managed the Company appropriately and in line with regulations, as did the Supervisory Board in the performance of its supervisory function over the Company's operation and management.

Management Board
Supervisory Board

Attachment:

- Annual Report of LUKA KOPER, d.d. and the LUKA KOPER GROUP for 2016

Explanation of resolutions proposed for the 28th General Meeting of Shareholders of LUKA KOPER, d.d., to be held on Friday, 30 June 2017 at 13.00 CET (1 PM) in the Visitors Centre Hall at Škocjanski zatok Nature Reserve, Sermin 50, Koper

Item 5 - Appointment of the Auditor for the financial years 2017, 2018 and 2019;

The Supervisory Board hereby proposes to the General Meeting of Shareholders to adopt the following resolution:

The auditing company KPMG Slovenija, podjetje za revidiranje, d.o.o. shall be appointed Company's auditor for the financial years 2017, 2018 and 2019.

Explanation of the proposed resolutions by the Supervisory Board:

In line with the provisions of the Companies Act (ZGD-1), the Annual Report of LUKA KOPER, d.d. and the Consolidated Annual Report of the LUKA KOPER GROUP have to be examined by an external auditor in a manner and under the terms stated by the applicable law. Based on the provisions of the Concession Agreement, the external auditor also has to examine the Report based on the concession agreement for the provision of port services, as well as the management, development and maintenance of port infrastructure located in the Koper cargo terminal for the reporting period, and the Report on relations with affiliated companies.

The auditing company KPMG Slovenija is part of the world's four largest internationally renowned auditing firms. It performed the audit of financial statements of LUKA KOPER, LUKA KOPER INPO, Adria Transport and consolidated financial statements of the LUKA KOPER GROUP for 2014, 2015 and 2016. In addition, it reviewed financial statements of the companies Adria Terminali, LUKA KOPER Pristan, Adria-tow and TOC. Pursuant to the provisions of the Concession Agreement, it also performed other assurance engagements or the provision of port services, as well as the management, development and maintenance of port infrastructure, and in 2015 and 2016 it also reviewed the Report on relations with affiliated companies.

The re-appointment is in line with the Regulation of the European Parliament and of the Council for specific requirements regarding the statutory audit of public-interest entities which limits the engagement of a particular audit firm to a maximum duration of ten consecutive years, and the engagement with the key audit partner to seven consecutive years.

Based on the provisions of Article 280 of the Companies Act (ZGD-1), the proposal on the appointment of the Company's annual report's Auditor is based on the proposal of the Supervisory Board's Audit Committee that was submitted to the Supervisory board on May 12, 2017.

Supervisory Board

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Item 6 - Information on the resolutions of the Workers' Council on the election of employee representatives in the Supervisory Board

The Management Board hereby proposes to the General Meeting of Shareholders to adopt the following resolutions:

- 6.1. The General Meeting of Shareholders is informed on the resolution of the Company's Workers' Council as of 12 September 2016 stating that the Workers' Council appointed Rok Parovel as the employee representative in the Supervisory Board for a 4-year term of office, commencing on 12 September 2016.
- 6.2. The General Meeting of Shareholders is informed on the resolution of the Company's Workers' Council as of 13 March 2017 stating that the Workers' Council appointed Mladen Jovičič as the employee representative in the Supervisory Board for a 4-year term of office, commencing on 8 April 2017.

Explanation of the resolution proposal by the Management Board:

Pursuant to the provision of fifth paragraph, Article 79 of Workers' Participation in Management Act, the employee representatives who are the members of the Supervisory- or Management Board or its commissions, are appointed and recalled by the Workers Council which informs the General Meeting of Shareholders thereof. Pursuant to legal provisions, the Articles of Association of LUKA KOPER, d.d. and based on the Rules of Procedure of the Workers' Council, the Workers' Council adopted a resolution on 12 September 2016 stating that from among the employee representatives, Rok Parovel should be appointed the employee representative in the Supervisory Board. On 13 March 2017, the Workers' Council adopted a resolution appointing Mladen Jovičič as the employee representative in the Supervisory Board.

Management Board

Attachment:

- Workers' Council resolution as of 12 September 2016
- Workers' Council resolution as of 13 March 2017

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Item 7 - Appointment of the Company's Supervisory Board members

The Supervisory Board hereby proposes to the General Meeting of Shareholders to appoint in the Supervisory Board of the company LUKA KOPER, d.d. a maximum of five members from among the candidates proposed by the Company's shareholders after the publication of this notice of convening the General Meeting of Shareholders, who shall be appointed for a 4-year term of office, commencing on 7 October 2017.

Explanation of resolution proposal by the Supervisory Board:

The term of office of five members forming the Supervisory Board of LUKA KOPER, d.d. expires on 7 October 2017. Despite its efforts, the Supervisory Board did not manage to formulate a voting proposal for the appointment of new members in the Company's Supervisory Board up to the date this notice of convening the General Meeting of Shareholders was published. Irrespective of this, the Supervisory Board agrees that due to the upcoming expiration of the term of office of the existing members, the decision on election and appointment of new members of the Supervisory Board should be placed on the agenda of the General Meeting of Shareholders. In this manner, the General Meeting of Shareholders and the shareholders will be granted the possibility to appoint the members of the Supervisory Board commencing their term of office on 7 October 2017 already at this point, also by considering that this decision falls within the competence of the General Meeting of Shareholders.

With regard to all stated above and pursuant to Articles 300 and 301 of the Companies Act (ZGD-1), the Supervisory Board calls on all Company's shareholders to submit their proposals for the election and appointment of the Supervisory Board members, so that the General Meeting of Shareholders can adopt its decision with this regard.

Supervisory Board