

SLOVENSKI DRŽAVNI HOLDING, d.d. (in Eng. 'Slovenian Sovereign Holding')

To:

LUKA KOPER, d.d.

Vojkovo nabrežje 38

6000 Koper

uprava@luka-kp.si

No.: 2017009001

Slovenski državni holding, d.d., Mala ulica 5, Ljubljana **on its own behalf and on behalf of the shareholder Republic of Slovenia**, on the basis of the provision of Article 298 of the Companies Act (ZGD-1) and in relation to the notice of convening the 28th General Meeting of Shareholders of the company LUKA KOPER, d.d. to be held in the Visitors' Centre Hall at Škocjanski zatok Nature reserve, Sermin 50, Koper, on 30 June 2017 at 1 PM, hereby files the following

REQUEST TO EXPAND THE AGENDA

for the 28th General Meeting of Shareholders of LUKA KOPER, d.d.

Ljubljana, 31 May 2017

I.

Slovenski državni holding, d.d. (hereinafter referred to as 'proposer'), on the basis of the provisions of Article 19 of the Slovenian Sovereign Holding Act, manages at its own discretion and in the name and for the account of the Republic of Slovenia the capital investments of the Republic of Slovenia, including the investment in the company LUKA KOPER, d.d. The Republic of Slovenia holds 7,140,000 shares of the company Luka Koper d.d. (hereinafter referred to as 'company'), representing 51 % of the company's share capital. The proposer is indirectly also holder of 1,557,857 shares of the company Luka Koper d.d., which represents 11.13 % of the company's share capital. Based on this, the proposer demonstrates its legal interest and legal justification for filing this request for the expansion of the agenda in line with first paragraph, Article 298 of the Companies Act.

II.

On the basis of Article 298 of the Companies Act (ZGD-1), the proposer hereby files its request to expand the agenda for the 28th General Meeting of Shareholders of the company and demands that the agenda be expanded with the following two additional items:

The proposer requests that after the existing item 6 a new item 7 shall be placed on the agenda, so that the existing item 7 shall become item 8 of the agenda. The new item 7 shall read:

7. Discharge and appointment of supervisory board members

The proposed resolution 7.1.:

As of 30 June 2017, the following members of the supervisory board shall be discharged: Alenka Žnidaršič Kranjc, Ph.D., Elen Twrdy, Ph.D., Andrej Šercer, MSc., Žiga Škrjanec, Rado Antolovič.

The proposed resolution 7.2.:

As first member of the supervisory board – representative of shareholders, shall be appointed **Rado Antolovič** who shall perform his function for a 4-year term of office commencing one day after the expiration of the term of office of the existing members of the supervisory board – representatives of shareholders.

The proposed resolution 7.3:

As second member of the supervisory board – representative of shareholders, shall be appointed **Andrej Šercer, MSc.**, who shall perform his function for a 4-year term of office commencing one day after the expiration of the term of office of the existing members of the supervisory board – representatives of shareholders.

The proposed resolution 7.4:

As third member of the supervisory board – representative of shareholders, shall be appointed **Žiga Škerjanec** who shall perform his function for a 4-year term of office commencing one day after the expiration of the term of office of the existing members of the supervisory board – representatives of shareholders.

The proposed resolution 7.5:

As fourth member of the supervisory board – representative of shareholders, shall be appointed **Milan Jelenc, MSc.**, who shall perform his function for a 4-year term of office commencing one day after the expiration of the term of office of the existing members of the supervisory board – representatives of shareholders.

The proposed resolution 7.6:

As fifth member of the supervisory board – representative of shareholders, shall be appointed **Barbara Nose** who shall perform her function for a 4-year term of office commencing one day after the expiration of the term of office of the existing members of the supervisory board – representatives of shareholders.

Explanation:

Pursuant to the applicable Management Policy of the Slovenian Sovereign Holding, SDH can propose and vote at the General Meeting of Shareholders for early discharge of the supervisory board members, providing that there are reasonable grounds for early discharge and they shall be publicly disclosed by SDH.

The company's supervisory board in the present composition has lost the trust of the owner. The recent developments, especially the publishing of findings by the Financial Administration of the Republic of Slovenia regarding the operations of Luka Koper with the performers of port services which represented an additional piece in the mosaic of indicators of the company's inappropriate risk management, and the resolution proposal submitted by the supervisory board to the item on the agenda concerning the appointment of members of the supervisory board which is against the law and therefore challengeable, clearly indicates the need for urgent change in the composition of the company's supervisory board. Based on this, SDH as active and responsible shareholder adopted a decision on its own behalf and on behalf of the Republic of Slovenia, to file a request for special audit. Due to company's importance and with the aim to ensure its continuity, SDH examined within the framework of accreditation and nomination procedures if any of the members could be a candidate for the supervisory board for a new term of office, in line with SDH's legal acts and the corporate governance good practice. Based on the findings and expert assessments, SDH created a proposal to be put on vote, as ensues from the presented resolution proposal.

In line with best corporate governance practice, and as recommended also by the Code of Corporate Governance for Companies with State Participation (Recommendation 6.4), the supervisory board should be composed in such a way as to guarantee the responsible supervision and adoption of resolutions to be in the best interest of the company. To enable efficient work of the supervisory board, the best practice provides a series of instructions with regard to the composition of the supervisory board, to ensure that the board's composition in its entirety covers persons with complementary knowledge, skills and professional experience, but, at the same time, owing to the members' diverse demographic characteristics, provides for a heterogeneous composition of the supervisory board.

The explanation of the proposal concerning the appointment of new supervisory board members is based on the information stated in the CV (i.e. biography) of each candidate:

Rado Antolovič graduated from the Faculty of Maritime Studies at Edvard Kardelj University in Ljubljana in 1985. In 1991, he received a bachelor's degree in transportation business from Sydney University and in 2010 he completed an MBA at the DP World Institute in cooperation with Macquarie University in Sydney. During his career, he has constantly upgraded his expertise by attending several professional courses and expert programmes all around the world. His first employment dates back to 1976 when he joined Splošna Plovba. In 1981, he continued his career as captain of a ship with the company Suisse Atlantique S.A. Co. From 1989 to 1997 he was employed with the company Mitsui OSK Lines (MOL) – Union Shipping of Australia as operational manager and subsequently as business director for the national territory and as port captain. Between 1997 and 2000 he worked as chief executive director at the Vostochny international container terminal in Russia. Afterwards, he occupied top level positions at the P&O container terminal in Cagliari, at the company American President Line NOL and subsequently at the company Malta Freeport Terminals. From 2007 to 2011 he was employed with the company DP World where the last position he held was as general director for Russia, the Black Sea and the Russian Federation. Between 2012 and 2013 he performed the function of General Director at the Russian port of Novorossiysk, whereas since 2013 he has worked as director general with P&O Maritime (DP World) in Dubai. Mr. Antolovič is fluent in English, Italian and Russian.

Andrej Šercer, MSc. graduated from the Faculty of Law at the University of Ljubljana in 1996 and passed the state bar examination in 1999. He completed his master's studies in civil and corporate law at the Faculty of Law in Ljubljana in 2002. As an expert in corporate and internal governance of public and financial institutions, he has been systematically involved in the field of governance, risk and compliance (GRC) since 2008. For more than 11 years he was employed with the Ljubljana Stock Exchange where he performed a series of tasks, occupied different positions, attended expert courses, and took part in projects abroad. For two years he was a member of the supervisory board of the Ljubljana Stock Exchange. Since 2010 he has been employed with Vzajemna zdravstvena zavarovalnica (Eng. Mutual Insurance Company) where he has held the position of deputy board member and subsequently the position of director for risk and compliance, responsible for the introduction of the Solvency II standards. He presides over the compliance committee at the Slovenian Insurance Association and is a member of the expert committee of the European Institute for Compliance and Business Ethics (EISEP), currently in its formation phase. As a holder of the certificate required to perform a supervisory board function and as a member of the Slovenian Director's Association, he actively cooperates with the same association. He has been a member of the supervisory board of Luka Koper d.d. and a member of the supervisory board's personnel committee since 2013. Mr. Šercer is the author of several articles on capital markets, corporate governance and insurance, and is active as a lecturer, member of examination committees, and negotiator, mediator and arbiter.

Žiga Škerjanec obtained a law degree from the Faculty of Law at the University of Ljubljana in 2003 and subsequently passed the state bar examination. Since the beginning of his career, he has been employed at Slovenski državni holding, d.d. (previously Slovenska odškodninska družba, d.d.) where he has been actively involved in corporate law matters. He currently performs the function of senior advisor in the department for legal matters and denationalisation. He is responsible, among other things, for providing legal support in all activities performed by Slovenski državni holding, d.d. in the sphere of management and the

disposing of securities and other assets. Before occupying his present position, he worked as head of the department for legal and HR matters, as advisor to the management board, as independent advisor in the management board office, etc. He boasts wide experience in the field of supervision over commercial companies. Mr. Škerjanec is currently a supervisory board member and is on the supervisory board's personnel committee in the company Luka Koper, d.d. He was a member of the supervisory board of the company Helios Domžale, d.d. and president of the supervisory board of the company Iskra Vzdrževanje, d.d., Kranj.

Milan Jelenc, MSc., graduated in business and management from the Faculty of Economics at the University of Ljubljana in 1973 and completed his master's studies in business policy and organisation with the same university in 1991. Mr. Jelenc began his career as a business analyst with the Koper-based company Intereuropa in 1975. In 1983, he took over the office of director of the business unit of the company BTC Javna skladišča in Ljubljana. From 1984 to 1990 he performed the function of president of the executive council of the municipality of Ljubljana Moste-Polje and subsequently the function of president of the Republic's committee for transport and communications. After that, he continued his business career at Intereuropa where he was appointed member of the management board and vice-president of the management board. In 2008, he joined Slovenske železnice as advisor to the general director and was subsequently appointed director of the Tovorni promet SŽ business unit. In February 2013, he became a member of the board of directors of Slovenske železnice. He boasts wide experience as a member of many supervisory boards. Among others, he was president of the supervisory boards of the companies Simobil d.d., Kovinoplastika Lož, d.o.o. and Adriakombi d.o.o. and a member of the supervisory boards of SKB banka, d.d., Fersped, d.d. and Luka Koper, d.d.

Barbara Nose graduated from the Faculty of Economics at the University of Ljubljana in 1989. In 1993, she obtained the title of accounting audit specialist with the same faculty. She started her career as an apprentice financial analyst with Ljubljanska banka d.d. where she was promoted to head of the department in 1991. From 1991 to 1992 she worked as an audit assistant with the company Consultatio GmbH Wien, whereas from 1992 to 1993 she was employed as a project manager with Consultatio Ljubljana, d.o.o. In 1993, she joined CONSTANTIA d.o.o. Ljubljana as director and certified auditor. Since 2005 she has worked as director and certified auditor with the company CONSTANTIA PLUS d.o.o., Ljubljana. Ms. Nose boasts 24 years of expertise in the field of operative management of audit projects and maintains an active certified auditor's licence. She perfected her supervisory skills while performing, among other duties, the function of supervisory board member at the company Pozavarovalnica Sava, as supervisor of the organisations financed by FIHO, as president and member of the supervisory body of the Municipality of Ljubljana, and as an external member of audit committees of companies listed on the Ljubljana Stock Exchange.

The Proposer requests that a new item 9 be placed on the agenda, with the following wording:

9. Appointment of special auditor to verify the management of individual operations by the company

The proposed resolution:

"The General Meeting of Shareholders shall appoint the audit company Ernst & Young, d.o.o., Dunajska cesta 111, 1000 Ljubljana as special auditor in charge of verifying management of individual operations of the company Luka Koper, d.d. The special auditor shall examine the management of individual operations executed with the providers of port services in the last three years as of the day of adoption of the present resolution, more precisely:

- **procedures or processes of contracts conclusion and procurement of specific services.**

The objective shall be to concretely verify the compliance of procurement processes with the applicable legislation in the sphere of public procurement and to present the entire procurement system of these services: all stages of decision making, the approach applied to select the providers of port services, individuals responsible for their selection, determining of the price of services, supervision over performance of services, supervision system to determine the real performer of work and the system for evaluating their professional qualifications. In addition, the verification shall focus on business operations of Luka Koper, d.d. with five individual performers of port services, selected based on the level of their turnover registered with Luka Koper and their dependence on Luka Koper by taking into consideration the share of revenues generated with Luka Koper in their total revenues.

While verifying the management of individual operations, the special auditor shall assess the management of operations from the perspective of a diligent master, with special incentive on the adequacy of internal controls, transparency of procedures and impact of such operations on company's performance from the perspective of risk exposure, especially the assessment of corruption risk exposure.

Pursuant to the provision of Article 320 of the Companies Act, the special auditor shall draw up a written report on the special audit findings and express its position in relation to all operations stated in the resolution of the general meeting of shareholders."

Explanation:

Pursuant to first paragraph, Article 318 of the Companies Act (ZGD-1), the company's shareholders may appoint a special auditor by a simple majority of votes with a view to verify the management of company's individual operations over the last five years. Therefore, SDH, d.d. hereby requests from the company's management board to place on the agenda for the convened general meeting of shareholders also the appointment of a special auditor to verify the company's management of individual operations, as ensues from the resolution proposal stated above.

The proposer requests a special audit of the management of individual Group operations performed over the last three years due to suspicion that individual operations were not managed by the company in its capacity as diligent master. In addition, the manner the

operations are managed gives rise to suspicion that corruptive or other risks might emerge and exert negative impact on company's business performance or could damage the company.

The proposed auditor fulfils all prerequisites that are required for its appointment, is in possession of all required qualifications and as an internationally well-asserted audit company, has a generally known good record of positive references.

III.

The proposer calls on the company's management board to deal with the present request to expand the agenda of the General Meeting of Shareholders by adhering to the provision of Article 298 of the Companies Act (ZGD-1), to expand the agenda by including the submitted proposal and to publish the consolidated text of the expanded agenda immediately and in the same manner as the notice of convening the General Meeting of Shareholders was published.

At the same time, the proposer suggests to the company's management board to adequately correct the information for the shareholders, published together with the notice of convening the General Meeting of Shareholders, in order to inform the shareholders about the rule stating that a majority of at least three quarters of the votes cast shall be required in order to pass a resolution to discharge the members of the supervisory board.

Nada Drobne Popovič
Member of the Management Board
/signature/

Lidia Glavina
President of the Management Board
/signature/

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LJUBLJANA/*