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

**Explanation of resolutions
proposed for the 29th General Meeting of Shareholders of Luka Koper, d.d.**

Item 6 – Vote of no confidence in the management board

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

The General Meeting of Shareholders passes a vote of no confidence in the president of the management board of the company Luka Koper, d.d., Dragomir Matić, in the member of the management board Irena Vincek and in the member of the management board Andraž Novak.

Explanation of the Supervisory Board regarding the resolution proposal:

The report of the audit company Price Waterhouse Coopers on the special audit conducted with regard to the providers of port services (hereinafter IPSs) in Luka Koper, d.d. as of 12 November 2017 unveiled irregularities and the Company's exposure to high risks in its business operations, especially in the field of cooperation with the IPSs. Among others, the special audit stated that there was no risk assessment analysis regarding the IPSs business model (neither legal or regulatory risks) in place, nor a quantitative comparison of costs and benefits deriving from the IPSs business model and the use of an own workforce which gives rise to relevant financial and fiscal risks as well as to the risk of interrupted operation. The special auditor draws the shareholders' attention to a systemic lack of order in several management work areas for which the management board in its capacity as collectively responsible body, is in charge. By taking into consideration that the special audit report does not specify the liability for damages of the management board, the supervisory board does not propose the appointment of a special legal representative to bring a claim for damages, but enables the shareholders who were acquainted with the special audit report under the previous item of the agenda, to discuss and adopt their decision regarding the confidence in the management board.

Supervisory Board