
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 4 - Determination of the amount of remuneration for the performance of function in the supervisory board and determination of attendance fee for supervisory board members and members of the supervisory board's committees

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

Pursuant to the provision of Article 25 of the Company's Articles of Association, the General Meeting of shareholders shall adopt, until revocation, the following decision on the remuneration for the performance of function in the supervisory board and determination of attendance fee for supervisory board members and members of the supervisory board's committees:

1. For their participation at the supervisory board meeting, the members of the supervisory board shall be entitled to an attendance fee in the amount of 275,00 euros gross per each member.
2. For their attendance at the meeting of the supervisory board's committee, the members of the supervisory board's committee shall be entitled to an attendance fee corresponding to 80% of the attendance fee determined for the participation at the supervisory board meeting. The attendance fee for the participation at the adoption of decisions in writing ("correspondence meeting") shall amount to 80% of the usual attendance fee.
3. Irrespective of all stated above and irrespective of the fact how many times a member participated at the meetings, each supervisory board member shall be entitled within a financial year to the attendance fees as long as the sum of the received attendance fees does not exceed the level of 50% of the basic remuneration determined for the performance of function in the supervisory board for each supervisory board member on annual level.
4. Irrespective of all stated above and irrespective of the fact how many times a member participated at the supervisory board meeting or supervisory board's committee meeting, each member of the supervisory board who is at the same time member of the supervisory board's committee shall be entitled within a financial year to the attendance fees as long as the sum of received attendance fees for participation at supervisory board meetings and supervisory board's committee meeting does not exceed the level of 75% of the basic remuneration determined for the performance of function in the supervisory board for each supervisory board member on annual level.
5. In addition to attendance fees, the supervisory board members shall be entitled to a basic remuneration for the performance of their function corresponding to 15,000.00 euros gross per each member on annual level; the president of the supervisory board is entitled to a supplement corresponding to 50% of the basic remuneration determined for the performance of supervisory board function and the vice president of the supervisory board is entitled to a supplement corresponding to 10% of the basic remuneration determined for the performance of supervisory board member function.
6. Each member of the supervisory board committee shall be entitled to a supplement for his/her performance of function which shall correspond to 25% of the basic remuneration determined for the performance of supervisory board member function.
7. President of the committee shall be also entitled to a supplement for the performance of function corresponding to 37.5% of the basic remuneration determined for the performance of function by the member of the supervisory board's committee.
8. Irrespective of all stated above and irrespective of the number of committees in which he/she participates or presides over, each member of the supervisory board's committee shall be entitled within a business year to supplements for as long as the sum of received supplements does not exceed the level of 50% of the basic remuneration for the performance of

supervisory board member function on annual level. In the event that the term of office of a supervisory board member is shorter than one business year, the member of the supervisory board committee – irrespective of all stated above and irrespective of the number of committees in which he/she participates or presides over – shall be entitled to the supplements for as long as the sum of received supplements does not exceed the level of 50% of the basic remuneration for the performance of supervisory board member function by taking into consideration his/her eligibility to such payments which depends on the time of duration of his/her term of office in the relevant year.

9. The members of the supervisory board and the members of the supervisory board's committee are entitled to the basic remuneration and supplement for their performance of function in proportional monthly amounts to which they shall be eligible during their term of office in the supervisory board. The monthly amount shall correspond to one-twelfth of the amounts stated above.
10. The limitation of the top amount of remuneration or attendance fee payable to a supervisory board member shall in no way influence his/her responsibility for taking active part at the supervisory board meetings and committee's meetings in which he/she is a member, neither shall influence his/her responsibility determined by law.
11. The members of the supervisory board shall be entitled to the reimbursement of travel costs, overnight accommodation cost and other administrative costs emerging in relation to the performance of their task in the supervisory board or in connection with other professional event related to the Company (as for instance participation at the general meeting of shareholders, business event organised by the Company for its business partners, meeting with relevant Company's stakeholders, participation at training sessions, member fees for associations) which are attended by the supervisory board members while performing their functions for the Company, in a manner and up to the amounts as determined with the Company's by-laws and regulations defining the reimbursement of costs related to work and other untaxed revenues (provisions regulating transfers on business trips and overnight accommodation on business trips). Costs of overnight accommodation can be reimbursed only if the distance between the permanent or temporary place of residence of the supervisory board's member or member of the supervisory board's commission and the location where the work is performed is at least 100 kilometres; if the member could not return home because no public means of transport were operating at that time or due to other objective reasons.
12. This resolution shall come into force and shall begin to be applied on the date of its adoption by the General Meeting of Shareholders. With the adoption of the present resolution, the resolution no. 6 as adopted by the General Meeting of Shareholders on 21 August 2015, shall be cancelled.

Explanation of the Supervisory Board regarding the resolution proposal:

At its 26th meeting held on August 21st, 2015 the general meeting of shareholders of the company Luka Koper, d.d. adopted a resolution in which it determined the amount of attendance fee for the supervisory board members and members of the supervisory board's committees, as well as the amount of the remuneration for the performance of supervisory board member function and the function in the supervisory board's committees. The determination of the attendance fee amounts for supervisory board members and members of supervisory board's commissions and the determination of the remuneration amount for supervisory board members and members of supervisory board's commissions was based on the provisions of the Corporate Governance Code for State-Owned Enterprises (Slovenian Sovereign Holding) as adopted on December 19th, 2014. The Slovenian Sovereign Holding in its capacity as holder of direct and indirect capital investments on behalf of the Republic of Slovenia included in the aforementioned Code a number of tables with recommended amounts of attendance fees for the members of the supervisory board for their participation at the supervisory board meetings and supervisory board's committees, as well as the remuneration for the supervisory board members for their performance of the supervisory function. The recommended amounts of the basic remuneration for the performance of the supervisory board function and the function in the supervisory board's committees were included in Attachment 1 of the Corporate Governance Code for State-Owned Enterprises.

In May 2017, the Slovenian Sovereign Holding adopted a new Corporate Governance Code for State-Owned Enterprises (in the following text "Code"). Under point 6.9., the new Code states a new recommended remuneration for the supervisory board members. The difference between the existing Code and the previous code is that the remuneration for the president of the supervisory board's committees is to be decreased from the existing 50% to 37,5% of the basic remuneration for the performance of supervisory board function. Based on this, the Company's supervisory board proposes to the general meeting of shareholders to harmonise the amount of remuneration with the provisions of the Code. On this occasion, by taking into consideration the previous arrangement, the Company's size and its financial position, especially the scope and volume of work dealt with by the supervisory board and the increasingly demanding, comprehensive and professionally complex topics as well as by considering the record business results attained by the Company last year which most likely will be attained this year as well, the supervisory board suggests to the general meeting of shareholders that in addition to the presently defined attendance fees, the amount of the basic remuneration for the performance of the supervisory board function shall be changed from the existing 13,000 euros gross per year to 15,000 euros gross per year, with all other conditions remaining unchanged, except for the part referring to the remuneration of the presidents of the supervisory board's committees as already stated above. Based on the provision of the Code's Attachment no. 1, the attendance fee for the Company's supervisory board members shall amount to 275,00 euros gross. The attendance fees are payable to the members in the amounts and in the manner as determined by the Code. As regards the travel costs, the supervisory board members and the members of supervisory board's committees are entitled to the reimbursement of travel costs and other expenses related to their arrival and participation at the supervisory board meetings in line with the Company's Articles of Association and regulations defining the reimbursement of costs related to work and other untaxable revenues. In connection to this, the supervisory board proposes to the general meeting of shareholders that the members of the supervisory board shall be also entitled to the reimbursement of overnight accommodation cost and other administrative costs emerging in relation to the performance of their supervisory task at other professional events related to the Company (as for instance participation at the general meeting of shareholders, at business events organised by the Company for its business partners, at meetings with relevant Company's stakeholders, participation at training sessions, member fees for associations) which are attended by the supervisory board members while performing their functions for the Company, in a manner and up to the amounts as determined with the Company's by-laws and regulations defining the reimbursement of costs related to work and other untaxed revenues (provisions regulating transfers on business trips and overnight accommodation on business trips).

Supervisory Board