

LUKA KOPER, Port and Logistics System Operator, a Public Limited Company
Vojkovo Nabrežje 38, 6501 Koper, Slovenia

Explanation of proposed resolutions of the 27th General Assembly of Luka Koper d.d. shareholders that will take place at 1 pm on Friday 1st July 2016 in the Plenary Hall of the Primorska Chamber of Commerce and Industry, Ferrarska Ulica 2, Koper, Slovenia.

Item 3 – Presentation of the 2015 Annual Report of Luka Koper d.d. and the Luka Koper Group, together with the auditor's opinion and the Supervisory Board's report on the review of the 2015 Annual Report of Luka Koper d.d. and the Luka Koper Group.

The Management Board proposes that the General Assembly adopts the following resolution:

The General Assembly shall be presented with the 2015 Annual Report of Luka Koper d.d. and the Luka Koper Group, together with the auditor's opinion and the Supervisory Board's report on its review of the 2015 Annual Report of Luka Koper d.d. and the Luka Koper Group.

The General Assembly shall be introduced to the remunerations of Management and Supervisory Board members, which are listed on pages 192 to 194 of the Annual Report.

The Management Board explanation of the proposed resolution:

At its 20th regular session, held on 15th April 2016, the Supervisory Board examined the 2015 Annual Report of Luka Koper d.d. and the Luka Koper Group, and the Management Board's proposal as to the allocation of distributable profit. The Supervisory Board examined the Auditor's Report in which the external auditor KPMG Slovenija establishes 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 situation, as well as their statements of comprehensive income, changes in equity and cash flow. The Supervisory Board didn't have any comments on the Auditor's Report.

Based on its examination of the Annual Report, the Supervisory Board established that it is both clear and exact, as well as provides a true and fair overview of operations and performance as of 31st December 2015. The Supervisory Board prepared a report as to its examination of the company and Group Annual Report and included this in the Supervisory Board Report for 2015, which is a part of the 2015 Annual Report of Luka Koper d.d. and the Luka Koper Group.

The Luka Koper d.d. Annual Report and the Consolidated Annual Report of Luka Koper Group, together with the Auditor's Report for 2015, was unanimously endorsed at the twentieth meeting of the Supervisory Board held on 15th April 2016. In accordance with the

provisions of Article 282 of the Companies Act RS and the Statute of Luka Koper d.d., the Annual Report was therefore also formally endorsed.

Management Board

Attachment:

- 2015 Annual Report of Luka Koper d.d. and the Luka Koper Group

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Item 4 – Proposal as to the allocation of distributable profit for 2015, as well as endorsement of the Management and Supervisory Boards for their work in 2015

The Management Board proposes that the General Assembly adopts the following resolution:

4.1

The General Assembly is informed that distributable profit for 2015 amounts to € 15,880,814.24.

The General Assembly shall endorse the following proposal regarding the allocation of distributable profit which, as of 31st December 2015, amounted to € 15,880,814.24:

- a portion of distributable profit in the amount of € 9,520,000.00 shall be disbursed as dividends to shareholders in the gross value of € 0.68 per ordinary share;
- the remaining portion of distributable profit amounting to € 6,360,814.24 shall remain undistributed.

The dividend shall be remunerated to shareholders registered in the Luka Koper d.d. share register on the second day following the General Assembly meeting which decides upon the allocation of distributable profit. Dividends will be disbursed to shareholders within 60 days of the General Assembly meeting.

4.2

As to their work in 2015, the General Assembly shall endorse the following members of the Management Board:

- Dragomir Matić, Management Board President,
- Andraž Novak, Management Board Member,
- Jože Jaklin, who performed the function of the Management Board Member responsible for finance and accounting until 2nd January 2015,
- Tine Svoljšak, who performed the function of the Management Board Member responsible for finance and accounting from 1st February 2015 to 30th June 2015,
- Irena Vincek, who has performed the function of the Management Board Member responsible for finance and accounting since 21st August 2015,
- Matjaž Stare, who performed the function of the Management Board Member - Workers Director until 17th October 2015,
- Stojan Čepar, who performed the function of the Management Board Member - Workers Director since 30th November 2015.

4.3.

As to their work in 2015, the General Assembly shall endorse the following members of the Supervisory Board:

- Dr Alenka Žnidaršič Kranjc; Dr Elen Twrdy; Capt. Rado Antolovič, MBA; Andrej Šercer, MSc; Žiga Škerjanc; Mladen Jovičič; Nebojša Topič, MSc.

- Sabina Mozetič from 1st January 2015 to 12th July 2015, and from 21st August 2015 to 31st December 2015,
- Stojan Čepar from 1st January 2015 to 31st November 2015.

The Management and Supervisory Boards explanation of the proposed resolutions:

4.1

In 2015, Luka Koper d.d. generated net profit in the amount of € 28,845,074.48. Based on the Management Board's proposal and in accordance with the third paragraph of Article 230 of the Companies Act RS, the company allocated at the end of 2015 fifty percent of annual net profit – i.e. € 14,422,537.24 – to other reserves. The company established that total distributable for 2015 amounts to € 15,880,814.24.

(in euros)	2015	2014
Net profit for the financial year	28,845,074.48	26,448,414.59
Retained net profit	1,458,277.00	1,374,740.02
Increase of other reserves	-14,422,537.24	-13,224,207,30
Distributable profit – total	15.880.814,24	14.598.947,31

The company's Management and Supervisory Boards proposes that the General Assembly endorses the following allocation of distributable profit, which as of 31st December 2015 amounted to € 15,880,814.24:

- a portion of distributable profit in the amount of € 9,520,000.00 shall be disbursed as dividends to shareholders in the gross value of € 0.68 per ordinary share;
- the remaining portion of distributable profit, in the amount of € 6,360,814.24 shall remain undistributed.

The Management and Supervisory Boards believe that the Management Board's proposal on the allocation of distributable profit is compliant with the company's dividend policy and strategic guidelines and that it considers both shareholder interest and the long-term growth of share value.

4.2, 4.3

The Management and Supervisory Boards propose that the General Assembly endorses their work in 2015.

During 2015, the Management Board managed the company appropriately and in accordance with regulations, as did the Supervisory Board in the performance of its supervisory function over the company's operations and management.

Management Board
Supervisory Board

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Item 5 - Appointment of external auditor for financial 2016

The Supervisory Board proposes that the General Assembly adopts the following resolution:

The auditors *KPMG Slovenija, podjetje za revidiranje d.o.o.*, shall be appointed as external auditor for financial 2016.

The Supervisory Board explanation of the proposed resolution:

Pursuant to the provisions of the Companies Act, the Annual Report for Luka Koper d.d. and the Consolidated Annual Report for the Luka Koper Group has to be examined by an external auditor in a manner and under the terms determined 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 for the reporting period, and the Report on relations with affiliated companies.

KPMG Slovenija forms part of one 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 and 2015. 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 for the provision of port services, as well as the management, development and maintenance of port infrastructure, and in 2015 for the first time also reviewed the Report on relations with affiliated companies.

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

Pursuant to the provisions of Article 280 of the Companies Act, the proposal on the appointment of the company's annual report auditor is based on the proposal by the Supervisory Board's audit commission of 20th May 2016.

Supervisory Board

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Item 6 – Amendment of the company's Statute

The Management Board proposes that the General Assembly adopts the following resolution:

The provision of Item 14, first paragraph, Article 20 of the company's Statute shall be amended so that it reads as follow:

"14. (fourteen) grant prior consent to the Management Board to purchases and disposals of fixed assets, purchases and disposals of financial investments, and raising and granting loans:

- purchase or disposal of fixed assets in excess of € 400,000 (four hundred thousand EUR) unless such transactions are comprised in the Company's business plan,
- purchase and disposal of financial investments and granting loans in the excess of 5 (five) % of the Company's share capital,
- raising loans when the principal exceeds 20 (twenty) % of the Company's share capital.

If a particular event, project or investment is comprised in the Company's business plan, a transaction or transactions for its realisation shall be deemed authorised. The Supervisory Board's consent shall not be required to intra-group transactions within the Luka Koper Group companies. "

Taking into consideration these amendments to the company Statute, its revised consolidated text shall be republished.

The Management Board explanation of the proposed resolution:

Article 20 of the Company's Statute defines the competencies of the Supervisory Board, inducing its consent to the Management Board for concluding business as defined by the Item 14, first paragraph, Article 20 of the Company's Statute. The text of the current Item 14, first paragraph, Article 20 of the Company's Statute is somewhat incomprehensible because it is written in a long sentence. Moreover, the item only refers to consent to concluding transactions. The company concludes transactions for the implementation of events, projects and investments, but the Company's business plan doesn't explicitly indicate consent to transactions but rather events, projects and investments. If a particular event, project or investment is authorised in the business plan, it wouldn't make sense to submit it to the Supervisory Board to obtain consent for conclusion of a transaction or transactions thereof. If an individual event, project or investment is authorised in the Company's business plan, a transaction shall be deemed authorised. In addition, a particular event, project or investment is not implemented through a single transaction, hence the new provision of Item 14, first paragraph, Article 20 of the Company's Statute anticipates the conclusion of several transactions. The current text of Item 14, first paragraph, Article 20 of the Company's Statute also doesn't anticipate the Supervisory Board consent to transactions that are comprised in the port development programme. Said provision doesn't make sense because

transactions comprised in the port development plan are previously authorised in the business plan and if not, they are given prior consent by the Supervisory Board. The new provision of Item 14, first paragraph, Article 20 of the Company's Statute also doesn't anticipate that all transactions have to be given prior consent by the Supervisory Board. This in particular refers to the sale of company's services and the procurement of services required for the Company's commercial activity. Should aforementioned transactions require prior consent by the Supervisory Board, this would significantly affect the Company and prevent its operations.

Management Board
Supervisory Board

Attachment:

- Copy to the consolidated text of the company's Statute

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Item 7 - Information on the Workers Council appointment of the employee representative to the Supervisory Board

The Management Board proposes that the General Assembly adopts the following resolution:

The General Assembly shall be informed on the decision of Luka Koper's Workers Council as of 18th January 2016 that the Workers Council appointed Marko Grabljevec the employee representative in the Supervisory Board for a four-year term commencing on 18th January 2016.

The Management Board explanation of the proposed resolution:

Pursuant to the provision of fifth paragraph, Article 79 of Worker 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 Assembly thereof. In accordance with the provisions of its rules of procedure, the Workers Council adopted on 18th January 2015 the decision appointing Marko Grabljevec the employee representative in the Supervisory Board.

Management Board

Attachment:

- Workers Council decision as of 18th January 2016