

LUKA KOPER, pristaniški in logistični sistem, d.d. (Port of Koper Ltd., Port and Logistic System jsc)
Vojkovo nabrežje 38, 6000 Koper

Substantiation of resolutions proposed to the 33rd General Meeting of Luka Koper, d.d.

Agenda Item 2 - Presentation of the Annual Report for the financial year 2019 incl. Auditor's Opinion and the Supervisory Board's Report on reviewing the 2019 Annual Report; Information on the emoluments of the members of governing and controlling bodies of the Company and of the members of governing bodies of subsidiaries; Informing on the Principles underlying for Determination of the Emoluments of members of the governing bodies, and on the Principles underlying for determination of the emoluments of members of the governing bodies of subsidiaries

The shareholders get informed on the Annual Report for the Financial Year 2019 and on the (written) Supervisory Board's Report attesting the Annual Report 2019.

In addition, the General Meeting take note of the emoluments of the members of governing and controlling bodies of the Company, and of the emoluments of the members of the Directors of the three largest subsidiaries in the reporting year, in the volume presented and integrated in the Minutes of the General Meeting.

The shareholders are further informed on the Policy on Emoluments of the Management Board of Luka Koper, d.d. and of Directors of subsidiaries.

This agenda item does not involve any deciding, it is only to inform the General Meeting.

Substantiation:

In accordance with Article 282 of the Companies Act – ZGD-1 (Official Gazette R.S., no.60/06 as amended), the Supervisory Board is under obligation to examine the Annual Report and proposal for the appropriation of accumulated profit as submitted by the Management Board. The Supervisory Board compiles a written report on its findings for the General Meeting, in which it explains how and to what extent the SB has examined the Company operations during the financial year. In its report, the Supervisory Board shall adopt its position on the Auditor's report enclosed to the Annual Report. After the examination, the Supervisory Board shall conclude its report with a Statement whether there are any remarks to the Annual Report, and state whether it is confirming the Annual Report or not.

In the statutory term, the Supervisory Board has thoroughly examined the Annual Report of the Luka Koper Group and of the Company Luka Koper, d.d. for the year 2019. The Supervisory Board finds that the Luka Koper Group has performed in the reporting year in accordance with the goals set.

Having received and dealt with the Auditor's Report, in which the audit firm BDO Revizija d.o.o. stated that the financial statements forming part of the Annual Report truly and fairly present the financial position of the Company and of the Group, and their income Statements, cash flow and of the changes in equity for the reporting year, the Supervisory Board had no remark to the Auditor's Report and no remark or reservation that might lead to decide against confirmation of the Annual Report and the Consolidated Annual Report.

Pursuant to the provisions of Article 282 ZGD, the Supervisory Board confirms the Annual Reports of the Luka Koper Group and of the Company Luka Koper, d.d. for the year 2019 along with the Auditor's Report pertaining thereto for the reporting year.

The amounts of emoluments of the members of governing and controlling bodies of the Company, and of the members of the Directors of the three largest subsidiaries in 2019 are shown in the document enclosed hereto.

The Supervisory Board adopted the Policy on the Emoluments of the Members of the Company's Management Board, and the Management Board adopted the Policy on the Emoluments of directors of subsidiaries. Both policies are incorporated in a single document submitted to the General Meeting for information. In the compilation of the Policy on Emoluments were observed the relevant provisions of the ZGD-1 Act and due to the fact that the Company Luka Koper, d.d. is in majority ownership of the State, also the provisions of the Act Governing the Remuneration of Managers of Companies with Majority Ownership held by the Republic of Slovenia or Self-Governing Local Communities (ZPPOGD). In addition, the reference codes binding on the Company were observed: the Slovenian Corporate Governance Code of Public Limited Companies, and the Corporate Governance Code for Companies with State Capital Investments.

Dimitrij Zadel
Management Board President

Irma Gubanec
Member of the Management Board

Uroš Ilić
President of the Supervisory Board

Encl.:

- Annual Report of the Group and of the Company Luka Koper, d. d., for the year 2019
- information on the emoluments of the members of governing and controlling bodies of the Company, and of the Directors of the three largest subsidiaries
- Policy on emoluments of Management Board of Luka Koper, d.d., and of Directors of subsidiaries

LUKA KOPER, pristaniški in logistični sistem, d.d.
Vojkovo nabrežje 38, 6000 Koper

**Agenda Appropriation of the Accumulated Profit, and Note of Discharge to the
Item 3 - governing and controlling bodies**

The Management Board and the Supervisory Board submit to the General Meeting to adopt the Resolution Proposals:

3.1 Resolution Proposal on the appropriation of accumulated profit:

As at 31. 12. 2019, the accumulated profit amounts to EUR 30,013,663.97 and shall be used as follows:

- a portion thereof, EUR 12,880,000.00 shall be allocated to dividend payout in gross amount EUR 0.92 per ordinary share,
- the balance of the accumulated profit EUR 17,133,663.97 shall remain undistributed.

The dividend shall be paid out on 25.09.2020 to the shareholders who will be registered in the Central Register of Dematerialized Securities with the KDD as at 24.09.2020.

3.2. Resolution Proposal on awarding the note of discharge to Management Board:

The General Meeting grants the note of discharge to the Management Board for the financial year 2019.

3.3. Resolution Proposal on awarding the note of discharge to Supervisory Board:

The General Meeting grants the note of discharge for the financial year 2019 to the Supervisory Board.

Proposal Substantiation:

In accordance with Article 294 ZGD-1, the General Meeting decides on the appropriation of the accumulated profit concurrently with the decision on awarding the note of discharge to members of the Management Board and of the Supervisory Board. The law stipulates that the discussion of awarding the note of discharge shall be linked to the discussion on the appropriation of accumulated profit, therefore, the Management Board shall submit to the General Meeting for decision-making purposes, the Annual Report and the Supervisory Board Report on examination of the Annual Report as well.

In its 27th ordinary session held on 24 April 2020, the Supervisory Board dealt with the Annual Report of the Company Luka Koper, d. d., and of the Luka Koper Group for the year 2019, along with the Management Board's proposal regarding the appropriation of accumulated profit. In response to the changed circumstances, the Management Board has drawn up an amended proposal on the appropriation of accumulated profit and the Supervisory Board discussed it in its 29th ordinary session on 11 June 2020.

In 2019, Luka Koper, d. d., generated a net operating result at EUR 38,818,611.36. Upon proposal of the Management Board, the Company earmarked at the year-end 2019 one half of the net operating result, i.e. EUR 19,409,305.68 to Other revenue reserves (Art. 230 par. 3 ZGD-1). The Company is stating the accumulated profit of the reporting year at EUR 30,013,663.97

<i>(EUR)</i>	<i>2019</i>	<i>2018</i>
<i>Net profit or loss for the period</i>	<i>38.818.611,36</i>	<i>58.588.994,93</i>
<i>Retained net profit brought forward</i>	<i>10.604.358,29</i>	<i>-42.055,03</i>
<i>Allocation increasing other revenue reserves</i>	<i>-19.409.305,68</i>	<i>-29.294.497,47</i>
<i>Total Accumulated Profit</i>	<i>30.013.663,97</i>	<i>29.252.442,43</i>

On 11 June 2020, the Management Board and Supervisory Board adopted a decision to propose to the General Meeting that a portion of the accumulated profit EUR 12,880,000.00 be allocated to dividend payout in gross amount of EUR 0.92 per ordinary share, and the balance EUR 17,133,663.97 shall remain undistributed.

At the end of May 2020, the Slovenian Government revoked the Covid-19 epidemic in the territory of the Republic of Slovenia. Given that until end of May 2020, the epidemic has not inflicted major financial consequences to Luka Koper, d. d., the Company has not used any intervention measures adopted by the State for employees temporarily laid-off (waiting at home for work) and for their absence due to force majeure, which in the event of dividend payout would have triggered a return of any benefit received or used under Art. 99 of the Act Determining the Intervention Measures to Contain the COVID-19 Epidemic and Mitigate its Consequences for Citizens and the Economy (ZIUZEOP).

The dividend policy of Luka Koper, d.d., already maintains the balance between the striving of shareholders after dividend returns, and the aspiration of the Company for using the net profit to finance its investment plans. In the current situation, such balance of aspirations of all stakeholders is even more important, notwithstanding the revocation of the epidemic nationwide, when it is still quite uncertain and difficult to predict further development of the epidemic worldwide, and concurrently, we are expecting negative impacts on the global economy in the long run (general forecasts GDP-decline) and consequently, the commodity flows and the operations of Luka Koper in the second half-year 2020.

The business partners of Luka Koper, d.d., primarily those from iron & steel business and automotive industry, forecast the most aggravated terms of business operations in this year's summer season. Accordingly, it is of primary importance to maintain financial stability of the Company. We estimate that despite lower net profit generated in the year 2019, we need to adhere to the dividend policy of the Company as adopted, which envisions to allocate no more than one third of the net profit of the reporting year for dividend payout. Such dividend policy is outlined both in the current Strategic business plan 2020 – 2025 and in the adopted 2020 Budget of the Company. Considering the uncertain economic situation, the Management Board and the Supervisory Board estimate that a higher dividend payout exceeding the current dividend policy would increase the exposure of the Company to financial and other business/ operating risks, and could adversely affect the Company performance in the long perspective.

Pursuant to the provisions of Art. 294 (par.1) ZGD-1, laying down that the General Meeting shall decide on awarding the note of discharge concurrently with deciding on the appropriation of the accumulated profit: Jointly with the resolution proposing to award the note of discharge, the General Meeting is requested to confirm and approve the work of the Management Board and of the Supervisory Board for the financial year 2019. As recommended by the Slovenian Corporate Governance Code of Public Limited Companies, the vote on this proposal shall be cast separately for the Management Board and for the Supervisory Board.

Dimitrij Zadel
Management Board President

Irma Gubanec
Member of the Management Board

Uroš Ilić
President of the Supervisory Board

Encl.:

- Annual Report of the Group and of the Company Luka Koper, d. d., for the year 2019

LUKA KOPER, pristaniški in logistični sistem, d.d. (Port of Koper Ltd., Port and Logistic System jsc)
Vojkovo nabrežje 38, 6000 Koper

Točka 4 - Appointing the auditors for the financial years 2020, 2021, 2022

The Supervisory Board proposes the General Meeting to adopt the Resolution:

The audit firm BDO Revizija d.o.o. shall be appointed to audit the financial Statements of the Company Luka Koper, d.d., and of the Luka Koper Group for the financial years 2020, 2021 and 2022.

Proposal Substantiation:

In accordance with Art. 281, par. 4, ZGD-1, the Supervisory Board, relying on the proposal made by the Supervisory Board audit committee, shall propose to the General Meeting to appoint an audit firm.

Pursuant to current legislation and the Guidelines on Selection of Auditors of Financial Statements and Ensuring Auditors' Independence as adopted in the Luka Koper Group, the Company undertakes to change auditors at least every 6 years, and after the expiry of a three-year term, it may propose to the General Meeting to reappoint the current auditors for additional three years, provided that the requisites are satisfied.

Before submitting such a proposal, the Supervisory Board Audit Committee shall thoroughly examine the quality of auditing of the financial statements 2019 and pass a positive evaluation of the work of the audit firm BDO Revizija d.o.o., which was appointed by the 29th General Meeting to audit the financial Statements of the Company Luka Koper, d. d., and of the Luka Koper Group. In addition, the SB Audit Committee has diligently carried out an assessment of auditor independence and checked their offer for auditing the financial statements of the Company Luka Koper, d. d., and of the Luka Koper Group for the financial years 2020 – 2022: the offer eligibility was assessed as adequate. The SB Audit Committee has further stated that no other circumstances exist which could restrict the appointment in any respect, or impair the auditor's independence in relation to the Company.

According to the assessment by the Audit Committee, this audit firm ensures auditing at a high quality level. The company BDO Revizija d.o.o. is a member of an international reputable audit network BDO and has got appropriate references in auditing of public-interest entities. The a.n. audit firm knows the Company Luka Koper, d. d., and the Luka Koper Group well, and the members of the audit team are well experienced professionals in the area of auditing, information systems, appraisals and taxation; moreover, they are proficient in international accounting standards and have ample experience in auditing of financial statements of numerous entities.

Based on the proposal of the audit committee, the Supervisory Board proposes to the General Meeting to appoint the audit firm BDO Revizija d.o.o. to audit the financial statements of the Company Luka Koper, d. d., and of the Luka Koper Group for the years 2020–2022.

Uroš Ilić
President of the Supervisory Board

LUKA KOPER, pristaniški in logistični sistem, d.d.
Vojkovo nabrežje 38, 6000 Koper

Agenda Temporary reduction of emoluments to members of the Supervisory Board
Item 5 - owing to critical situation

The Supervisory Board proposes the General Meeting to adopt the Resolution:

The emoluments of the Supervisory Board members determined by the General Meeting on 28.12.2017 shall be temporarily reduced by 30 percent in the term from 1 March to 31 May 2020, when the Government of the Republic of Slovenia revoked the COVID-19 epidemic in the territory of the Republic of Slovenia; exempt from the reduction is the refund of actual costs.

Proposal Substantiation:

The Slovenian Sovereign Holding "Slovenski državni holding, d.d." adopted on 31. 3. 2020 the "Recommendation to waive a portion of emoluments of the Supervisory Board", which lays down in Section 1 that members of supervisory boards, non-executive members of management boards and external members of committees of supervisory boards and of management boards should waive 30% of their emoluments that would pertain to them for the pursuit of their functions related to the operation of the Supervisory Board and SB committees, or of the Management Board and MB committees/ bodies, for the term from March 2020 until the month in which the COVID-19 epidemic in the Republic of Slovenia is revoked (both months included); the waiver shall not apply to the refund of travel expenses.

In response to said recommendation by the SDH, all Supervisory Board members **voluntarily and for solidarity reasons, waived 30% of their emoluments for the pursuit of their functions, on the ground of the COVID-19 epidemic**, which – for the avoidance of doubt that third party might take advantage from the a waiver of emoluments, the Supervisory Board proposes to the General Meeting this resolution, noting that the amounts waived shall be used in favour of the Company.

Uroš Ilić
President of the Supervisory Board

LUKA KOPER, pristaniški in logistični sistem, d.d.
Vojkovo nabrežje 38, 6000 Koper

Agenda Amendment to the Company Statute
Item 6 -

The Management Board and the Supervisory Board submit to the General Meeting to adopt the Resolution Proposals:

The General Meeting adopts the following amendments to the Company Statute:

Article 2 of the Statute shall be amended to read:

»The Company is a corporation (joint-stock company) that pursues a gainful activity. The underlying goal of the Company is to maximise the value of the Company in the long run, sustainably.

In addition to the primary goal referred to in paragraph 1 above, the Company shall implement the strategic development goals reflected in the concern for maintaining and developing the port infrastructure in the freight port of Koper, for a smooth operation and development of business in the port, and observing the orderly corporate governance principles.

The Company also pursues further goals that shall be individually described and substantiated in a proposal of the Management Board and submitted to the General Meeting for approval or adoption, by way of amending the Statute or by a resolution to be adopted by a three-quarter majority of the share capital.

Should the goals of the Company be controversial or mismatched, the relations among such goals shall be determined by the General Meeting, or laid down in the corporate governance policy."

Article 10 of the Company Statute shall be followed by a new Article 10 a, which reads:

»The convener of the General Meeting referred to in the preceding Article of the Statute may lay down in the convocation letter that the shareholders take part in the General Meeting and vote by electronic devices, without being physically present at the meeting (electronic – e-GM).

The following rules shall be observed in the implementation of an electronic e-GM:

- a technical solution must guarantee the full transmission of image and sound of the General Meeting in real time,*
The Company must put in place the necessary terms and modality to establish the identity of shareholders or their proxies, and to ensure a safe electronic communication in such a way that no unproportional demands could adversely affect the attendance and activity of shareholders,
The technical solution must enable to shareholders, in real time, to vote on the proposals on the agenda, put questions, take part in a discussion, file a counter-proposition, file a Statement announcing to challenge the resolutions, and other activities,
The eligible technical solution must guarantee safe electronic communication and record-keeping of the recordings,
- The modality of evaluation of the content/ substance of votes must be indicated in the Minutes of the General Meeting.*

The Company's Management Board is authorised, subject to consent of the Supervisory Board, to lay down detailed procedural rules for the attendance at the General Meeting and for voting at an electronic GM ('e-GM'), as well as determine other aspects of conducting an e-GM, and to publish such

rules on the Company website. The Convener of the GM from Art. 10 of the Statute shall publish detailed procedural rules for the attendance at an electronic GM, as well as other aspects of conducting an e-GM in accordance with the rules published on the Company website and quoted in the convocation letter."

Considering the a.m. amendments to the Statute, a consolidated text thereof shall be prepared.

Proposal Substantiation:

Ad amendment to Article 2 of the Statute:

In addition to section 3.1. of the Corporate Governance Code for Companies with State Capital Investments (November 2019) that is binding on the Company Luka Koper, d.d., the underlying goal of an entity with a state capital investment (investee) is to maximise its value and creating the highest possible return for owners in the long run, provided that the law, or the deed of formation does not impose any other obligation. In addition to this underlying goal, entities pursue other goals that are laid down for an individual entity by the law or by the deed of formation. For the sake of clarity and transparency, entities shall see to it that all the goals are clearly stated in the deed of formation of each entity. Where an entity has contradicting goals, the deed of formation or another appropriate instrument (e.g. corporate governance policy) shall determine the relations among the goals and provide how to resolve any mismatch among them. Furthermore, the Slovenian Corporate Governance Code of Public Limited Companies lays down in Chapter III (Recommendations of the Corporate Governance Code of Public Limited Companies) in section 1 that the underlying goal of a public limited company pursuing a gainful activity is ensuring a long-lasting and sustainable value maximisation of the entity. Where an entity has other goals as well, these shall be defined in the deed of formation.

In accordance of section 2.3 of the Decree on the Strategy of Corporate Governance in Companies with State Capital Investments¹ and Table 10 from Chapter 5 of said Decree, the state capital investment in the Company Luka Koper, d.d., is a strategic investment, given that the investee is carrying out vital infrastructure tasks. In Chapter 3 section 3.1. (Goals in the management of state capital investments), said Decree specifies for strategic investments that the state pursues not only economic goals, but also developmental and other goals. Strategic investments and strategic goals are outlined in Art. 11 of the Slovenian Sovereign Holding Act /ZSDH-1² as »investments by virtue of which the Republic of Slovenia achieves strategic goals, in addition to economic ones. Strategic goals are the goals related to the management of state infrastructure; goals associated with the pursuit of public services; security/ safety goals; developmental goals, and other goals involving significant social interests.

On the grounds of that, the proposal to amend Article 2 of the Company Statute was given in the wording as provided in the Resolution Proposal. In paragraph II, Article 2 of the Statute Proposal specifies some top strategic goals of the Company to be pursued, and for which the Company entered into a Concession Contract with the Republic of Slovenia: concern for the maintenance of port infrastructure, where the concern for the maintenance of port infrastructure dedicated to public traffic / transport/ represents a public utility service. The Company is further in charge of smooth operation of the port, which is one of its basic tasks in the scope of the port management function. Said function is upgraded with the goal to develop the port activity, which is a prerequisite for the competitiveness of the Company in the market and for adapting to new challenges in the transport business, which in turn supports the maintenance of logistic chains and supply of goods in the region and beyond: that means the provision of significant public interest. In the scope of the economic activity carried out by the Company is the obligatory concern for a regulated corporate governance, because that reduces the risk of unsatisfactory operation for the Company.

¹ Official Gazette of the Republic of Slovenia, No. 53/15.

² Zakon o Slovenskem državnem holdingu, Uradni list RS, št. 25/14.

The proposed Article 2 of the Statute provides in paragraph II for an additional option for setting other goals for the Company, either by amending the Statute or by a resolution of the General Meeting passed with a three-quarter majority of vote. The operation of the Company is an uninterrupted process, which requires to determine the modalities for adapting the goals to situations occurring in the course of time.

Ad insertion of Article 10.a in the Statute:

The Corona virus pandemic showed the necessity to conduct sessions of the General Meeting by electronic devices, like other meetings. In addition to the a.m. cases, a General Meeting session conducted in such modality is reasonable also where the agenda /contents/ to be discussed in the General Meeting is not very large or complex, and a meeting could be more rational if conducted by electronic devices. Such a modality of convening the General Meeting is possible under Article 297 par. IV ZGD-1, which provides that the Statute may allow the shareholders to attend a session or vote before, or in the General Meeting by electronic devices, without physical presence/attendance, and a procedure should be provided to support that option; the participation and voting in the General Meeting would depend only on the requirements and limitations necessary to identify a shareholder and provide for safe electronic communication, and to an extent proportional to the fulfilment of a particular goal. As the organization of the General Meeting by electronic means presents a complex task, the Management Board is authorised to draw up detailed procedural rules for participation/attendance and voting on an electronic General Meeting (e-GM), as well as determine other aspects of conducting an e-GM, and publish them on the Company website. The parties convening the General Meeting shall observe such rules in the letter of convocation. Such an option is expressly allowed by Art. 297 par. V. ZGD-1.

Dimitrij Zadel
Management Board President

Irma Gubanec
Member of the Management Board

Uroš Ilić
President of the Supervisory Board

Encl.:

- Consolidated version of the Statute of Luka Koper, d.d.

LUKA KOPER, pristaniški in logistični sistem, d.d.
Vojkovo nabrežje 38, 6000 Koper

Točka 7 - Information on the Works Council decision on election of an employee representative to Supervisory Board

The General Meeting takes note of the decision of the Works Council of Luka Koper, d.d. dated 8 Jan. 2020, informing that the Works Council elected Mr Mehrudin Vukovič as the Representative of employees on the Supervisory Board for the four-year term commencing with 19. 1. 2020.

Substantiation:

The Statute of Luka Koper, d.d. of 28. 6.2019 lays down in Article 16 that the Supervisory Board shall consist of 9 members, three of which representing the employees shall be elected (and recalled) by the Works Council for a four-year term of office. Pursuant to Article 79 of the Worker Participation in Management Act (ZSDU) and in line with the Rules of Procedure for the Works Council of Luka Koper, d.d., the Works Council adopted in its 27th extraordinary session held on 08 Jan. 2020 a resolution by virtue of which Mehrudin Vukovič was elected to the Supervisory Board for a 4-year term of office, commencing with 19. 1. 2020.

On 18. 1. 2020, the term of office of the preceding Supervisory Board member representing the labour - Marko Grabljevec.

Dimitrij Zadel
Management Board President

Irma Gubanec
Member of the Management Board

Encl.:

- Works Council Resolution of 8 January 2020