

POSITION OF UNIPETROL, A.S. BOARD OF DIRECTORS REGARDING SHAREHOLDERS' PROPOSAL TO ITEM 10 OF THE AGENDA OF THE ORDINARY GENERAL MEETING (RECALL AND ELECTION OF MEMBERS OF THE SUPERVISORY BOARD OF UNIPETROL, A.S.)

On 9 May 2017 UNIPETROL, a.s., Business ID No.: 61672190, having its registered office in Praha 4, Na Pankráci 127, Zip code. 140 00 (hereinafter the “Unipetrol”) received proposal of shareholder Mr. Tomáš Hájek, residing at Počernická 3226/2G, 10000 Praha 10, to item 10 of the agenda of the Ordinary General Meeting convened for 7 June 2017 (Recall and election of members of the Supervisory Board of UNIPETROL, a.s.) regarding candidate recall of member of the Supervisory Board of Unipetrol.

1. Proposals of shareholders

The shareholder Ing. Tomáš Hájek, proposes to recall Ing. Ivan Kočárník, CSc. from the office of member of Supervisory Board of Unipetrol.

Justification of proposal:

“Mr. Kočárník considers himself to be a representative of minority shareholders in the Supervisory Board, as he already told the editor Jiří Pšenička in a recent interview for Ekonom magazine. Yet I and all the minority shareholders whom I represent are of the opinion that he does not have any mandate or support from them. Evidence is also the voting at the last Ordinary General Meeting where I proposed his recalling, and the vast majority of the minority shareholders present voted for my proposal. Mr. Kočárník, at that time, was backed practically by the majority shareholder only. I am convinced that the majority shareholder should no longer follow some kind of political agreements from the time of Unipetrol’s privatization that were most probably the reason why Mr. Kočárník was elected to that office. The majority shareholder should rather take into consideration the opinion of minority shareholders as Mr. Kočárník considers himself to be their representative.”

Current composition of the Supervisory Board is problematic for Unipetrol, a.s. since it contradicts the OECD code of corporate governance notwithstanding that the company refers to this code in its 2016 annual report, on page 7, by means of reference to Ministry of Finance of Czech Republic website.

Pursuant to this code the Supervisory Board shall have at least 25% of members independent, i.e. the Supervisory Board in Unipetrol with nine members shall have at least three. Furthermore it is clearly unfair that minority shareholders holding in total 37% of shares have no representation in the Supervisory Board.

In order to remedy such dismal situation, I have decided, on the basis of numerous requests of minority shareholders, to be a candidate to the office of member of the Supervisory board in order to represent the minority shareholders and defend their interests.”

2. Position of Board of Directors:

The Board of Directors of Unipetrol discussed the above referred proposal at its meeting on 24 May 2017, acknowledges it and provides its statements as follows:

The Board of Directors of Unipetrol states regarding the proposals, that the right to propose recall of members of the Supervisory Board of Unipetrol from their office and vote on their recall falls within basic shareholders' rights under the Articles of Association of Unipetrol and applicable laws.

In this regard, the Board of Directors of Unipetrol states that selecting members of the Supervisory Board to be recalled from the office of member of the Supervisory Board of Unipetrol is within the sole discretion of shareholders of Unipetrol.

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Wording of the shareholder proposal including position of the Board of Directors of UNIPETROL, a.s. are available at the Company's office at Prague 4, Na Pankráci 127, Postal Code: 140 00, in business days (Monday to Friday) from 9 a.m. until 12 a.m. and in accordance with Sections 362 (1) of Act on Business Corporations are published in the Commercial Bulletin (*Obchodní věstník*), on the company website (www.unipetrol.cz) in section "Investor relations" under the reference "General Meeting" and on the internet portal www.patria.cz.

Board of Directors of UNIPETROL, a.s.



Andrzej Modrzejewski
Chairman of Board of Directors



Miroslaw Kastelik
Vice-Chairman of Board of Directors