

EXPLANATION TO SHAREHOLDER REQUEST – ONDŘEJ ČECH

At the Ordinary General Meeting of UNIPETROL, a.s., Company ID No.: 61672190, with its registered office at Prague 4, Na Pankráci 127, Postal Code: 140 00 (“**Unipetrol**”) which took place on 7 June 2017 (the “**General Meeting**”), Unipetrol received below stated shareholder requests.

In accordance with Section 358(1) of Act on Business Corporations, Unipetrol provides following response on the shareholder requests for explanation:

Shareholder, Ondřej Čech:

In case there is a suspicion that a member of the Board of Directors has committed an act qualifying as a criminal offence and would still act as a decision making body, based on the internal compliance procedures, what would be the further course of actions with identifying such issue? I.e., how is such member of Board of Directors excluded, how is he blocked from taking part in discussing and notifying this matter so that he cannot or eventually can interfere with the further course of actions, that means the way the company will evaluate, probably at the level of Board of Directors, a potential criminal offence and the way it will be processed. That means whether the member of Board of Directors is included, how it is regulated in the internal regulations and other documents, that he cannot positively or negatively, rather negatively affect investigation of such offence.

Explanation:

As regards crime notification, Unipetrol has an internal regulation dealing with notification procedure in case of a suspicion of committing a crime. There are adequate instruments in place ensuring that such cases, including those where a member of Board of Directors is involved, are duly reported (e.g., Ethics Officer, whistleblowing). Furthermore, the rules and procedures in place ensure that the notification process is not interfered with even in cases where a crime may have been committed by member of the Board of Directors. For example, case involving a Board of Directors member, shall be reported through multiple streams including the Supervisory Board, legal department and security department.


As regards conflict of interest related matters, a case where a Board of Directors member may have committed a crime involving Unipetrol or other Unipetrol group company clearly triggers a conflict of interest. Unipetrol members of Board of Directors must adhere to rules set forth by applicable legal regulations, in particular the Act on Business Corporations. The Rules of Procedure of Unipetrol Board of Directors impose further, conflict of interest related, notification duties and generally obligate member of Board of Directors to refrain from voting on matters where conflict of interest on his part exists or may occur. In addition, the Unipetrol Supervisory Board may suspend such Board of Directors member in performing his office (Section 54(4) Act on Business Corporations).

Unipetrol explanation to the shareholder request was published on the company’s website (www.unipetrol.cz) in section “Investor Relations”, subsection “General Meeting”.

Board of Directors of UNIPETROL, a.s.



Andrzej Modrzejewski
Chairman of Board of Directors



Miroslaw Kastelik
Vice-Chairman of Board of Directors