

## **ITEM 10: DECISION ON DISTRIBUTION OF PROFIT FOR 2013**

### **Resolution :**

*The General Meeting of UNIPETROL, a.s. approves, pursuant to Article 12 (2) (v) of the Articles of Association of UNIPETROL, a.s. distribution of the UNIPETROL, a.s. profit generated on non-consolidated basis in 2013 in amount of CZK 937,691,162.13 as follows:*

- a) 5 % of the company's net profit amounting to CZK 46,884,558.11 will be transferred to the company's reserve fund; and*
- b) the amount of CZK 890,806,604.02 of the company's net profit will be transferred to the retained earnings.*

### **Justification:**

Decision on distribution of profits is vested within the powers of the General Meeting. The Board of the Directors of the company proposes to distribute profits for year 2013 by transferring of 5% of amount of the profit to the company's reserve fund and the remaining part to the retained earnings.

UNIPETROL, a.s. Board of Directors proposes not to distribute 2013 profit and retained earnings from previous years to its shareholders. Financial situation of Unipetrol Group has been under pressure during last few years due to challenging macroeconomic environment combined with very weak refinery margins in 2013, fuels grey zone in the Czech Republic and lower REBCO crude differential to Brent. However taking into account future growth and long-term value of the company, UNIPETROL, a.s. continues execution of the Group Strategy 2013-2017. Execution of the strategy requires secured financial position especially in the current unclear, turbulent macroeconomic and business environment. As a result the Board of Directors is not recommending a dividend payout.