

ITEM 13: DECISION ON CHANGES TO THE ARTICLES OF ASSOCIATION OF UNIPETROL, A.S.

Resolution:

The General Meeting of UNIPETROL, a.s. hereby pursuant to Section 8.2 letter a) of Articles of Association of UNIPETROL, a.s. resolves on the changes in the Articles of Association of UNIPETROL, a.s. (the "Articles of Association") provided that such changes shall become effective on the day of approval of this resolution by the General Meeting, as follows:

(1) Amendment of Section 6.11 of the Articles of Association

The current wording of the Section 6.11 of the Articles of Association shall be deleted in its entirety and replaced with the following wording:

"6.11 The shareholder who acquires or exceeds share on all voting rights at the Company of 1%, 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50% and 75%, or reduces his share on all voting rights below such thresholds, shall notify this without undue delay to the Company and the Czech National Bank, at latest, however, within four (4) working days after he/she/it learnt or could have learnt of such event. The notification can be made also in English language. Details on notification duty regarding voting rights are set forth in Act No. 256/2004 Coll., on trading on capital markets, as amended."

(2) Amendment of Section 11.5 of the Articles of Association

The current wording of the Section 11.5 of the Articles of Association shall be deleted in its entirety and replaced with the following wording:

"11.5 Voting shall be carried out by ballot papers. Board of Directors of the Company may decide to carry out voting at the General Meeting (na valné hromadě) by suitable electronic means which allow the Company to verify identity of persons authorized to exercise the voting right and determine shares on which vote is casted. Terms and conditions of voting at the General Meeting by electronic means shall be determined by the Board of Directors. Terms and conditions of voting at the General Meeting by electronic means shall be stated in invitation to the General Meeting."

(3) Amendment of Section 16.1 of the Articles of Association

After the original text the following text shall be inserted:

"Section 16.13 shall not be affected hereby."

(4) New Section 16.13 of the Articles of Association

After the Section 16.12 of the Articles of Association a new Section 16.13 with the following wording shall be inserted:

"16.13 In case the Company has more than five hundred (500) employees in labor law employment relationship (pracovní poměr), the two thirds (2/3) of members of the Supervisory Board shall be elected by the General Meeting and the one third (1/3) of members of the Supervisory Board shall be elected by the Company employees. A member of the Supervisory Board, who was elected by the employees of the Company, may be recalled by employees of the Company. Only employees of the Company in the labor law employment relationship (pracovní poměr) shall have the right to elect and recall such member(s) of the Supervisory Board of the Company."

(5) Amendment of Section 18.1 of the Articles of Association

The current wording of the Section 18.1 of the Articles of Association shall be deleted in its entirety and replaced with the following wording:

"18.1 The Audit Committee is Company's body, which, without affecting liability of members of the Board of Directors or the Supervisory Board, performs particularly the following:

a) supervises efficiency of the internal controlling, the risk management system;

- b) supervises efficiency of the internal audit and its functional independence if the internal audit function is established;
- c) supervises procedure of preparation of financial statements and consolidated financial statements and submits to the Board of Directors or the Supervisory Board its recommendations for securing the integrity of accounting system and financial reporting;
- d) recommends to the Supervisory Board an auditor, provided that such recommendation must be well reasoned, unless the directly applicable EU law requires otherwise;
- e) evaluates independence of statutory auditor and auditing company and provision of non-audit services by statutory auditor and auditing company to the Company;
- f) discusses with auditor threats to his independence and the safeguards applied to mitigate those threats;
- g) supervises the process of statutory audit, while taking into consideration the report on the system of audit quality assurance issued by the competent authority;
- h) gives its standpoint to termination of the agreement on statutory audit or repudiation of the agreement on statutory audit for reasons specified by applicable law;
- i) considers whether the statutory auditor's proposal for the provision of the statutory audit services shall be subject to an engagement quality control review by another statutory auditor or audit firm in accordance with directly applicable EU law;
- j) informs the Supervisory Board of results of the statutory audit and its findings gathered in course of supervising the statutory audit;
- k) informs the Supervisory Board of contributions of the statutory audit to securing the integrity of accounting system and financial reporting;
- l) decides on continuance of performance of the statutory audit by the statutory auditor if it considers that the quality control review by another statutory auditor or audit firm in accordance with directly applicable EU law shall not be necessary;
- m) approves provision of other non-audit services;
- n) approves report of findings of the tender process on selection of the statutory auditor in accordance with directly applicable EU law;
- o) decides in other matters specified by applicable law and directly applicable EU law."

(6) *Amendment of Section 19.1 of the Articles of Association*

The current wording of the Section 19.1 of the Articles of Association shall be deleted in its entirety and replaced with the following wording:

"19.1 The Audit Committee shall have three (3) members, which shall be appointed by the General Meeting from members of the Supervisory Board or third persons. Members of the Audit Committee shall not perform an office of a member of the Board of Directors or a procurator. If the General Meeting does not appoint the Audit Committee members, the members of the Audit Committee shall be those members of the Supervisory Board selected by the Supervisory Board. The majority of members of the Audit Committee must be independent and professionally qualified. A person shall be considered professionally qualified if he (i) performed for at least two (2) years an executive position in an accounting unit which carries out its business in the same area as the Company, or (ii) was responsible for performance of risk management, evaluation of compliance of activities with applicable laws, internal audit or actuarial function or other similar function."

(7) *Amendment of Section 19.3 of the Articles of Association*

In the current Section 19.3 of the Articles of Association the text "Member of the Audit Committee may be re-elected" shall be replaced with the text "Member of the Audit Committee may be re-appointed."

(8) *Amendment of Section 19.4 of the Articles of Association*

The current wording of the Section 19.4 of the Articles of Association shall be deleted in its entirety and replaced with the following wording:

"19.4 The Audit Committee shall elect a chairman and a vice-chairman from its members. The vice-chairman shall fully substitute the chairman in performance of his office. In case the Audit Committee does not elect the

chairman, the chairman shall be appointed or recalled by the Supervisory Board. The chairman of the Audit Committee must be independent.

(9) *Amendment of Section 23.2 of the Articles of Association*

The current wording of the Section 23.2 of the Articles of Association shall be deleted in its entirety and replaced with the following wording:

“23.2 These Articles of Association were adopted on 26.5.2014 and are valid in the wording of changes approved by the resolution of the General Meeting of 2.6.2015, 21.6.2016 and 7.6.2017.”

(10) *Other Provisions of the Articles of Association*

Other provisions of the Articles of Association of UNPETROL, a.s. remain unchanged.

Justification:

Reasoning of the proposed amendment to Articles of Association of the Company is passing of Acts no. 298/2016 Coll. and 299/2016 Coll. amending the Act on Auditors and passing of the Act no. 458/2016 Coll. amending the Act on Business Corporations.

The laws amending the Act on Auditors changed certain requirements regarding the auditor selection, the members of the Audit Committee and revised scope of authority of the Audit Committee.

The law amending the Act on Business Corporations revised certain requirements regarding election of Supervisory board members in a joint-stock company with more than five hundred (500) employees in employment relationship (*pracovní poměr*). In the respective case two thirds (2/3) of members of the Supervisory Board shall be elected by the General Meeting and the one third (1/3) of members of the Supervisory Board shall be elected by the company employees. Member of the Supervisory Board elected by the company employees may be recalled by the Company employees.

Another reason to amend the Articles of Association of the Company is passing of the Act no. 148/2016 Coll. amending the Act no. 256/2004 Coll. Capital Market Business Act, regarding shareholder's notification duty on share on voting rights in UNIPETROL, a.s.

Other proposed changes are rather of a technical nature.