

**ITEM 9: DECISION ON COVERING THE LOSS FOR 2017**

**Resolution:**

*Pursuant to Section 8.2 letter k) of Articles of Association of UNIPETROL, a.s. the General meeting of UNIPETROL, a.s. resolves to approve to cover the whole non-consolidated loss of the company for 2017 in the amount of CZK 28,528,411.21 from the company non-consolidated retained earnings of past years in the same amount.*

**Justification:**

In accordance with generally binding legal regulations and Articles of Association of UNIPETROL, a.s. decision on distribution of profits and covering of loss is vested within the powers of the Company General Meeting.

The current and forecasted market situation is under a strong influence of tensions occurring in different parts of the world. The Board of Directors expects market uncertainty to increase, especially when compared to years 2016 and 2017 which were extremely supportive in terms of results achieved. This may translate into, among others, higher UNIPETROL Group's crude oil purchases costs, lower refining and petrochemical margins as well as higher, when compared to the previous years, total value of the working capital engaged. In 2018, the finalisation of the UNIPETROL Group's largest investment in the history of the Czech petrochemical industry – the PE3 unit – will be taking place along with execution of other investment projects which will require considerable financial outlays.

The Company's Board of Directors has always stressed that maintenance of an adequate safety buffer in periods of market uncertainty is a priority to the Company. Taking into account the current macro conditions as well as the potential internal needs of increased financing, the Company's Board of Directors does not propose a dividend payment from the Company's retained earnings of past years to its shareholders.

The proposal to cover the Company loss for 2017, submitted by the Company Board of Directors, for approval by the General Meeting is in line with the applicable generally binding legal regulations and Company Articles of Association.