

## **COUNTERPROPOSAL OF SHAREHOLDER INCLUDING STATEMENT OF BOARD OF DIRECTORS**

On 23 May 2016 UNIPETROL, a.s., Company ID no.: 61672190, having its registered seat in Praha 4, Na Pankráci 127, ZIP code 140 00, received a letter from Ing. Tomáš Hájek, shareholder of UNIPETROL, a.s., defined as „Counterproposal to item 9: Decision on Distribution of 2015 Profits”.

### **1. Shareholder's Counterproposal**

The counterproposal of Ing. Tomáš Hájek reads:

*„General meeting of UNIPETROL, a.s. approves pursuant to Section 8.2 letter k) of Articles of Association of UNIPETROL, a.s. distribution of the non-consolidated profit of UNIPETROL, a.s. for the year of 2015 of CZK 2,143,073,799.33 and partly from the account of retained earnings of past years in amount of CZK 346,652,510.39. Total sum awarded to the shareholders (“Dividend”) amounts to CZK 2,489,726,309.72. Dividend proposed for distribution to the Company shareholders amounts to CZK 13.73 per one Company share before taxation.*

*Decisive day for right for Dividend is 14 June 2016. Persons who are shareholders of UNIPETROL, a.s. (are specified in the excerpt from the records of the book-entered shares of the Company) as of the decisive day shall have the right for Dividend. Dividend is payable on 21 September 2016. Dividend payment will be processed by Česká spořitelna, a.s., having its registered office at Praha 4, Olbrachtova 1929/62, Postal Code: 14000, Business ID no.: 45244782, registered in the Commercial Registry maintained by Municipal Court in Prague, file no. B 1171. Dividend payment will end on 21 September 2019. “.*

### **2. Position of Board of Directors**

Regarding the counterproposal of Ing. Tomáš Hájek, the Board of Directors states:

1. The Board of Directors proposal for distribution of UNIPETROL, a.s. 2015 net profit is outlined in the invitation to the Annual General Meeting to be held on 21 June 2016. The Board of Directors justifies its proposal as follows:

The Board of Directors is focusing on long term and stable shareholder value growth in order to ensure a stable dividend pay-out and create the possibility for continuous dividend growth in the future. The Board of Directors believes that the last two years' positive macroeconomic environment, which fortunately was not fully disrupted by the accident in August 2015, has allowed to return the company to be a regular dividend payer after 8 years of being unable to distribute profits to shareholders at all. The proposed and well balanced dividend amount allows the company to maintain the ability to finance multiple ongoing business development projects, including the largest petrochemical project in the Czech Republic, that being the new polyethylene unit which will undoubtedly contribute to future value growth for shareholders. The Board of Directors' proposal for profit distribution emphasizes that UNIPETROL, a.s. aims to secure an adequate level of liquidity in the company needed to finance the reinstatement of the Steam Cracker unit in Litvinov after the largest industrial loss in UNIPETROL, a.s. history. Despite a most comprehensive insurance policy in place and due to timing differences between payments for restoration and collection of cash from the insurance policy, returning the damaged Steam Cracker unit to operation as quickly as possible consumes an inordinate managements' time and will adversely affect working capital. The Board of Directors has also taken into consideration various financial risks resulting from a volatile and unpredictable macroeconomic environment. Sudden changes in crude oil prices or underlying payment terms may very quickly deteriorate the cash position of the company. The Board of Directors is also aware that the proposal to pay in excess of 3,6% of average stock value of UNIPETROL, a.s. in 2015, is within the range of other dividend payers in the region and creates an attractive return to its shareholders compared to a low interest rate environment or a return from alternative investments.

2. Due to the above mentioned reasons the Board of Directors took a negative position towards the shareholder counterproposal.

Wording of the shareholder counterproposal 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](http://www.unipetrol.cz)) in section “Investor relations” under the reference “General Meeting” and on the internet portal [www.patria.cz](http://www.patria.cz).