
POSITION OF THE SUPERVISORY BOARD OF UNIPETROL, A.S. TO THE ORDINARY SEPARATE FINANCIAL STATEMENTS OF UNIPETROL, A.S. AS OF 31 DECEMBER 2016

POSITION OF THE SUPERVISORY BOARD OF UNIPETROL, A.S. TO THE ORDINARY CONSOLIDATED FINANCIAL STATEMENTS OF UNIPETROL, A.S. AS OF 31 DECEMBER 2016

POSITION OF THE SUPERVISORY BOARD OF UNIPETROL, A.S. TO THE PROPOSAL OF THE BOARD OF DIRECTORS OF UNIPETROL, A.S. FOR DISTRIBUTION OF PROFIT OF UNIPETROL, A.S.

POSITION OF THE SUPERVISORY BOARD OF UNIPETROL, A.S. REGARDING RELATED PARTIES REPORT FOR THE YEAR 2016

PROPOSAL OF THE SUPERVISORY BOARD OF UNIPETROL, A.S. REGARDING APPOINTMENT OF AUDITOR FOR APPOINTMENT BY THE GENERAL MEETING

I.

**POSITION OF THE SUPERVISORY BOARD OF UNIPETROL, A.S. TO THE ORDINARY
SEPARATE FINANCIAL STATEMENTS OF UNIPETROL, A.S.
AS OF 31 DECEMBER 2016**

- a) In accordance with Sec. 447 (3) of Act No. 90/2012 Coll., Act on Business Corporations, as amended, the Supervisory Board of UNIPETROL reviewed the ordinary separate financial statements of UNIPETROL, a.s. as of 31 December 2016 (hereinafter referred to as the “**Separate Financial Statements**”).

The Supervisory Board of UNIPETROL, a.s., according to its best knowledge, taking into account the Auditor’s Report concerning the Separate Financial Statements and all the information available to the Supervisory Board, declares that the Separate Financial Statements do, in all the material aspects, reflect the state of the assets, liabilities, the registered capital level, the financial situation and the economic status of UNIPETROL, a.s. as of 31 December 2016.

The Supervisory Board of UNIPETROL, a.s., according to its best knowledge, also declares that it did not identify in the Separate Financial Statements and other documents submitted to the Supervisory Board of UNIPETROL, a.s. during the year 2016, any discrepancies or deficiencies which would indicate that the accounting of UNIPETROL, a.s. was not conducted in accordance with the laws on accounting, particularly Act no. 563/1991 Coll., on Accounting, as amended, and in accordance with the international accounting standards adopted within the European Union.

- b) The Supervisory Board of UNIPETROL, a.s. hereby recommends to the General Meeting of UNIPETROL, a.s. approving the Separate Financial Statements.

II.

POSITION OF THE SUPERVISORY BOARD OF UNIPETROL, A.S. TO THE ORDINARY CONSOLIDATED FINANCIAL STATEMENTS OF UNIPETROL, A.S. OF 31 DECEMBER 2016

- a) In accordance with Section 447 (3) of Act No. 90/2012 Coll., Act on Business Corporations, as amended, the Supervisory Board of UNIPETROL reviewed the ordinary consolidated financial statements of UNIPETROL, a.s. as of 31 December 2016 (hereinafter referred to as the “**Consolidated Financial Statements**”).

The Supervisory Board of UNIPETROL, a.s., according to its best knowledge, taking into account the Auditor’s Report on the Consolidated Financial Statements and all the information available to the Supervisory Board, declares that the Consolidated Financial Statements do, in all the material aspects, reflect the state of the assets, liabilities, the registered capital level, the financial situation and the economic status of UNIPETROL, a.s. and companies controlled by UNIPETROL, a.s. as of 31 December 2016.

The Supervisory Board of UNIPETROL, a.s., according to its best knowledge, also declares that it did not identify in the Consolidated Financial Statements and other documents submitted to the Supervisory Board of UNIPETROL, a.s. during the year 2016, any discrepancies or deficiencies which would indicate that the accounting of UNIPETROL, a.s. was not conducted in accordance with the laws on accounting, particularly the Act no. 563/1991 Coll., on Accounting, as amended, and in accordance with the international accounting standards adopted within the European Union.

- b) The Supervisory Board of UNIPETROL, a.s. hereby recommends the General Meeting of UNIPETROL, a.s. approving the Consolidated Financial Statements.

III.

POSITION OF THE SUPERVISORY BOARD OF UNIPETROL, A.S. TO THE PROPOSAL OF THE BOARD OF DIRECTORS OF UNIPETROL, A.S. FOR DISTRIBUTION OF PROFIT OF UNIPETROL, A.S.

In accordance with Sec. 447 (3) of Act No. 90/2012 Coll., Act on Business Corporations, as amended, the Supervisory Board of UNIPETROL, a.s. reviewed the proposal of the Board of Directors of UNIPETROL, a.s. (hereinafter “**Unipetrol**”) regarding distribution of profit of Unipetrol, as reported in the ordinary financial statements of Unipetrol (as of 31 December 2016 and part of the non-consolidated retained earnings of past years.

Proposal of the Board of Directors assumes:

- distribution of the whole non-consolidated profit of Unipetrol for the year 2016 in the amount of CZK 47,358,727.78 to the company shareholders; and
- distribution of part of the non-consolidated retained earnings of past years in the amount of CZK 1,457,719,813.42 (from the total non-consolidated retained earnings of past years in the amount of CZK 9,238,862,228.00) to the company shareholders.

The total share in the company profit to be distributed to the company shareholders (hereinafter “**Dividend**”) amounts to CZK 1,505,078,541.20. After recalculation, the Dividend represents CZK 8.30 per one (1) company share before tax.

The Supervisory Board states that proposal of profit distribution for the year 2016 and part of the non-consolidated retained earnings of past years is in accordance with legal regulations and Articles of Association of Unipetrol.

The Supervisory Board recommends that the General Meeting approving the proposal of the Board of Directors of Unipetrol for distribution of profit for year 2016 and part of the non-consolidated retained earnings of past years as submitted by the Board of Directors of Unipetrol.

IV.

POSITION OF THE SUPERVISORY BOARD OF UNIPETROL, A.S. REGARDING REVIEW OF THE RELATED PARTIES REPORT FOR THE YEAR 2016

In accordance with Sec. 83 (1) of Act No. 90/2012 Coll., Act on Business Corporations, as amended, the Supervisory Board of UNIPETROL, a.s. reviewed the Report on relations between the controlling entity and the controlled entity and the controlled entity and entities controlled by the same controlling entity for the year 2016 and concluded that the report complies with the requirements imposed by Act on business corporations.

The Supervisory Board also noted that, to the best of their knowledge and based on documents provided to the Supervisory Board, relations between related parties, exercise of controlling influence, as well as individual negotiations and mutual agreements described in this Related Parties Report for 2016 did not cause any harm to UNIPETROL, a.s.

V.

PROPOSAL OF THE SUPERVISORY BOARD OF UNIPETROL, A.S. REGARDING APPOINTMENT OF AN AUDITOR FOR APPOINTMENT BY THE GENERAL MEETING

In accordance with the provisions of Sec. 43 (2) of Act no. 93/2009 Coll., on auditors, as amended, the Supervisory Board of UNIPETROL, a.s. discussed the recommendations of the Audit Committee of UNIPETROL, a.s. regarding appointment of the auditor for auditing of financial statements of UNIPETROL, a.s. including other documents provided auditing is required by applicable legal regulations for the accounting period of calendar years 2017 and 2018.

In accordance with the duly justified preference of the Audit Committee of UNIPETROL, a.s. and based on the tender carried out, the Supervisory Board of UNIPETROL, a.s. proposes the General Meeting to appoint Deloitte Audit s.r.o. as the auditor of financial statements of UNIPETROL, a.s., including other documents provided auditing is required by applicable legal regulations for the accounting period of calendar years 2017 and 2018.