

POSITION OF UNIPETROL, A.S. BOARD OF DIRECTORS REGARDING SHAREHOLDERS' PROPOSALS TO ITEM 10 OF THE AGENDA OF THE ORDINARY GENERAL MEETING (RECALL AND ELECTION OF MEMBERS OF THE SUPERVISORY BOARD OF UNIPETROL, A.S.)

During 24 May 2017 to 31 May 2017 UNIPETROL, a.s., Business ID No.: 61672190, having its registered office in Praha 4, Na Pankráci 127, Zip code. 140 00 (hereinafter the “Unipetrol”) received proposals to item 10 of the agenda of the Ordinary General Meeting convened for 7 June 2017 (Recall and election of members of the Supervisory Board of UNIPETROL, a.s.) regarding candidate for election to office of member of the Supervisory Board of Unipetrol namely:

- proposal of Mrs. Marcela Švejdová, residing at Pila 2, Ktiš, 38403;
- proposal of Mrs. Eva Mičkalová, residing at Perná 58, Lešná, 75641;
- proposal of Mr. Josef Tomšů, residing at Foltýnova 1002/9, Brno, 63500;
- proposal of Mr. Hynek Saida, residing at Renčova 1939/11, Brno, 62100;
- proposal of Mr. Jaroslav Dušek, residing at Václavská 364, Žiželice, 28129;
- proposal of Mr. Tomáš Kvítek, residing at Do Kaštan 73, Klecany, 25067;
- proposal of Mr. Miroslav Mašek, residing at Společná 41, Plzeň, 326 00.

Wording of the proposals referred above and their justification is fully identical, as presented further below.

1. Proposals of shareholders

Wording of proposals:

“The General meeting of Unipetrol, a.s. in accordance with Section 8.2 letter i) of the Articles of Association of Unipetrol, a.s. elects Mr. Tomáš Hájek, residing at Počernická 3226/2G, 10000 Praha 10, into the office of member of the Supervisory Board of Unipetrol, a.s. with effect as of 8 June 2017.”

Justification of proposal:

“Current composition of the Supervisory Board is problematic for Unipetrol, a.s. since it contradicts the OECD code of corporate governance notwithstanding that the company refers to this code in its 2016 annual report, on page 7, by means of reference to Ministry of Finance of Czech Republic website.

Pursuant to this code the Supervisory Board shall have at least 25% of members independent, i.e. the Supervisory Board in Unipetrol, a.s. with nine members shall have at least three. Furthermore it is clearly unfair that minority shareholders holding in total 37% of shares have no representation in the Supervisory Board.”

2. Position of Board of Directors:

The Board of Directors of Unipetrol discussed the above referred proposals at its meeting on 31 May 2017, acknowledges them and provides its statements as follows:

The Board of Directors of Unipetrol states regarding the proposals, that the right to propose and elect candidates into office of a member of the Supervisory Board of Unipetrol falls within basic shareholders' rights under the Articles of Association of Unipetrol and applicable laws.

Proposed candidates shall meet statutory requirements for election into office of a member of the Supervisory Board and for performance of the office.

In this regard, the Board of Directors of Unipetrol states that selecting candidates for office of a member of the Supervisory Board of Unipetrol is within the sole discretion of shareholders of Unipetrol.

* * *

Wording of the shareholder proposals 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) in section "Investor relations" under the reference "General Meeting" and on the internet portal www.patria.cz.

Board of Directors of UNIPETROL, a.s.



Andrzej Modrzejewski
Chairman of Board of Directors



Miroslaw Kastelik
Vice-Chairman of Board of Directors