

## **ITEM 10: DECISION ON DISTRIBUTION OF PROFIT FOR 2014**

### **Resolution :**

*The General Meeting of UNIPETROL, a.s. approves, pursuant to Section 8.2 k) of the Articles of Association of UNIPETROL, a.s. distribution of the UNIPETROL, a.s. profit generated on non-consolidated basis in 2014 in amount of CZK 327,844,803.20 as follows: whole profit generated on non-consolidated basis amounting to CZK 327,844,803.20 shall be transferred to the account of retained earnings of past years.*

### **Justification:**

Decision on distribution of profits is vested within the powers of the General Meeting.

UNIPETROL, a.s. Board of Directors proposes not to distribute the 2014 profit and retained earnings from previous years to its shareholders.

Financial situation of Unipetrol Group has stabilized over the past 12 months mainly due to the improved macroeconomic environment and further operational excellence activities undertaken by the management of the company. However, the macroeconomic environment continues to be very volatile and unpredictable. This situation impacts future of the refining and petrochemical industry, which has been facing structural challenges, such as overcapacity, import pressure and regulatory burdens.

Moreover, execution of the Unipetrol Group strategy, which assumes significant, growth oriented capital expenditures, requires secured financial position. Recently UNIPETROL, a.s. acquired from ENI INTERNATIONAL B.V. its stake in ČESKÁ RAFINÉRSKÁ, a.s. This transaction, among various strategic implications, triggers increase of working capital needs. As a result, taking into account the circumstances, future growth and long-term value of the company, the Board of Directors is not recommending a dividend pay-out.

After successful closing of the transaction with ENI INTERNATIONAL B.V. , UNIPETROL, a.s. plans to update its strategy in the 2<sup>nd</sup> half of 2015 within which it will address future dividend pay-outs.<sup>1</sup>

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<sup>1</sup> Since the Board of Directors does not propose to pay to the shareholders any dividend from the profit for the year 2014, the information pursuant to Section 120a (2) of the Act No. 256/2004 Coll., the Capital Markets Business Act, as amended, regarding the dividend distribution and the subject, through which the dividend shall be paid, is not provided.