

CORPORATE GOVERNANCE STATEMENT

Intereuropa, d. d. is a public limited company, i.e. a public-interest entity, with a two-tier governance system. Corporate governance is based on the laws of the Republic of Slovenia, the Company's Articles of Association, internal acts and the Corporate Governance Policy of Intereuropa, d. d. The Company's Articles of Association and the rules of procedures of individual bodies are accessible on the Company's website at www.intereuropa.si, in the 'Corporate Governance' section under the 'Investors' tab. The principal guidelines of corporate governance are transparent operations, the clear segregation of responsibilities and tasks between bodies, continuous concern for the independence and loyalty of the members of management and supervisory bodies, and the continuous implementation of improvements to increase the effectiveness of governance.

In 2018, the Company applied the Slovenian Corporate Governance Code, which was adopted by the Ljubljana Stock Exchange and the Slovenian Directors' Association on 27 October 2016, as its reference code.

GENERAL MEETING OF SHAREHOLDERS

The Company's share capital is divided into 16,830,838 ordinary registered no-par-value shares and 10,657,965 no-par-value preference shares. Each no-par-value share represents the same stake and corresponding amount in the Company's share capital. The stake of individual no-par-value shares in the Company's share capital is determined with respect to the number of no-par-value shares issued. No-par-value shares may not be split.

Ordinary no-par-value shares provide their holders the following rights:

- the right to participate in the management of the Company (voting right);
- the right to a share in profits; and
- the right to a corresponding portion of residual assets after the liquidation or bankruptcy of the Company.

No-par-value preference shares provide their holders the following rights:

- the right to a share in profits; and
- the right to a corresponding portion of residual assets after the liquidation or bankruptcy of the Company.

Preference shares give their holders priority in the sharing of profits in the amount of EUR 0.01 (zero point zero one; preferential amount) per share. The preferential amount is paid out in addition to the share in profits received by the holders of ordinary shares, in accordance with the relevant resolution on the use of distributable profit.

Functional bases and method of convocation

The right of shareholders to participate in the management of the Company is exercised at the General Meeting of Shareholders. The competences, responsibilities and functioning of the General Meeting of Shareholders are governed by the Companies Act, the Company's Articles of Association and the Rules of Procedures of the General Meeting of Shareholders, which are published on the Company's website in the 'Corporate Governance' section under the 'Investors' tab.

The General Meeting of Shareholders may be convened by the Company's Management Board at its own initiative, or at the request of the Supervisory Board or shareholders. The annual General Meeting of Shareholders is typically convened by the end of June every year. The Company informs shareholders in a timely manner about the convocation of the General Meeting of Shareholders, which is published on the websites of the AJPES and Intereuropa, d. d., and via the Ljubljana Stock Exchange's SEOnet system.

Materials for the General Meeting of Shareholders, including proposed resolutions for all points on the agenda, are available for viewing at the Company's headquarters in Koper, in the Ljubljana Stock Exchange's SEOnet system and on the Company's website in the 'Corporate Governance' section under the 'Investors' tab, from the date of convocation until the day the General Meeting of Shareholders is held. Proposed resolutions also include the relevant justifications, which provide shareholders sufficient information to make prudent decisions.

Transparency is one of the bases of corporate governance at Intereuropa, d. d. The Company therefore encourages all major shareholders to inform the public of their governance policy. To that end, the convocation of the General Meeting of Shareholders included a call to major shareholders to publicly disclose, at a minimum, their voting policy, the type and frequency of governance activities, and the dynamics of communication with the Company's management and supervisory bodies.

The main competences of the General Meeting of Shareholders are as follows:

- the adoption of the annual report;
- decisions regarding the use of distributable profit;
- the appointment and recall of members of the Supervisory Board;
- the conferral of official approval on the members of management or supervisory bodies;
- decisions regarding amendments to the Articles of Association;
- decisions regarding measures to increase and decrease capital;
- decisions regarding the winding-up of the Company, and status transformations; and
- the appointment of an external auditor.

In most cases, the General Meeting of Shareholders makes decisions by a majority of votes cast. The General Meeting of Shareholders makes decisions regarding certain important matters with a three quarters majority of represented share capital. Those matters include:

- amendment to the Articles of Association;
- decrease and increase in share capital;
- changes in the Company's status;
- the early recall of members of the Supervisory Board; and
- other matters, if so provided for by law or the Company's Articles of Association.

Conditions for attendance and communication with shareholders

Only shareholders entered in the Company's share register (managed by the Central Securities Clearing Corporation or KDD) and their authorised representatives or proxies who have registered to attend in writing by no later than the close of business on the fourth day prior to the General Meeting of Shareholders have the right to attend and exercise voting rights at the General Meeting of Shareholders. An authorised representative of a shareholder must also submit authorisation when they register. Each share entitles its holder to one vote. Only the holders of ordinary no-par-value shares have the right to vote. The holders of preference shares do not have voting rights, unless the preference amount is not paid within one year, or is not paid in full and the remainder is not paid the following year. Shares have voting rights until that remainder is paid.

According to the Company's Articles of Association, preference amounts should have been paid for the first time with the payment of profits for 2013. Given that the Company did not pay preference amounts for 2013 or 2014, the holders of preference shares obtained voting rights in 2015. Since that time, preference shares are also included in the calculation of controlling interests as required by the law and the Articles of Association. The holders of preference shares will retain voting rights until the Company pays them all preference amounts.

Intereuropa, d. d. encourages the active participation of the maximum number of small shareholders at the General Meeting of Shareholders. Thus, the materials published when the General Meeting of Shareholders is convened also include sample registration and authorisation forms. The Company's website also has an 'Investors' tab, where small shareholders and other investors will find information regarding corporate governance and annual and interim reports, in addition to information regarding the General Meeting of Shareholders.

Shareholders are briefed on adopted resolutions immediately following the conclusion of the General Meeting of Shareholders, on the Company's website and in the Ljubljana Stock Exchange's SEOnet system.

General Meeting of Shareholders in 2018

The annual General Meeting of Shareholders of Intereuropa, d. d. was held on 22 June 2018. In accordance with paragraph 2 of Article 315 of the ZGD-1, the holders of preference shares held voting rights during the General Meeting of Shareholders.

A total of 75.22% of shares with voting rights were represented at the 31st General Meeting of Shareholders. The General Meeting of Shareholders discussed the following points and adopted the following significant resolutions:

- It was briefed on the annual report of the Intereuropa Group for 2017, together with the auditor's opinion, and on the Supervisory Board's written report on the verification of the annual report compiled for 2017.
- It adopted a resolution, whereby distributable profit in the amount of EUR 3,849,131.80 will remain undistributed.
- It approved the work of the Company's Supervisory Board and Management Board during the 2017 financial year, and conferred official approval on both bodies for their work in 2017.
- The General Meeting of Shareholders appointed the audit firm KPMG Slovenija, podjetje za revidiranje, d. o. o. to audit the financial statements for 2018.

The full text of resolutions adopted by the General Meeting of Shareholders is available on the Company's website at www.intereuropa.si, in the subsection 'General Meeting of Shareholders' under the 'Investors' tab.

SUPERVISORY BOARD

Composition of the Supervisory Board and its committees

Intereuropa, d. d.'s Supervisory Board comprises six members, four of whom are shareholder representatives and two of whom are employee representatives. Members serve a four-year term of office, with the possibility of re-appointment. Supervisory Board members who represent the interests of shareholders are elected by the General Meeting of Shareholders. Employee representatives are elected by the Works Council of Intereuropa, d. d. The General Meeting of Shareholders is only briefed on their election. The Supervisory Board supervises the management of the company's operations and is fully liable for the performance of its supervisory function.

COMPOSITION OF INTEREUROPA, D. D.'S SUPERVISORY BOARD AND ITS COMMITTEES DURING THE 2018 FINANCIAL YEAR

Name and surname	Function (Chairman, deputy, member of the Supervisory Board)	Initial appointment to function	End of function/ term of office	Shareholder/employee representative	Attendance at sessions with respect to total no. of sessions (e.g. 5/7)	Gender	Nationality	Year of birth	Qualifications
Vojko Čok	Chairman of Supervisory Board	10 September 2017	9 September 2021	Shareholder representative	15/15	M	Slovene	1948	Bachelor's degree in economics
Matija Vojsk, MSc	Member of the Supervisory Board	30 June 2017	29 June 2021	Shareholder representative	15/15	M	Slovene	1963	MSc, MBA
Rok Rape, DSc	Member of the Supervisory Board	10 September 2017	9 September 2021	Shareholder representative	15/15	M	Slovene	1965	DSc, MBA
Jure Fišer	Member of the Supervisory Board	20 June 2015	19 June 2019	Shareholder representative	15/15	M	Slovene	1971	Bachelor's degree in economics
Tjaša Benčina	Deputy Chairwoman of the Supervisory Board	20 November 2017	19 November 2021	Employee representative	15/15	F	Slovene	1968	Degree in economics
Zlatka Čretnik	Member of the Supervisory Board	20 November 2017	19 November 2021	Employee representative	15/15	F	Slovene	1968	Degree in economics (higher education)
Barbara Nose	External member of the Audit Committee	25 August 2016	24 August 2020	/	/	F	Slovene	1964	Bachelor's degree in economics

The Supervisory Board met at a total of 15 sessions in 2018, while its Audit Committee and Nomination and Remuneration Committee met at 12 and four sessions, respectively.

The Supervisory Board had two functioning committees in 2018: the Audit Committee and the Nomination and Remuneration Committee.

Audit Committee

The Audit Committee functioned in the following composition in 2018:

- Matija Vojsk, MSc (chairman),
- Rok Rape, DSc (member and deputy chairman),
- Zlatka Čretnik (member), and
- Barbara Nose (independent expert and member).

The Audit Committee functioned in accordance with its competences, and in the manner set out in the ZGD-1, the Corporate Governance Policy of Intereuropa, d. d., the Internal Audit Department's charter and the Rules of Procedure of the Audit Committee. Details regarding the work of the Audit Committee are presented in the report of the Supervisory Board.

Professional profile	Independence according to Article 23 of the Code (YES/NO)	Existence of conflicts of interest during financial year (YES/NO)	Membership on supervisory bodies of other companies	Membership on committees (e.g. audit, human resource, or remuneration)	Chairman /member	Attendance at sessions of Audit Committee with respect to total no. of sessions (e.g. 5/7)	Attendance at sessions of the Nomination and Remuneration Committee with respect to total no. of sessions (e.g. 5/7)
Corporate governance, finance and management	Yes	No	Sanpaolo Intesa BIH, Sanpaolo Intesa Albania	Member of the Nomination and Remuneration Committee since 25 October 2017	Member	/	4/4
Corporate governance, performance management, procurement, marketing and sales	Yes	No	/	Member of the Audit Committee; chairman since 25 October 2017	Chairman	12/12	/
Management, restructuring and development of operations	Yes	No	/	Member of the Audit Committee; deputy chairman since 25 October 2017	Deputy chairman	12/12	/
Corporate governance and management	Yes	No	/	Chairman of the Nomination and Remuneration Committee since 25 October 2017	Chairman of the Nomination and Remuneration Committee	/	4/4
Finance and logistics	Yes	No	/	Member of the Nomination and Remuneration Committee since 21 November 2017	Member	/	4/4
Finance and logistics	Yes	No	/	Member of the Audit Committee since 21 November 2017	Member	12/12	/
Certified Auditor	Yes	No	Member of the Supervisory Board of Luka Koper, d. d.	Member of the Audit Committee since 25 August 2016	Member of the Audit Committee	12/12	/

Nomination and Remuneration Committee

The Nomination and Remuneration Committee met at four sessions in 2018, where it primarily discussed topics relating to the remuneration of the Management Board. The committee's work is presented in more detail in the report of the Supervisory Board. The committee functioned in the following composition:

- Jure Fišer (chairman),
- Vojko Čok, (member), and
- Tjaša Benčina (member).

Competences, work method and remuneration of the Supervisory Board

The Supervisory Board functions within the scope of its competences and in the manner set out in the ZGD-1, the Company's Articles of Association and the Rules of Procedure of the Supervisory Board. The Supervisory Board's commitments regarding corporate governance are set out in Intereuropa, d. d.'s Corporate Governance Policy, and include a system for identifying conflicts of interest and ensuring the independence of its members. All members of the Supervisory Board signed a statement underlining their positions on the criteria of independence set out in Annex B: Conflicts of interest in respect of the Slovenian Corporate Governance Code. Those statements are published on the Company's website at www.intereuropa.si.

Regular sessions of the Supervisory Board must be held at a minimum quarterly. The Rules of Procedure of the Supervisory Board define the areas of the aforementioned body's work. The Supervisory Board reports on its work at the General Meeting of Shareholders.

Information regarding the remuneration of members of the Supervisory Board and its committees during the 2018 financial year is disclosed in the financial report of Intereuropa, d. d., in note no. 28 Other explanations.

MANAGEMENT BOARD

The tasks and areas of responsibility of the Management Board are defined in the Company's Corporate Governance Policy, while the aforementioned body's work method is set out in the Rules of Procedure of the Management Board and the Company's Articles of Association. The latter states that the Management Board shall comprise a maximum of four members, while the Supervisory Board defines the number of members taking into account the principles of efficiency and economy. Intereuropa, d. d.'s Management Board comprised three members in 2018. The Company's Management Board thus comprised the President and two other members in 2018. The Management Board managed the Company's transactions independently and at its own risk. Individual members of the Management Board represented the Company independently and were responsible for specific work areas in accordance with the Rules of Procedure of the Management Board.

COMPOSITION OF THE MANAGEMENT BOARD DURING THE 2018 FINANCIAL YEAR

Name and surname	Function (Chairman, member)	Area of work on the Management Board	Initial appointment to function	End of function/ term of office	Gender
Ernest Gortan, MSc	President of the Management Board	Human resource and general affairs, quality, legal affairs, internal auditing, public relations	10 June 2009	9 June 2019	M
Marko Cegnar	Member of the Management Board	Forwarding and logistics, sales and marketing	19 March 2016	18 March 2020	M
Marko Rems	Member of the Management Board	Finance, accounting and controlling, real estate management and central procurement, and IT support	5 July 2017	4 July 2021	M

Work of the Management Board in 2018

The Management Board managed Intereuropa, d. d. and the Intereuropa Group in accordance with established strategic objectives and policies. In performing its tasks and fulfilling its responsibilities, the Management Board observed the principles of corporate governance set out in the Corporate Governance Policy of Intereuropa, d. d. and complied with the provisions of the Corporate Governance Code. It performs its work in accordance with the principles set out in Intereuropa, d. d.'s Code of Ethics, applicable regulations, the Rules of Procedure of the Management Board, the Company's Articles of Association and the resolutions adopted by the Company's bodies.

Remuneration of the Management Board

The remuneration received by Management Board members comprises fixed and variable components, and is proportionate to the tasks of those persons and the financial position of the Company. The variable component of remuneration is dependent on the performance of the Company, which is determined by the Supervisory Board based on whether the objectives set out in the annual business plan have been achieved or exceeded. The Management Board is also entitled to participate in the Company's profit. The decision in that regard is made by the General Meeting of Shareholders based on a justified proposal by the Supervisory Board.

Information regarding the remuneration of members of the Management Board during the 2018 financial year is disclosed in the financial report of Intereuropa, d. d., in note no. 28 Other explanations.

Nationality	Year of birth	Qualifications	Professional profile	Membership in supervisory bodies of company/ unaffiliated companies
Slovene	1968	MSc	Corporate governance, financial and business restructuring, and development of operations	Not a member
Slovene	1973	Master's degree in management	Sales, marketing and logistics	Not a member
Slovene	1967	Bachelor's degree in economics	Corporate finance	Not a member



Members of the Management Board in 2018

Ernest Gortan, MSc,

President of the Management Board:

- Year of birth: 1968;
- bachelor's degree in electrical engineering and master's degree in management;
- performed executive and senior management functions in the areas of marketing and logistics at Luka Koper, d. d. and BTC Terminal Sežana, d. d., where he served as President of the Management Board, and at Secom, d. o. o.;
- term of office: from 10 June 2014 to 9 June 2019;
- responsible for human resources and general affairs, quality assurance, legal affairs, internal auditing and public relations.

**Marko Cegnar,**

Member of the Management Board:

- Year of birth: 1973;
- master's degree in management;
- performed executive and senior management functions in the areas of sales, marketing, procurement and logistics at DHL logistika, d. o. o., Orbico, d. o. o., ITG Tobačna Grosist, d. o. o., ISS SERVISYSTEM, d. o. o. and DHL Express, d. o. o.;
- term of office: from 19 March 2016 to 18 March 2020;
- responsible for forwarding and logistics, sales and marketing.

Marko Rems,

Member of the Management Board:

- Year of birth: 1967;
- bachelor's degree in economics;
- performed executive and senior management functions in the areas of finance, accounting, information technology, controlling and risk management at the following companies: Družba za upravljanje terjatev bank, d. d., Ljubljana, Luka Koper, d. d., Adriatic Slovenija, d. d., KD Holding, d. d., Ljubljana and Žito, d. d., Ljubljana;
- term of office: from 5 July 2017 to 4 July 2021;
- responsible for the areas of finance, accounting and controlling, real estate management, central procurement and IT support.

DESCRIPTION OF THE DIVERSITY POLICY IN CONNECTION WITH REPRESENTATION ON THE COMPANY'S MANAGEMENT AND SUPERVISORY BODIES

The Company's Corporate Governance Policy and Code of Ethics set out a clear commitment to preventing discrimination, which states that the Company guarantees equal opportunities to all employees regardless of gender, race, skin colour, age, state of health, religious, political or other beliefs, membership in unions, sexual orientation or other personal circumstance. The Company did not adopt an autonomous diversity policy in 2018. However, a diversity policy was included in the Corporate Governance Policy, which was revised during the first quarter of 2019.

MANAGEMENT AND GOVERNANCE OF GROUP COMPANIES

Governance of the Group is one of the four key pillars of the Strategic Plan of the Intereuropa Group for the period 2018 to 2022. The parent company Intereuropa, d. d. and its subsidiaries make up the Group, which is centrally managed by the Management Board of Intereuropa, d. d. The policy governing links between the parent company and its subsidiaries is set out in the Corporate Governance Policy of Intereuropa, d. d. An effective system for managing and governing subsidiaries is an important factor in the successful achievement of the business objectives of Group companies and in the transparency of their operations.

Governance principles for subsidiaries

The basic principles on which the governance of the Intereuropa Group is based are the financial stability of the Group, centralised information support, an effective system of control over subsidiaries and motivated employees.

At the forefront of the governance of subsidiaries are cooperation between subsidiaries and the sharing of know-how and best practices between Intereuropa Group companies.

The governance of Group companies is based on a combination of control and coordination mechanisms. Centralised decision-making through supervisory bodies ensures the uniformity of strategic policies and important business, HR-related and technical decisions. Control over financial results remains a core element of supervision. In addition to the appointed supervisory bodies of individual subsidiaries, controlling and internal audit departments also play an important role in supervision.

The management bodies of the parent company and subsidiaries communicate regularly with the aim of creating a standard culture within the Intereuropa Group, ensuring the transfer of know-how and best practices, and exploiting various synergies. Of key importance are cooperation and communication between all Intereuropa Group companies at the market-operational level of specific product categories and products.

The effectiveness of the Group at multiple operational levels is achieved through consistent periodic communication and the necessary measures to enhance the exploitation of synergies between Intereuropa Group companies, particularly in the following areas:

- a coordinated and uniform market approach, with an emphasis on common logistics products and core product categories;
- the coordinated management of strategic and key customers;
- the development and optimisation of common logistics products;
- the development of standard IT support at all subsidiaries and for all logistics products;
- the transfer of best practices in the optimisation of processes and in preventive measures to manage risks; and
- employee development, with an emphasis on the acquisition and development of knowledge and competences relating to core product categories and key logistics products.

Intereuropa Group companies operate in accordance with local legislation, resolutions adopted by the management bodies of the parent company and subsidiaries, cooperation agreements entered into between the parent company and individual subsidiaries, and the applicable internal acts adopted by the Management Board of the parent company.

Proactive monitoring and supervision of operations

Intereuropa, d. d. launched a project in 2018 with aim of updating the governance of subsidiaries. The main objectives of that update are the introduction of a matrix system for managing subsidiaries and the direct responsibility of functional managers for certain activities at subsidiaries, the appointment of specialists to the supervisory bodies of subsidiaries, the introduction of the four-eyes principle and other measures.

AUDITING

External auditing

Intereuropa, d. d.'s General Meeting of Shareholders appointed the audit firm KPMG Slovenija, podjetje za revidiranje, d. o. o., Ljubljana to audit the financial statements of Intereuropa, d. d. and the Intereuropa Group for the 2018 financial year.

The transactions of Intereuropa, d. d. and its subsidiaries with audit firms are presented in the Company's financial report as part of the notes to financial statements of the Company and Group.

Internal auditing

The Internal Audit Department functions as an autonomous and independent support service at the parent company, and reports organisationally to the Management Board and functionally to the Supervisory Board's Audit Committee. The core objective of the Internal Audit Department is to help the senior management of the Intereuropa Group improve corporate governance and risk management, and improve performance and the efficiency of operations in the scope of the Group's adopted development strategy, and business and financial plans. The Internal Audit Department reports regularly to the Management Board, Audit Committee and Supervisory Board regarding its work. Periodic reports on the work of the Internal Audit Department during the 2018 financial year were discussed by the Company's Management Board, Supervisory Board and the latter's Audit Committee.

The bases for its work are set out in the Internal Audit Department's Charter and Rules of Procedure. In addition to the aforementioned core documents, the work of internal auditors is also in line with the International Standards for the Professional Practice of Internal Auditing, the Professional Code of Ethics of Internal Auditors, the Code of Internal Auditing Principles, applicable laws and other regulations, and the internal acts of the Company.

Internal auditing is carried out in accordance with the Internal Audit Department's strategic and annual plan. During the 2018 financial year, the Internal Audit Department performed internal audit tasks in accordance with the plan for that year, and completed internal audits from the 2017 financial year. It also performed several advisory tasks at the parent company, and regularly monitored and verified the implementation of recommendations issued in internal audit reports. A total of eleven internal audits were performed at the parent company and four at subsidiaries of the Intereuropa Group. One internal audit was performed by an external IT contractor. The objectives of internal audits were to assess the risk management approach and the functioning of internal controls in connection with business and support processes, both in terms of the compliance of those processes with legal and internal regulations, and in terms of the success and effectiveness of processes with regard to the adopted policies, established objectives and criteria of the Company, and to issue recommendations for the improvement thereof.

Employees of the Internal Audit Department received professional training in accordance with the work plan, while internal assessments of the quality of work were carried out in accordance with the programme to ensure and improve the quality of the aforementioned department's work. Based on an external assessment performed in 2015 in connection with the quality of internal audit work, the Internal Audit Department received an opinion that it functions in accordance with the International Standards for the Professional Practice of Internal Auditing.

DESCRIPTION OF THE MAIN FEATURES OF INTERNAL CONTROLS AND RISK MANAGEMENT AT THE COMPANY IN CONNECTION WITH THE FINANCIAL REPORTING PROCESS

The purpose of internal controls is to ensure the reliability of financial reporting and compliance with valid laws, and other external and internal regulations. Accounting controls are employed to manage the risks associated with the following:

- the credibility of accounting data: of primary importance are bookkeeping documents, as evidence of the existence of business events, that clearly show the content and value of such transactions;
- the completeness of financial data: this is ensured by the Company through precisely defined record-keeping procedures in internal acts, and through control over the functioning of such procedures;
- the accuracy of financial data: this is ensured by the Company through a comparison of data in the information system with data in the underlying bookkeeping documents; and
- the segregation of responsibilities in business processes and authorisations for work in the information system: the precise and consistent definition of tasks and responsibilities of those involved in a specific business event.

When compiling the financial statements of the Group and the notes thereto, risks are mitigated primarily through:

- the transparent organisational structure of the parent company and its subsidiaries;
- the consistent application of accounting principles and policies; and
- the observation of the timetable for the compilation of the financial statements and the notes thereto.

The information system, with its built-in controls, also plays an important role. The authorisation system ensures that users only execute those transactions in the information system for which they are authorised.

INFORMATION REGARDING SIGNIFICANT DIRECT AND INDIRECT HOLDINGS OF THE COMPANY'S SECURITIES IN TERMS OF ACHIEVING A QUALIFYING HOLDING, SPECIAL CONTROLLING RIGHTS AND RESTRICTED VOTING RIGHTS AND OTHER EXPLANATIONS IN CONNECTION WITH LEGISLATION GOVERNING MERGERS AND ACQUISITIONS

Explanations regarding all restrictions on voting rights and regarding treasury shares

The Company's share capital is divided into 27,488,803 shares broken down as follows: 16,830,838 ordinary registered freely transferable no-par-value shares and 10,657,965 freely transferable no-par-value preference shares. The holders of Intereuropa, d. d.'s ordinary shares are not subject to any restriction on voting rights. The Company has no voting rights arising from its treasury shares in accordance with Article 249 of the Companies Act (ZGD-1). Intereuropa, d. d. held 18,135 treasury shares (IEKG) with a carrying amount of EUR 180,000 as at 31 December 2018, representing 0.1077% of ordinary shares and 0.0660% of all shares. Intereuropa, d. d. did not purchase or sell treasury shares in 2018.

As at 31 December 2018, 115 ordinary shares were held on a special account of Kapitalska družba, d. d., which in accordance with Article 48a of the Book-Entry Securities Act (Official Gazette of the Republic of Slovenia, No. 5/17) is intended for securities waived by their holders and/or securities held by the Republic of Slovenia. Kapitalska družba may not exercise the voting rights attached to those securities.

The holders of Intereuropa, d. d.'s preference shares have not been paid preference amounts since 2013, and have thus held voting rights at the General Meeting of Shareholders since 2015 in accordance with the second paragraph of Article 315 of the ZGD-1. Accordingly, 27,470,553 shares out of a total of 27,488,803 shares had voting rights at the 31st General Meeting of Shareholders held 22 June 2018, representing 99.9336% of the Company's total shares.

Major direct and indirect holdings of the Company's securities in terms of achieving a qualifying holding

The Company publishes information in a timely manner regarding the achievement of a qualifying holding, as set out in the Takeovers Act, in the Ljubljana Stock Exchange's electronic information system (SEOnet) and forwards that information to the Securities Market Agency.

Pursuant to Article 105 of the Financial Instruments Market Act, which sets the thresholds for a significant holding, direct holders who hold more than 5% of voting rights are presented in the table below.

SHAREHOLDERS WHO HELD MORE THAN 5% OF VOTING RIGHTS AS AT 31 DECEMBER 2018

Shareholder	No. of ordinary shares 31 December 2018	No. of preference shares 31 December 2018	No. of voting rights 31 December 2018*	Proportion of voting rights 31 December 2018
SID banka, d. d.	0	4,942,072	4,942,072	18.0%
NLB, d. d.	240,000	4,530,601	4,770,601	17.4%
Nova KBM, d. d.	2,850,752	1,185,292	4,036,044	14.7%
Gorenjska banka, d. d.	3,068,990	0	3,068,990	11.2%
SKB banka, d. d.	2,254,980	0	2,254,980	8.2%

* Pursuant to Article 315 of the ZGD-1, the holders of preference shares obtained voting rights in 2015 because the Company has not paid preference amounts since 2013.

Other explanations in connection with legislation governing mergers and acquisitions

The Company does not have a share scheme for employees.

The Company is not aware of agreements between shareholders that might place any limits on the transfer of securities or voting rights.

The Company has no agreements with the members of its management or supervisory bodies that envisage compensation if they resign or are laid off without justification in the event of a bid as set out in the act governing mergers and acquisitions or if their employment is terminated.

STATEMENT OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Management Board and Supervisory Board of Intereuropa, Globalni logistični servis, d. d., Koper verified the compliance of the Company's governance with the Slovenian Corporate Governance Code (hereinafter: the Code), and hereby declare that the work and operations of the Company are in line with the Code, with certain deviations that are explained in detail below.

Recommendation: The management board, together with the supervisory board, draws up and adopts a diversity policy that is implemented with respect to representation on a company's management and supervisory bodies (point 4 of the Code in its entirety).

Deviation: The Company did not adopt a diversity policy in 2018. At the beginning of 2019, the Management Board and Supervisory Board adopted the revised Corporate Governance Policy of Intereuropa, d. d., which includes a policy governing the diversity of management and supervisory bodies.

Recommendation: A company must ensure an external assessment of the adequacy of its corporate governance statement at least once every three years (point 5.7. of the Code)

Deviation: The Company did not carry out an external assessment of the adequacy of its corporate governance statement for 2018. It will carry out an external assessment of the adequacy of its corporate governance statement for 2019.

Recommendation: In addition to other matters, the rules of procedure of the supervisory board include a list of all transactions for which the management board requires the prior consent of the supervisory board based on a supervisory board resolution and the company's articles of association, as well as a system for ordering the services of external experts for the needs of the supervisory board (point 12.2 of the Code).

Deviation: The Supervisory Board reviewed and updated its Rules of Procedure in 2018. However, that revised document did not include a list of all transactions for which the Management Board requires the prior consent of the Supervisory Board or a system for ordering the services of external experts. With regard to the list of transactions for which the Management Board requires prior consent, the Supervisory Board actually believes that the aforementioned topic is appropriately governed by the resolutions of the Supervisory Board. The scope of services ordered from external experts is so small that there is no logical reason for the Supervisory Board's Rules of Procedure to govern a separate system for ordering services solely for the aforementioned body.

Recommendation: The company has in place separate processes for the ordering of services required for the work of the supervisory board, depending on whether the company is represented by the management board or the supervisory board (point 12.9 of the Code).

Deviation: The Company does not have in place separate processes for the ordering of services if it is represented by the Supervisory Board. Given the small scope of such services, there is no logical reason to define a special process.

Recommendation: Once a year, the supervisory board defines a training plan for its members and the members of its committees (point 13.1 of the Code).

Deviation: The Supervisory Board has not adopted a special training plan for its members. However, each member may define an individual training plan in the scope of the annual allotment for training purposes.

Recommendation: The deputy chairman of the supervisory board should be appointed from its members who are shareholder representatives (point 15.4 of the code).

Deviation: The Deputy Chairman of the Supervisory Board is a member appointed by employee representatives. The established practice at Intereuropa, d. d. is to always appoint the Deputy Chairman of the Supervisory Board from members appointed by employees.

Recommendation: The performance criteria defined by the supervisory board in connection with the variable component of remuneration of management board members must also promote sustainable development and include non-financial criteria, such as compliance with the company's valid rules and ethical standards (point 21.1 of the Code).

Deviation: The Supervisory Board includes non-financial criteria in the performance criteria that serve as the basis for the payment of the variable component of remuneration of Management Board members, but does not define separate elements, such as compliance with the Company's valid rules and ethical standards. It is the basic duty of Management Board members to comply with the Company's rules and follow the highest ethical standards. Thus, such conduct does not require additional remuneration. The Supervisory Board will, however, include other elements in performance criteria that are crucial for the sustainable development and creation of the long-term value of the Company.

Recommendation: The company provides continuous information about its financial position and legal status through the publication of assessments of its performance, potential deviations from forecasts and changed operating conditions (point 29.1 of the Code).

Deviation: The Company does not publish assessments of its performance, if that performance is in line with expectations. If major deviations were to occur, the Company would publish an appropriate announcement.

Recommendation: The company publishes the rules of procedure of management and supervisory bodies and the general meeting of shareholders on its website (point 29.9 of the Code).

Deviation: The Company has published the rules of procedure of the Supervisory Board, Audit Committee and General Meeting of Shareholders. The Rules of procedure of the Management Board are not published, as the Company deems them to be of an internal nature and they have no impact on the transparency of operations that would be of significance to investors or interested parties.

The Corporate Governance Code is accessible in Slovene and English on the websites of the Ljubljana Stock Exchange (www.ljse.si) and the Slovenian Directors' Association (www.zdruzenje-ns.si).

The statement of compliance with the Corporate Governance Code is an integral part of the 2018 annual report and is published on the Company's website at www.intereuropa.si.

Intereuropa, Globalni logistični servis, d. d.

Koper, 7 March 2019

Ernest Gortan, MSc
President of the Management Board



Marko Cegnar
Member of the Management Board



Marko Rems,
Member of the Management Board

