

Pursuant to Article 294.a of the Companies Act (Official Gazette of the RS, No 65/09 with amendments and supplements, hereinafter: ZGD-1), Petrol d.d., Ljubljana, Dunajska cesta 50, Ljubljana hereby adopts the following internal act of the company:

REMUNERATION POLICY FOR MANAGEMENT AND SUPERVISORY BODIES OF PETROL D.D., LJUBLJANA

1. INTRODUCTION

1.1. LEGAL BASIS

This Remuneration Policy for Management and Supervisory Bodies of Petrol d.d., Ljubljana (hereinafter: the Remuneration Policy) is adopted pursuant to Article 294.a of the Slovenian Companies Act (ZGD-1), the Articles of Association of Petrol d.d., Ljubljana (hereinafter: the Articles of Association) and the internal Rules on Performance-Based Remuneration for the Management Board (hereinafter: the Rules).

1.2. SCOPE AND CONTENT

This Remuneration Policy regulates remuneration for management and supervisory bodies of Petrol d.d., Ljubljana (hereinafter: the Company).

1.3. POLICY'S CONTRIBUTION TO THE PROMOTION OF THE COMPANY'S STRATEGY, LONG-TERM DEVELOPMENT AND SUSTAINABILITY

This Remuneration Policy has been prepared with the aim of promoting the achievement of the basic, short-term and long-term objectives defined in the Petrol Group's business plans and the effective strategy, and the Company's long-term development and sustainability.

2. MEMBERS OF SUPERVISORY BODIES

2.1. SUPERVISORY BODY

The supervisory body is defined in the applicable Companies Act and the Company's Articles of Association as in force from time to time. As at this Remuneration Policy adoption date, the Company's supervisory body is the Supervisory Board, which is made up of nine members. Three members are representatives of company employees who are elected by the Works Council. The other members are shareholder representatives who are appointed by the Company's General Meeting.

2.2. REMUNERATION FOR THE SUPERVISORY BOARD MEMBERS

The Supervisory Board members are entitled to the payment for the performance of their function, meeting fees and the reimbursement of costs incurred in relation to their work in the Supervisory

Board. The accurate amounts of payments are determined by means of a General Meeting's resolution.

The Supervisory Board President is also eligible to 50% of the basic payment for performing the function of Supervisory Board member, while the Vice-President/Deputy President of the Supervisory Board is eligible to 10% of the basic payment for performing the Supervisory Board member function.

Members of Supervisory Board committees shall receive extra payment for performing their respective functions, which is 25% of the basic payment for performing the function of Supervisory Board member. A committee chair is also eligible to 37.5% of the basic payment for performing the respective function of Supervisory Board member. Regardless of the above and regardless of the frequency of participations at committees, either as a member or chair, each member of a Supervisory Board committee is eligible in each financial year to the payment of extra fees for the performance of their function until the total amount of the extra payments reaches 50% of the basic payment for the function of Supervisory Board member on an annual level. If the term of office of each Supervisory Board member is shorter than a financial year, each Supervisory Board committee member is, regardless of the above and of the frequency of participations at committees, either as a member or chair, eligible in each financial year for the payment of extra fees for the performance of their function, until the total amount of the extra payments reaches 50% of the basic payment for the duration of their office in the respective financial year.

External Supervisory Board committee members are eligible to meeting fees the same as the other committee members, and to the basic payment for the performance of the function in the amount of 30% of the annual basic payment for each Supervisory Board member (without the extra payment for committee work).

In addition to the above, the Supervisory Board members are also eligible to extra payments for special tasks, these being highly complex and taking extraordinarily long time to be carried out, generally at least one month. The Supervisory Board authorises itself to decide on the assignment of special tasks to each Supervisory Board Member at their given consent, on the duration of the special tasks and on the extra payment for special tasks, in line with this resolution of the General Meeting. The Supervisory Board authorises itself to decide on the extra payments for special tasks carried out by the Supervisory Board members due to objective circumstances of the Company. Extra payments for special tasks are allowed only for the time when they are actually being carried out, the decision of which can exceptionally be adopted by the Supervisory Board retrospectively (especially in the case of special tasks due to the objective circumstances of the Company), but no earlier than the previous financial year. Extra payments for special tasks may, in total, amount to a maximum of 50% of the basic payment for the function of Supervisory Board Member in each financial year for every Supervisory Board member (regardless of the number of special tasks). The extra payment for each special task is determined by taking into account the complexity of the task and the related increased workload and responsibility. Extra payments are always proportionally calculated for the period of their actual performance.

The Supervisory Board members receive basic payment, extra payment for performing their function, and extra payment for special tasks, in proportional monthly payments to which they are eligible for as long as they perform the function and/or special task. The monthly payment equals 1/12 of the above annual amounts. Extra payments for special tasks may, based on the circumstances, also be paid in a one-off total eligible amount following the performance of a special task.

The limitation on the total amount of meeting fees or extra payments to each Supervisory Board member does not in any way affect their obligation to actively participate at all meetings of the Supervisory Board and committees of which they are a member, or their statutory responsibility.

The Supervisory Board members are entitled to the reimbursement for travel and accommodation costs incurred in connection with their work in the Supervisory Board, up to the amount defined in the regulations that govern the reimbursement of the costs of work and other income that is not included in the taxable amount (provisions that are applicable for travel and accommodation on missions). The amount to which a Supervisory Board member is entitled, based on the cited regulation, is grossed-up, thus the net payment represents the reimbursement of the actual travel costs. Mileage is determined based on the distance between places, calculated on AMZS's public website. Accommodation costs may only be reimbursed if the distance from the permanent or temporary residence of the Supervisory Board member or Supervisory Board committee member to the place of work is at least 100 kilometres, provided that the member was not able to return because there was no public transport option at the time, or due to other objective reasons.

The Supervisory Board members do not receive any other remuneration.

The nominal amounts received in an individual financial year are specified in the Annual Report for every Supervisory Board member separately.

2.3. TERMINATION OF OFFICE

The Supervisory Board members are elected for a term of four years.

A Supervisory Board member may resign from the position as a Supervisory Board member prior to office termination date.

2.4. NOTICE PERIOD

A Supervisory Board member may resign from the position as a Supervisory Board member with a notice period starting from the day the Company's Management Board receives their written resignation and lasting until the appointment of a new (alternate) Supervisory Board member, but not more than three months.

Exceptionally, a Supervisory Board member may resign without notice, in the case of objectively justified reasons (prolonged illness or absence, potential conflict of interest, and the like) such as specified in the resignation.

2. MEMBERS OF MANAGEMENT BODIES

Pursuant to the Company's Articles of Association, the Company's management body is the Management Board. This part of the Remuneration Policy regulates remuneration for the Management Board members, with the exception of the Management Board Member – Worker Director whose receipts are governed by the Petrol Worker Participation Agreement between the Company and the Company's Works Council. The variable remuneration for the Management Board Member – Worker Director is regulated on the basis of Supervisory Board resolution in accordance with the Rules.

The nominal amounts received by each Management Board member in an individual financial year are specified in the Annual Report and the Report on Remuneration to Management and Supervisory Bodies of Petrol d.d., Ljubljana.

3.1. REMUNERATION COMPONENTS

3.1.1. TYPES

This Remuneration Policy regulates total remuneration that can be received by the Management Board members.

Remuneration for the Management Board members consists of the **fixed** and the **variable** parts.

Benefits in kind are calculated on cash or in-kind payments in accordance with the applicable regulations.

In addition to the fixed and variable parts, the Management Board members are in certain cases -entitled to **severance pay** and some **other benefits** or rights.

3.1.2. FIXED REMUNERATION

3.1.2.1. Base salary

The fixed remuneration represents payment to the Management Board members for the performance of their duties and for their invested efforts and assumed responsibility. It is determined with the aim of ensuring financial stability, compensating the Management Board for their efforts, and it reflects professional experience and loyalty. The fixed remuneration does not depend on the business performance or other unforeseeable factors. The basic guiding principle in determining this component of remuneration is the complexity and responsibility of duties.

The fixed remuneration is the base salary of the Management Board Members expressed in the gross amount and determined in the Employment Contract. The Management Board members' base salary must be high enough to enable supervision bodies to attract the best and highly motivated experts to the management bodies.

The Management Board members are not entitled to length-of-service allowances or bonuses for work during less favourable worktime, as these are already included in their base salary.

3.1.2.2. Criteria to determine base pay

The base salary is determined primarily based on the work complexity and responsibility level, by taking into consideration the following criteria:

a) **Company size** compared to other peer companies in Slovenia, by taking into account the value of assets, the generated net sales revenue, and the average number of employees in the last financial year.

b) **Operational complexity**, which includes:

- organisational complexity based on the number and size of Group subsidiaries, the complexity of regulation, and the risk management complexity;

- internationalisation of operations based on the number and size of subsidiaries abroad, and the share of revenue generated abroad;

- complexity of the direct economic environment based on the level of competitiveness in the industry, competitiveness in the most important markets, and the industry development phase;
- complexity of key products based on the key product development phases, technological complexity, risks, and the sales growth potential;
- activity regulation based on the regulation level of revenue/expenses.

The Petrol Group is one of the largest Slovenian companies working actively in Slovenia and the entire region: Croatia, Bosnia and Herzegovina, Serbia, and Montenegro, where it has subsidiaries with a widespread retail network, and in Austria, Italy, and Macedonia.

The Company is the largest Slovenian energy company, the major Slovenian importer, one of the largest Slovenian companies in terms of revenue, and one of the largest Slovenian commercial companies. Its business activity is sales of petroleum products, gas, other energy commodities and consumer goods. The Petrol Group consists of more than 40 companies, among which the Company has a 100 percent share in strategically important companies such as Petrol d.o.o. Croatia, Petrol Beograd d.o.o., E 3 d.o.o., Geoplin d.o.o., and other important companies.

The Petrol Group is distinguished by a strong market and financial position and a widespread and modern retail network, which is its absolute competitive advantage. With its business activity of selling petroleum products, gas and other energy commodities, the Petrol Group achieved the leading share in nearly all segments especially in Slovenia and Croatia. It also has an important share in Serbia, Bosnia and Herzegovina and Montenegro.

Due to the numerous activities, the Company has a widespread organisational structure already at the level of the parent company with many elements of the organisational structure and accurate rules for the inclusion into the Petrol Group's organisational structure with adequate separation of duties and accurately determined procedures and responsibilities for preparing and changing the Petrol Group's organisational structure. The Company has a system of efficient functional responsibility in place. Transparent management with efficient internal controls and a unified system of all corporate processes (central procurement, separation of the sales and procurement function from investments...) and transparent operations (demand management, investment board, risk committees, etc.) are in place in all relevant Group companies.

In addition to the complexity and responsibility level, the base salary is determined also by comparing salaries in companies of comparable size, activity and comparable economic environment (large enterprises with commercial activity or energy sales activity, partly state-owned companies, operations in the region, as well as competences and expertise of Management Board members.

The basic part of remuneration in contracts with members of the Management Board is determined by the Supervisory Board based on the above criteria.

The upper limit for the base part of remuneration is determined in a monthly gross amount from EUR 21,000 to EUR 40,000.

If necessary and in accordance with the Supervisory Board resolution, the base salary may be periodically aligned with the employment market conditions applicable to managers of comparable companies in comparable economic environments.

3.1.3. VARIABLE REMUNERATION

This Remuneration Policy determines a system of criteria used to measure performance by the Management and the Management Board Members. The right of the Management Board members to the variable remuneration depends on such criteria.

Variable remuneration is based on the Petrol Group's operational performance and on the operational performance of the Management Board as a whole, based on the transparency, flexibility, and consistency criteria.

The variable remuneration consists of remuneration based on the fulfilment of the financial and non-financial criteria, which contribute to both the short-term and long-term performance of the Company. The variable remuneration is determined based on the criteria to promote the business strategy, long-term development and sustainability of the Company. The criteria for variable remuneration are financial and non-financial. The share of non-financial criteria, compared to the share of financial criteria, accounts for at least one third of the total share.

The criteria are known in advance and their fulfilment is verified using the methods that are commonly used for such purpose. The fulfilment of financial criteria is established based on accounting methods, whereas the fulfilment of the non-financial criteria is established based on the activities in the context of each criterion and by taking account of the events and circumstances in an individual financial year. The Management Board submits the Report on the Work of the Management Board to the Supervisory Board at the latest upon the endorsement of the audited annual report for the year; in its Report, the Management Board, in accordance with the relevant Rules, provides all necessary bases to enable the Supervisory Board to assess the performance of the Management Board in the financial year and hence determine the corresponding amount of the variable remuneration.

The variable remuneration based on the financial criteria amounts to a minimum of 50%.

Variable remuneration is paid in the form of cash payments.

3.1.3.1. Financial criteria for performance measurement

The financial criteria are intended as motivation for the Management Board Members to maximise their success in achieving the operational results of the Company. These criteria are aimed to promote the short-term and the long-term performance of the Management Board members and the Company and are important in implementing the strategy of the Company and the Petrol Group.

The financial criteria used to determine the performance bonus for the Management Board are:

1. **The Petrol Group's business activity growth: EBITDA.**
2. **Increased financial performance of the Petrol Group: EBT (net profit).**
3. **Increased operational productivity of the Petrol Group: EBIT.**
4. **Improved financial stability of the Petrol Group: net debt/EBITDA.**

The variable remuneration under the financial criteria is determined by applying the following base salary coefficients per Management Board member:

- a) the rating scale to determine the basic salary coefficient is determined for the criteria for which the desired state is above the plan (used for criteria 1, 2, and 3 from the second paragraph of this

point): it is expressed as the multiple of the gross base salary based on the EBITDA, EBT, and EBIT achievement index compared to the plan for an individual financial period;

b) the rating scale to determine the basic salary coefficient is determined for criterion 4 from the second paragraph of this point: it is expressed as the multiple of the gross base salary based on achieving the net debt-to-EBITDA criterion.

The rating scales and other data from the previous paragraph shall be determined by the Supervisory Board in the Rules. The variable remuneration under the financial criteria is calculated for each criterion indicated in the second paragraph of this point by reading out the salary coefficient from the third paragraph and multiplying it by the weight of such criterion as determined by the Supervisory Board in the Rules. The total coefficient is the sum of the weighted coefficients calculated in this way. The variable remuneration under the financial criteria is calculated by multiplying the total coefficient with the amount of the base monthly salary of an individual member of the Management Board.

3.1.3.2. Non-financial criteria for performance measurement

Non-financial criteria include those that demonstrate the success in strategy implementation and operational growth, consideration of the interests of Company stakeholders and criteria used to pursue the environmental and social objectives of the Company's operations. The non-financial criteria used to determine the performance bonus for the Management Board are:

1. **Success in business strategy implementation:** the strategic project implementation and operations streamlining success is evaluated, by taking into account the development activities, risk management, procurement and logistical process streamlining, innovation, corporate responsibility, support processes and IT upgrade, and similar, with the goal to achieve long-term sustainability of operations and sustainable development of the Company.
2. **Success in ensuring operational growth:** the implementation of the projects enabling the Petrol Group to further grow and expand its operations is evaluated, by taking into account the successful implementation of investment projects, takeovers, strategic alliances, strengthening the position in existing markets and entering new markets, with the goal to achieve a long-term operational growth.
3. **Success in human capital development:** success in developing sustainability focused HR systems (staffing, HR development, education and training, competence development, rewarding, care for occupational health and safety at work, ensuring inclusion and respecting diversity), and the provision of the proper HR structure (organizational climate, devoted employees, proper educational structure, competent employees) needed for strategy realisation is measured.
4. **Success in ensuring sustainable development:** the Petrol Group's gradual transition to minimising carbon footprint and maximising overall energy savings as well as introducing sustainability commitments in the chain of stakeholders with the purpose to enhance corporate responsibility is measured.

The non-financial criteria are measured descriptively, separately for each year, in accordance with the fourth paragraph of point 3.1.3. herein, as: very successful, successful, relatively successful and unsuccessful; this is the basis for determining the gross salary multiple, which is defined by the Supervisory Board in the Rules.

3.1.3.3. Changed circumstances

Notwithstanding the provisions determined in this Remuneration Policy, the Supervisory Board may, in response to the changed circumstances, by a resolution and without amending the Rules and with a validity solely in the relevant financial year, accordingly adjust the ratios and criteria by taking into consideration the market, property, financial and other relevant situation and targets of the Company.

Based on the operating results and other circumstances, the Supervisory Board may decide to pay a higher or lower remuneration than that calculated based on the provisions 3.1.3.1. and 3.1.3.2. herein, if it believes that this is supported by reasonable grounds.

3.1.3.4. Method of arranging and assessing the fulfilment of objectives set in the criteria to determine the variable remuneration

The Supervisory Board adopts detailed variable remuneration criteria after endorsing the annual plan, that is, generally by the end of the calendar year for the next year or it verifies their appropriateness and proposes any change, if necessary. By endorsing the business plan, the Supervisory Board annually approves concrete financial targets necessary for setting the variable remuneration for the Management Board members.

The Supervisory Board is in charge of establishing the performance of the Management Board and setting the variable remuneration in accordance with the Rules and this Remuneration Policy. Performance by the Management Board shall be established and variable remuneration determined once a year for the previous financial year upon endorsement of the audited annual report by the Supervisory Board. No later than on the endorsement of the audited annual report for the financial year, the Management Board shall submit to the Supervisory Board the Report on the Work of the Management Board which, in line with the Rules and this Remuneration Policy, provides all bases needed by the Supervisory Board to evaluate the performance of the Management Board in the financial year and determine the corresponding amount of the variable remuneration.

3.1.3.5. Deferral period for variable remuneration

If the variable remuneration exceeds the total fixed remuneration in the last year, the payment of such part of the variable remuneration is deferred by a period of at least one year.

3.1.3.6. Clawback

The Company may demand return of the already paid variable remuneration or a pro rata part thereof if:

- annual report nullity is established with a final effect, with reasons for nullity referring to items or facts used as the basis to determine the variable remuneration;
- it finds based on a special auditor's report that the criteria for the determination of the variable remuneration were incorrectly applied or that the decisive accounting, financial and other data and indicators were incorrectly determined or considered.

The return of the already paid variable remuneration may be claimed within three years from the date when the remuneration or a part thereof is paid. The return of the already paid variable component is generally executed by offsetting the awarded, yet unpaid parts of the variable remuneration, whereby the offset option is also agreed in the employment contract or civil-law contract.

3.1.4. FIXED-TO-VARIABLE REMUNERATION RATIO

The maximum permitted variable remuneration is 100% of the base remuneration paid in the past year.

3.1.5. SEVERANCE PAY

In the case of an early contract termination with a Management Board member, such member shall be entitled to severance pay in the amount as set in the contract. Each Management Board member is entitled to severance pay in the event of:

- the removal of such Management Board member for economic-business reasons based on the 4th indent of the 2nd paragraph of Article 268 of the Slovenian Companies Act (ZGD-1),
- the termination of office and employment relationship as a result of retirement, and
- the removal resulting from long illness or permanent inability to work,
- the consensual termination of office in the absence of fault-based grounds.

A Management Board member shall not be entitled to severance pay for early termination of office in the cases such as defined by the Companies Act. Severance pay shall not be paid to a Management Board member in the case of ordinary termination of office. In addition, a member of the Management Board is not entitled to severance pay in the case that such member alone terminates the Employment Contract or in the case of an early termination of the Employment Contract because such member has severely breached their obligations, is not capable of conducting business or because he or she was imposed a no-confidence vote by the General Meeting (unless if such no-confidence vote was based on obviously ungrounded reasons).

The maximum amount of severance pay is a six-month gross base pay, such as determined in the contract with a member of the Management Board or a nine-month gross base pay in the event termination occurs earlier than halfway through the term of office. In case of early termination of office of a Management Board member whose term of office lasted less than one year, the maximum severance pay amount can be a three-month gross base pay, such as determined in a contract with such member.

A member of the Management Board who, after early termination of the relevant contract, becomes employed in the company or its subsidiary or another affiliated company, may be entitled to the severance pay in the maximum amount of the difference between the gross base pay under the previous contract and the amount of the gross base pay under the new contract (in the corresponding multiple), but without prejudice to the second or third paragraph of this point.

In the absence of fault-based grounds for removal, an agreement may be concluded on early termination of office on the initiative of one or another party, provided that this is in the interest of both parties, such as if a Management Board member does not achieve optimal business results, does not have optimal organisational skills or if there is no special trust between a Management Board member and the Supervisory Board. The expected benefits for the Company must be higher than the amount of severance pay and potential other expenditures that need to be paid upon entering into the agreement.

3.1.6. OTHER RIGHTS

3.1.6.1. Benefits

Management Board Members are further entitled to the following benefits:

- **the right to the payment of premiums** for life, accident, disability insurance, voluntary supplementary pension insurance, company or third-party liability insurance, health insurance, under the conditions determined in the Employment Contract, whereby the total annual amount of all premiums may not exceed 1/12 of the beneficiary's annual base remuneration;
- **the right to use a mobile phone for private purposes**, including the right to payment of fee or cost for calls or data traffic;
- the right to **use a portable computer and/or tablet** for private purposes;
- the right to **use a company car** for private purposes (including the right to the payment of fuel for business purposes at home and abroad and for private purposes at home, and the road infrastructure use fee; the Company also pays for registration, maintenance, technical and routine car service and concludes car and casco insurance);
- the right to **reimbursement of all additional training and education costs** aimed to upgrade function performance effectiveness;
- the right to **preventive medical examination for managers**;
- the right to **use a payment card** to pay certain costs, including entertainment, in accordance with the business and financial plan and by ensuring spending traceability;
- the right to **business entertainment costs** in accordance with the business and financial plan and by ensuring spending traceability;
- the right to the reimbursement of **membership fees in peer organisations**, related to the performance of the function as a member of a management body;
- the right to **the reimbursement of legal protection fees** in the case of lawsuits or filed reports in various legal proceedings by third parties in matters related to the performance of function in the Company, except of the content of this right is already reasonably covered in the D&O insurance and except in the case liability is established by final decision;

3.1.6.2. Special monetary payments

Each member of the Management Board is entitled to the following monetary payments, under the same conditions and in the same amount as applies to Company employees:

- **holiday allowance**,
- **long-service bonuses**,
- **the right to the reimbursement of costs necessary for or in relation to the performance of their function:** e.g. subsistence costs for business trips, mileage, reimbursement of accommodation costs, reimbursement of commuting expenses, meal allowance,
- **paid leave;** e.g. holiday leave, sick leave or another type of legally determined leave which is subject to the payment of compensation;
- **the business performance bonus** in accordance with the collective agreement or a general act of the Company, providing that it is paid to all Company employees under the same conditions, achieving a more favourable tax regime for the relevant reward for all Company employees; the business performance bonus is included in the maximum permitted variable component of remuneration of Management Board members for the relevant year;
- **the employer's anniversary bonus:** under the conditions and in the amount such as applicable to all other Company employees, in accordance with the business and financial plan;
- **the right to separation allowance:** in cases and in the amount such as applicable to all other Company employees.
- **special payments on holidays:** under the conditions and in the amount such as applicable to all other Company employees, unless such payments are determined as Company or employee business performance bonus in the collective agreement, general act of the employer or resolution of management body or if this is evident from other circumstances.
- the right to **severance pay upon retirement:** the conditions and amount should be subject to the Slovenian Employment Relationships Act (ZDR-1), whereby the parties should not

refer to potentially more favourable collective agreement or general internal act of the employer;

- **the non-competition clause:** Contracts with Management Board members regulate the prohibition on competition even for the time after the end of Management Board members' offices. In case of removal by the Company, the prohibition on competition does not last more than six months and in other cases, it is not shorter than six months and not longer than two years. During the time of the prohibition of competition, Management Board members are entitled to a maximum of 75% of their monthly base part of remuneration. Regardless of whether the prohibition on competition is agreed or not, the Supervisory Board waives the right to invoke the prohibition on competition in the time after the end of office if, taking into account all known circumstances, there is no real threat to the interest of the Company based on not invoking the prohibition on competition for an individual Management Board member.

3.2. LEGAL TRANSACTIONS RELATED TO REMUNERATION

Remuneration for the Management Board Members is primarily defined in the Employment Contract between them and the Company.

The Management Board Members conclude an Employment Contract with the Company based on Articles 54 and 73 of the Employment Relationship Act (Official Gazette of the RS, No 21/2013; hereinafter: ZDR-1), the Companies Act (Official Gazette of the RS, No 42/2006 with amendments and supplements; ZGD-1), the Articles of Association, and Supervisory Board resolutions.

The Employment Contract sets forth the types of remuneration in accordance with this Policy.

3.3. CONTRACT DURATION

The Employment Contract referred to in the previous paragraph is concluded for the Management Board members' term of office, that is, five years.

3.4. TERMINATION CONDITIONS

The Employment Contract with a Management Board member terminates if such Management Board member's term of office ends for any of the following:

- The removal of a Management Board member by the Supervisory Board,
- The end of office of a Management Board member, or
- Other reasons resulting in the termination of office of a Management Board Member in accordance with the legislation.

3.5. NOTICE PERIODS

A Management Board member may terminate the Contract with a 3 (three)-month notice period.

4. PROCEDURE TO DETERMINE, IMPLEMENT AND REVIEW THE REMUNERATION POLICY, INCLUDING ACTIONS TO PREVENT OR MANAGE CONFLICTS OF INTEREST

The corporate goals, which are the basis for employee remuneration, apply top-down, that is, from the Management Board down. This means that conceptually the same logic of the performance criteria determination applies to both the Management Board and the employees.

The implementation of this Remuneration Policy is monitored by the Supervisory Board by reviewing compliance of the Policy with the effective legislation and the related internal regulations at least once a year and propose, if necessary, any supplements and amendments thereof.

4.1. Supervisory Board members

Supervisory Board members receive remuneration in accordance with the General Meeting resolution. They do not receive any other remuneration.

Prior to a candidate being appointed a Supervisory Board member, the Human Resources and Management Board Evaluation Committee checks whether any conflict of interest exists in relation to them.

The Supervisory Board members' work and decisions must always be in line with the Company's goals and they must submit any different personal or individual interests of third parties, the Management Board, the shareholders, the public or the state to such goals.

The Supervisory Board members must take all precautionary measures to avoid any conflict of interest that could affect their judgment; moreover, they must pay attention to any actual or potential conflict of their interests with the interests or duties of the Company.

A Supervisory Board member shall keep the Supervisory Board informed of any conflict of interest that occurs or that could occur in the performance or in relation to the performance of their function. Furthermore, every Supervisory Board member shall notify the Supervisory Board of their potential membership in Supervisory Boards of other companies.

In its report, the Supervisory Board notifies the General Meeting on the existence of a conflict of interest and the actions taken in respect thereof at least once a year. Once a year, upon appointment and upon any change, each member of the Supervisory and Management Boards signs and submits to the Supervisory Board a statement on the fulfilment of the criteria, stating the (in)existence of any conflict of interest and undertaking to immediately notify the Supervisory Board if any new potential conflict of interest arises.

Each member of the Management Board and of the Supervisory Board is obliged to disclose any conflict of interest to the Supervisory Board immediately, but in any case not later than three working days after the occurrence of such conflict of interest.

At its meeting, the Supervisory Board decides on the disclosed conflict of interest by a resolution, that is, whether the conflict of interest exists, and expresses its position regarding the handling of the actual or a potential conflict of interest and defines actions to manage such conflict of interest.

4.2. Management Board members

The base remuneration for Management Board members is defined in the Employment Contract which sets forth that a Management Board member is also entitled to the variable remuneration based on the criteria adopted in the Rules by the Supervisory Board by year-end, which it reviews at the end of the financial year and defines the criteria based on the targets set for the next financial year. After the end of an individual financial year, the Management Board prepares a report on its work and submits it for discussion to the Human Resources and Management Board Evaluation Committee, which discusses the report, adopts a resolution on the proposal for the payment of the variable remuneration and proposes it for adoption to the Supervisory Board.

Other remuneration indicated herein is determined in the Employment Contract and in accordance with any restrictions imposed by the effective legislation.

The Management Board of the Company and its members are obliged to carry out their work and tasks with due diligence and in line with the effective legislation, the Company's Articles of Association and the Rules of Procedure of the Management Board. They are always obliged to pursue the interests of the Company and realise the maximum possible benefits for the Company, as well as avoid any kind of conflict of interests. The latter applies for both their personal interests or interests of any third party and interests of the work segments under their responsibility. If an individual Management Board member finds themselves in a conflict of interest to a point where the impartial and objective performance of tasks or decision-making in the sole interest of the Company in terms of an individual person's performance of function would be at risk due to the involvement of a personal economic interest, interest of family members or due to giving special preference or any other interest related to another natural or legal person, such member shall notify thereof the other Management Board members and exclude themselves from the discussion and voting on the matter that is the subject of the conflict of interest. A conflict of interest is recorded in the Management Board meeting minutes. Interests of the segments which are under the responsibility of individual Management Board members must be included in the adopted decisions to the fullest extent. The interests of the Company as a whole always prevail over such interests; in the case a conflict of interest arises in a segment and the Company as a whole, the latter shall prevail.

The Report on Remuneration for Management and Supervisory Bodies of the Company is audited by an external auditor pursuant to Remuneration Policy and the Slovenian Companies Act.

5. FINAL PROVISIONS

Remuneration for members of management and supervisory bodies in Group companies

The Company adopts guidelines to set remuneration for management bodies at Group level, which are also observed by the subsidiaries when drawing up their remuneration policies for management bodies or when concluding contracts with management bodies. The Management Board of the Company ensures that the remuneration policies for management bodies are adopted in subsidiaries. In case of subsidiaries in foreign countries, remuneration for management bodies is determined by taking account of the specific features of the business environment in which such companies operate, as well as the specific features of the relevant local legislation. Regardless of the complexity factors from these recommendations, the base part of remuneration for management bodies in subsidiaries should not exceed 80% of the upper permissible limit of the base part of remuneration received by the management body of the parent company, unless in specifically grounded cases.

Remuneration for members of management bodies in the case of dual terms of office

The basic principle to determine remuneration for members of the Management Board in case of dual terms of office in the Group is that remuneration depends on the complexity of tasks and responsibilities. In case of dual terms of office in the Group, each function has its own tasks and responsibilities, hence functions in subsidiaries are generally fully paid. An exception from the rule is if the time spent and the tasks and responsibilities arising from functions in subsidiaries are included in the tasks, the time spent and the responsibilities and, hence, remuneration at the Company (especially where the criterion to determine the base remuneration is organizational complexity arising from the management of Group companies).

This Remuneration Policy shall enter into effect the day after it is adopted and it shall apply from 1 January 2026 onwards.

Petrol d.d., Ljubljana
Vesna Južna
Supervisory Board President