

# **34<sup>th</sup> General Meeting of**

**PETROL,  
Slovenska energetska družba, d.d.,  
Ljubljana**

March 2022

Pursuant to its resolution of 10 March 2022, the Management Board of PETROL d.d., Ljubljana hereby invites shareholders to attend the

## **34<sup>th</sup> General Meeting of Petrol d.d., Ljubljana**

to be held on Thursday, 21 April 2022, at 10:00 a.m., on the premises of PETROL d.d., Ljubljana, the conference hall on Dunajska cesta 48, 1000 Ljubljana.

### **1. Opening of the General Meeting and election of working bodies**

#### **Resolution proposal:**

##### **1.**

Attorney Uroš Pogačnik from a Grosuplje-based Law Firm Čeferin, Pogačnik, Novak, Koščak in partnerji, o.p., d.o.o. shall be elected Chairman of the General Meeting, and Gregor Mavsar and Barbara Jama Živalič as officials responsible for counting the votes.

The General Meeting is informed that the notarial protocol will be drawn up by Bojan Podgoršek, Notary Public from Ljubljana.

### **2. Presentation of the Annual Report for 2021 and Report of the Supervisory Board on the Verification of the Annual Report for 2021; Report on Remuneration to Management and Supervisory Bodies of Petrol d.d., Ljubljana in the financial year 2021; use of profit for appropriation and granting of discharge**

#### **Resolution proposal:**

##### **2.1.**

The profit for appropriation as of 31 December 2021, amounting to EUR 61,847,940 will be distributed as follows:

- part of the profit for appropriation amounting to EUR 61,667,340 will be distributed as dividend payments to shareholders: gross dividend of EUR 30.00 per share (own shares do not participate),
- the remaining part of the profit for appropriation in the amount of EUR 180,600 and any amounts which may result from the number of own shares on the record date and from rounding off the dividend payment figures, will be transferred to other profit reserves.

The Company will pay out dividends on 5 August 2022 to all shareholders registered at KDD (Central Securities Clearing Corporation) as of 4 August 2022.

**2.2.**

The General Meeting has taken note and hereby endorses the Report on Remuneration to Management and Supervisory Bodies of Petrol d.d., Ljubljana in the financial year 2021.

**2.3.**

The General Meeting gives a discharge to the Management Board of the Company for the financial year 2021.

**2.4.**

The General Meeting gives a discharge to the Supervisory Board of the Company for the financial year 2021.

### **3. Remuneration Policy for Management and Supervisory Bodies of Petrol d.d., Ljubljana**

**Resolution proposal:****3.1.**

The General Meeting has taken note and hereby endorses the Remuneration Policy for Management and Supervisory Bodies of Petrol d.d., Ljubljana.

### **4. Appointment of the auditor to audit the Company's financial report and review the business report for the financial years of 2022, 2023 and 2024**

**Resolution proposal:****4.1.**

Pricewaterhousecoopers d.o.o., Cesta v Kleče 15, 1000 Ljubljana is appointed as the Company auditor for the financial years of 2022, 2023 and 2024.

### **5. Amendment of point 11.07. of the Articles of Association in accordance with the provision of the third paragraph of Article 297 of the Slovenian Companies (ZGD-1);**

**Resolution proposal:****5.1.**

With the aim to align the Company's Articles of Association with the provision of the third paragraph of Article 297 of the ZGD-1, point 11.07 of 11.00 GENERAL MEETING, Chapter IV. COMPANY BODIES, shall be amended to read as follows:

"Only those shareholders who have registered for participation in the General Meeting not later than at the end of the fourth day prior to the General Meeting, and who have been registered in the Central Book-Entry Securities Register as of the end of the *seventh* day prior to the General Meeting, shall be entitled to participate in the General Meeting and exercise their voting rights."

## **6. The Petrol (PETG) share split**

### **Resolution proposal:**

#### **6.1.**

Each ordinary registered no-par value share of the Company with the PETG symbol shall be split into 20 ordinary registered no-par value shares of the Company.

#### **6.2.**

In the Company's Articles of Association, point 04.01. of Article 04.00 SHARE CAPITAL, NUMBER AND TYPES OF SHARES, Chapter II. SHARE CAPITAL AND SHARES shall be amended to read as follows:

"The Company's share capital amounts to EUR 52,240,977.04 (fifty-two million, two hundred and forty thousand, nine hundred and seventy-seven euros and four cents) and is divided into 41,726,020 (forty-one million, seven hundred and twenty-six thousand and twenty) ordinary registered no-par value shares."

#### **6.3.**

A new point 18.03. shall be added in Article 18.00. ARTICLES OF ASSOCIATION AND GENERAL ACTS of Chapter VIII. ARTICLES OF ASSOCIATION AND GENERAL ACTS of the Company's Articles of Association, which reads as follows:

"The Company has 2,086,301 (two million, eighty-six thousand, three hundred and one) ordinary registered no-par value shares in the Central Book-Entry Securities Register until the total number of Company's shares in the Central Book-Entry Securities Register is aligned with point 04.01 of these Articles of Association with the entry of the split of each share into 20 (twenty) parts."

#### **6.4.**

Points of resolutions 6.1. to 6.3., inclusive, shall enter into effect on 19 August 2022.

#### **6.5.**

The General Meeting hereby authorises the Supervisory Board to align the text of the Articles of Association in accordance with the points of resolutions 6.1. to 6.4., inclusive, and draw up a clean copy of the Articles of Association.

The Management Board of the Company shall implement the necessary procedures for the PETG share split after the entry of the Articles of Association amendment into the Court Register of Companies.

## **7. Authorisation to the Management Board to purchase own shares and a report on founded reasons for the exclusion of the pre-emption right in the disposal of own shares**

### **Resolution proposal:**

#### **7.1.**

The General Meeting authorises the Management Board of the Company to purchase own shares over a period of 36 months starting on the effective date of this resolution. The authorisation applies

for the acquisition of a maximum of such number of own shares that the total percentage of the shares acquired based on this authorisation, together with other own shares already held by the Company on this authorisation adoption date does not exceed 3% of the Company's share capital.

The Company may acquire own shares by way of transactions concluded on the regulated market at the market price as valid at the time. The Company may also acquire own shares outside of the regulated market ("over-the-counter"). In acquiring shares on the regulated or over-the-counter market, the purchase price of shares cannot be lower than 50% of the book value per share calculated based on the last published audited annual statements of the Petrol Group. Likewise, the purchase price of shares cannot be higher than 13-times the amount of earnings per share (EPS) calculated based on the last published audited annual financial statements of the Petrol Group.

Subject to the Supervisory Board's prior consent, the Company may dispose its own shares acquired based on this authorisation by exchanging them for shareholdings in other companies in the context of M&A strategy implementation.

In disposing own shares that the Company has acquired based on this authorisation, the shareholders' pre-emption right is fully excluded, as in the case that they can be exchanged for shares or shareholdings in other companies in the context of M&A strategy, if this was in the interest of the Company, the exchange option is tied to a potential disposal to individual persons only (holders of shares/shareholdings in other companies).

Pursuant to the third and fourth paragraphs of Article 381 of the ZGD-1, the Company may reduce its share capital through the withdrawal of all own shares under the simplified procedure and to the debit of other profit reserves based on the Supervisory Board's consent.

## **7.2.**

Resolution 7.1 shall enter into effect on 30 November 2022, but not prior to the PETG share split execution, pursuant to General Meeting resolutions 6.1. to 6.5., in the Central Book-Entry Securities Register.

-----  
Resolution under point 1 is proposed by the Management Board, resolutions under points 2, 3, 5, 6 and 7 are proposed by the Management Board and resolution under point 4 by the Supervisory Board. Pursuant to Article 304 of the Companies Act (ZGD-1), the 34<sup>th</sup> General Meeting of Shareholders of PETROL, Slovenska energetska družba, d.d., Ljubljana shall be attended by Bojan Podgoršek, Notary Public from Ljubljana.

## **Information for shareholders:**

### **1. Total number of shares and voting rights as at the date of convening the General Meeting**

As at the day of convening the General Meeting, the Company holds **2,086,301** ordinary registered no-par value shares. In accordance with the law, each ordinary share entitles its holder to one vote at the General Meeting. As at the day of convening the General Meeting, the Company holds **30,723** own non-voting shares.

### **2. Information on additional items on the agenda**

The shareholders whose total interests account for one-twentieth of the Company's share capital may, after the notice to convene the General Meeting has been published, make a written request to include an additional item on the agenda. The request must be accompanied by a written proposal

of the resolution to be discussed by the General Meeting, or, if the General Meeting does not adopt a resolution for a particular item on the agenda, an explanation regarding such agenda item. Such a request is to be sent to the Company not later than within seven days from publishing the notice convening the General Meeting.

Pursuant to the third paragraph of Article 298 of the Companies Act (ZGD-1), the Management Board shall publish those additional agenda items for which requests are sent not later than within seven days from publishing this notice to convene the General Meeting.

Shareholders may also submit their requests for additional agenda items by e-mail to the following address: **skupscina@petrol.si**. Requests to add items on the agenda that are submitted by e-mail shall be sent in a scanned form as attachment and must contain a personal signature of a natural person, or, in the case of a legal entity, a personal signature of a representative and a stamp/seal if used by such a legal entity. The Company is entitled to verify the identity of the shareholder or the person who submits the request or proposal by e-mail, as well as the authenticity of their signatures.

Any additional item on the agenda may only be discussed at the General Meeting if published in the same manner as the notice to convene the General Meeting at least 14 days prior to the General Meeting; otherwise it will be discussed at the next General Meeting. The Management Board shall arrange for a clean copy of the agenda to be published within the same deadline and in the same manner.

### 3. Information on shareholders' proposals

Shareholders may propose resolutions and voting proposals in writing for each agenda item. The Management Board shall publish the proposals of shareholders only if they send reasonably argued proposals to the Company within seven days from the publishing of the notice to convene the General Meeting and give notification that they will oppose the proposal made by the management or supervisory body at the General Meeting and that they will persuade other shareholders to vote for their proposal. A voting proposal does not need to be substantiated.

Shareholders may also send their resolution proposals and voting proposals by e-mail to the following address: **skupscina@petrol.si**. Any resolution proposals or voting proposals sent by e-mail shall be sent in a scanned form as attachment, and must contain the personal signature of a natural person, or, in the case of a legal entity, the personal signature of a representative and a stamp/seal if used by such a legal entity. The Company is entitled to verify the identity of the shareholder or a person who submits a request or proposal by e-mail, as well as the authenticity of their signatures.

The Management Board shall not publish a shareholder's proposal and its substantiation:

- if the publication of such proposal would constitute a criminal offence or a minor offence;
- if the proposal could lead to a resolution by the General Meeting that would be in conflict with the law or the Articles of Association;
- if the substantiation of the proposal in essential points contains clearly incorrect or misleading information or insults;
- if a shareholder's proposal with the same content has already been sent to the Company's General Meeting;
- if during the last five years the same shareholder's proposal containing essentially the same substantiation has already been reported to at least two General Meetings of the Company and less than one-twentieth of the share capital represented at the General Meeting voted in favour of it;
- if a shareholder announces their non-attendance and non-representation at the General Meeting;
- or
- if during the past two years the proposal of the shareholder which was included in their notification was not made by them or on their behalf at the General Meeting.



The Management Board will not publish the substantiation of a proposal if it contains more than 3000 characters. The Management Board shall be entitled to publish a summary of the proposals and their substantiations made by several shareholders on the same subject. The shareholders' proposals which have not been sent to the Company within seven days of the publication of the notice to convene the General Meeting and have been submitted no later than at the General Meeting itself shall be discussed at the General Meeting.

#### **4. Shareholders' right to be informed**

At the General Meeting, the Management Board shall provide the shareholders with reliable information on the Company's affairs if such information is important for the assessment of the agenda. In order to answer shareholder questions with the same content, the Management Board shall provide a joint reply. The Management Board shall also give information on the Company's legal and business relationships with affiliated companies should this be needed for decisions regarding the agenda.

Notwithstanding the foregoing text, the Management Board shall not be required to provide information in the following cases:

- if the providing of information could, by reasonable economic judgement, cause damage to the Company or its affiliates;
- if the information refers to accounting and assessment methods, provided that the indication of these methods in the annex is sufficient for an assessment of the actual situation of the Company in terms of property, financial standing and profitability;
- if the providing of information would constitute a criminal offence, a minor offence or a breach of good business practices,
- if the information is published on the Company's website in the form of questions and answers at least seven days prior to the General Meeting.

If a shareholder is given information outside the General Meeting, the Management Board shall provide the same information to every other shareholder at their request, even if it is not required in order to consider an agenda item. If a shareholder does not receive information at the General Meeting, they can request that their enquiry and the reason on the basis of which the providing of information was refused are included in the minutes of the meeting.

#### **5. Conditions applying to participation in the General Meeting and the exercise of voting rights**

Only those shareholders who have registered, personally or through proxy, for the General Meeting and whose application has been received by the Management Board at least by the end of the fourth day prior to the General Meeting, that is, by **17 April 2022**, inclusive, and who are registered in the Central Book-Entry Securities Register as of the end of day **14 April 2022** ("**record date**") shall be entitled to participate in the General Meeting and exercise their voting rights. If a broker who is not the ultimate beneficial owner is recorded in the Central Register as a shareholder, the shareholders can exercise their voting right based on proof referred to in the second paragraph of Article 235.č of the ZGD-1 showing who the ultimate beneficial owner is on the record date. The registration forms shall be sent by post to the following address: Petrol d.d., Ljubljana, Uprava družbe – za skupščino, Dunajska cesta 50, 1000 Ljubljana, so that the Management Board receives them not later than by the end of the fourth day prior to the General Meeting. Registrations sent through electronic media will not be valid. Only the registration forms containing original signatures of the shareholders and/or representatives or proxies will be deemed to be valid. The registration form is available on the Company's website and can be obtained free of charge at the Company's headquarters in Ljubljana, Dunajska cesta 50 (information office) each workday from 10 a.m. to 1 p.m. from publishing the notice to convene the General Meeting to the day of the General Meeting.

Each shareholder who is entitled to attend the General Meeting may authorise a proxy to register for

participation on their behalf and to attend the General Meeting and exercise the shareholder's voting rights. Such authorisation shall be given in writing and submitted to the Company where it shall be kept. The forms for registration, participation and exercise of voting rights by proxy are available on the Company's website; they can also be obtained free of charge at the Company headquarters in Ljubljana, Dunajska cesta 50 (information office), each workday from 10 a.m. to 1 p.m. from publishing the notice to convene the General Meeting to the day of the General Meeting. If the original of the registration form containing the signature of shareholder has been sent, it is enough to email the scanned authorisation form as an attachment to **skupscina@petrol.si**; the scanned authorisation form must contain the personal signature of a natural person, or, in the case of a legal entity, a personal signature of representative and a stamp/seal if used by such a legal entity. The Company is entitled to verify the identity of a shareholder or a person who submits the authorisation by e-mail, as well as the authenticity of their signatures. Shareholder are entitled to revoke the authorisation in the same manner as when submitting it, at any time before the day of the General Meeting.

A proxy may exercise or entrust the exercising of a voting right for shares that they do not hold only if they have been granted written proxy authorisation to do so. A proxy shall keep the authorisation so as to ensure that it can be verified. Authorisation may be issued to an individual proxy and be revoked at any time. A proxy is entitled to authorise persons not employed by them to exercise the proxy authorisation only if this is explicitly permitted in the authorisation. If based on authorisation a proxy exercises a voting right on behalf of a shareholder, the proxy authorisation document shall be submitted to the Company where it shall be kept. A proxy shall call upon the relevant shareholder to provide them with instructions for exercising the voting right and shall stress that their potential failure to provide instructions for exercising the voting right shall result in the voting right being exercised under such proxy's own proposals, which shall be notified to the shareholder, except if it can be presumed that the shareholder would approve of their different decision if they were aware of the state of the facts. The same rules such as defined in this paragraph shall apply *mutatis mutandis* to fiduciary account holders in relation to shares that they do not hold, voting advisors and other persons exercising a voting right in the name of a shareholder on the basis of a proxy authorisation as their activity. Upon request, shareholders and/or their representatives or proxies must present a personal identity document and written authorisation; a legal representative must also present an extract from the Court Register of Companies or Business Register.

The shareholders are kindly asked to register at the reception office one hour prior to the commencement of the meeting, in order to confirm their attendance by affixing their signatures to the list of shareholders and to collect the voting papers.

The General Meeting is scheduled for 10.00 a.m. Should a quorum not be present, the General Meeting will be adjourned and resumed at 12:00 on the same day and the same premises, regardless of the share capital represented.

PETROL, Slovenska energetska družba, d.d., Ljubljana

Nada Drobne Popović

President of the Management Board

Janez Žlak

President of the Supervisory Board



## Working papers to Item 1 of the Agenda

### 1. Opening of the General Meeting and election of working bodies

#### **Resolution proposal:**

##### **1.**

Attorney Uroš Pogačnik from a Grosuplje-based Law Firm Čeferin, Pogačnik, Novak, Koščak in partnerji, o.p., d.o.o. shall be elected Chairman of the General Meeting, and Gregor Mavsar and Barbara Jama Živalič as officials responsible for counting the votes.

The General Meeting is informed that the notarial protocol will be drawn up by Bojan Podgoršek, Notary Public from Ljubljana.

#### **Substantiation:**

There are no specific working papers for this point. The Management Board proposes the General Meeting that the working bodies of the General Meeting be elected, i.e. the Chairperson and two officials responsible for counting the votes. The election of the working bodies will ensure the lawful conduct of the General Meeting. In accordance with the Companies Act (ZGD-1), a notary must also be present at the General Meeting in order to draw up minutes of the General Meeting.

#### **Explanation regarding the majority required to adopt the resolution proposal:**

The resolution is adopted by a majority of the votes cast.

The resolution is proposed by the Management Board.

## Working papers to Item 2 of the Agenda

### **2. Presentation of the Annual Report for 2021 and Report of the Supervisory Board on the Verification of the Annual Report for 2021; Report on Remuneration to Management and Supervisory Bodies of Petrol d.d., Ljubljana in the financial year 2021; use of profit for appropriation and granting of discharge**

#### **Resolution proposal:**

##### **2.1.**

The profit for appropriation as of 31 December 2021, amounting to EUR 61,847,940 will be distributed as follows:

- part of the profit for appropriation amounting to EUR 61,667,340 will be distributed as dividend payments to shareholders: gross dividend of EUR 30.00 per share (own shares do not participate),
- the remaining part of the profit for appropriation in the amount of EUR 180,600 and any amounts which may result from the number of own shares on the record date and from rounding off the dividend payment figures, will be transferred to other profit reserves.

The Company will pay out dividends on 5 August 2022 to all shareholders registered at KDD (Central Securities Clearing Corporation) as of 4 August 2022.

##### **2.2.**

The General Meeting has taken note and hereby endorses the Report on Remuneration to Management and Supervisory Bodies of Petrol d.d., Ljubljana in the financial year 2021.

##### **2.3.**

The General Meeting gives a discharge to the Management Board of the Company for the financial year 2021.

##### **2.4.**

The General Meeting gives a discharge to the Supervisory Board of the Company for the financial year 2021.

#### **Substantiation:**

Pursuant to Article 294 of the Companies Act (ZGD-1), at the same time as deciding on the use of the profit for appropriation, the General Meeting shall also decide on the granting of discharge to the Management Board and the Supervisory Board members. According to the abovementioned Act, the debate on the granting of discharge shall be linked to the debate on the use of the profit for appropriation; the Management Board shall submit the Annual Report and the report of the

Supervisory Board on the verification of the Annual Report to the General Meeting for the purpose of decision making.

Article 294.b of the ZGD-1 stipulates that the Company whose securities are traded on the regulated market shall also prepare a transparent and clear report on remuneration which includes a comprehensive overview of remuneration, including all perks of any form which the Company provided or owed to individual members of the management and supervisory bodies in the last financial year. The Report on Remuneration was reviewed by the auditor who prepared a report on the review; it is attached to the Report on Remuneration. The General Meeting is entitled to vote by way of consultation on the Report on Remuneration for the last financial year. After being voted on at the General Meeting, the Report on Remuneration shall be immediately published on the Company's website where it shall be publicly available free of charge for at least ten years. After the ten years, the personal information of the Management Board and the Supervisory Board members indicated in the Report on Remuneration shall no longer be publicly available.

Taking into account the foregoing text, the General Meeting will discuss and present, in the scope of the same agenda item and prior to discussing and deciding on the use of the profit for appropriation and on the granting of discharge, the Annual Report for 2021 and the Supervisory Board's report on its endorsement of the Annual Report for 2021. The President of the Supervisory Board will also read a special report to the General Meeting on the endeavours in the field of implementing the adopted Diversity Policy. The Management Board will also inform the General Meeting on the report on remuneration received by the members of the management and supervisory bodies for their work in the Company in the 2021 financial year. As the abovementioned issues are related by content, they should all be discussed at the same time.

The resolution proposal regarding the use of the profit for appropriation and dividend payment is based on the achieved results, the Company's development plan, as well as on the Supervisory and Management Boards' assessment on the appropriateness of such use. Each year, the Company determines in its Financial Calendar the dividend payment date, which is in the first half of August; this year, the dividend payment day is 5 August 2022. The deadline for payment of dividends is longer than in the case of the majority of shareholder companies listed in the Ljubljana Stock Exchange (Prime Market), but notwithstanding this, the Company is among the first to pay out dividend because it is one of the first to hold its Annual General Meeting.

The resolution proposal regarding the granting of discharge proposes that the General Meeting confirm and approve the work of the Management Board and the Supervisory Board in the 2021 financial year. Pursuant to the recommendation of the Corporate Governance Code for Public Limited Companies, this proposal shall be voted on separately for the Management Board and the Supervisory Board.

From 1 January 2021 to 31 December 2021, the Company was managed by the Management Board in the following composition: Nada Drobne Popović – Management Board President, Matija Bitenc – Management Board Member, Jože Bajuk – Management Board Member, Jože Smolič – Management Board Member and Zoran Gračner – Management Board Member and Worker Director.

In the 2021 business year, the Supervisory Board had the following members:

Sašo Berger (until 10 April 2021)  
Igo Gruden (until 10 April 2021)  
Metod Podkrižnik (until 10 April 2021)  
Sergij Goriup (until 10 April 2021)  
Janez Pušnik (until 10 April 2021)  
Janez Žlak (from 22 April 2021 onwards)  
Borut Vrvišar (from 11 April 2021 onwards)

Alenka Urnaut Ropoša (from 11 April 2021 onwards)  
Mario Selecky (from 11 April 2021 onwards)  
Aleksander Zupančič (from 11 April 2021 onwards)  
Mladen Kaliterna  
Alen Mihelčič  
Robert Ravnikar  
Marko Šavli

Sašo Berger was Supervisory Board President until 10 April 2021 and Igo Gruden his Deputy until the same date. Mladen Kaliterna served as *ad interim* Supervisory Board President in the period from 11 to 21 April 2021. Janez Žlak became Supervisory Board President on 22 April 2021 and Borut Vrvišar (who already became a member on 11 April 2021) his Deputy on the same day.

**Attachments to item 2 of the agenda:**

- Annual Report for 2021 with Report of the Supervisory Board on the Verification of the Annual Report for 2021; (Annual Report available on the following link: <https://seonet.ljse.si/esef/50585/> )
- Report on Remuneration to Management and Supervisory Bodies of Petrol d.d., Ljubljana in the 2021 Financial Year.

**Explanation regarding the majority required to adopt the resolution proposal:**

The resolution is adopted by a majority of the votes cast.

The resolution is proposed by the Management Board and the Supervisory Board.

Pursuant to Article 294.b of the Companies Act (Official Gazette of the RS, No 65-09 with amendments and supplements; hereinafter: the ZGD-1), Petrol d.d., Ljubljana, Slovenska energetska družba, Dunajska cesta 50, Ljubljana (hereinafter: the Company) hereby issues

## **REPORT ON REMUNERATION TO MANAGEMENT AND SUPERVISORY BODIES OF PETROL D.D., LJUBLJANA IN THE 2021 BUSINESS YEAR**

### **I. PREAMBLE**

Having regard to the fact that, in accordance with the fourth paragraph of Article 71 of the ZGD-1K, Article 294.a of the ZGD-1 entered into effect on 24 February 2021, Petrol d.d., Ljubljana prepared, pursuant to Article 294.a of the ZGD-1, the Remuneration Policy for Members of Management and Supervisory Bodies of Petrol d.d., Ljubljana which, based on the first paragraph of Article 294.a of the ZGD-1, needs to be endorsed by the General Meeting of the Company. Since this report is included on the agenda of the General Meeting where the remuneration policy adoption shall be decided, it includes a comprehensive overview of remuneration, including all perks that the Company provided or owed to each management and supervisory body member in the 2021 business year, however, compliance with the Remuneration Policy as set out in Article 294.b. of the ZGD-1 could not be confirmed in the Report on Remuneration because the Remuneration Policy has not yet been approved at the General Meeting.

In 2021, management and supervisory body members were paid remuneration either based on General Meeting resolution, Employment Contract, the internal Remuneration Policy for the Management Board (hereinafter: the Policy) or another act determined herein.

### **II. SUPERVISORY BODY**

The supervisory body is defined in the applicable ZGD-1 and the Company's Articles of Association, as effective from time to time. Pursuant to the Company's Articles of Association, the supervisory body is the Supervisory Board, which is made up of 9 members. The term of office of Members Borut Vrvišar, Aleksander Zupančič, Mario Selecky and Alenka Urnaut Ropoša commenced on 11 April 2021 when the term of office of President Sašo Berger, Deputy President Igo Gruden, and Members Metod Podkrižnik, Sergij Goriup and Janez Pušnik ended. Mladen Kaliterna was Supervisory Board President from 11 to 21 April 2021 after which Supervisory Board President Janez Žlak started his term of office on 22 April 2021. Member Borut Vrvišar took over the position as Deputy President on 22 April 2021. As at 31 December 2021, the Supervisory Board was made up of: President – Janez Žlak, Deputy President – Borut Vrvišar, and Members – Alenka Urnaut Ropoša, Mario Selecky, Mladen Kaliterna and Aleksander Zupančič, all of whom shareholder representatives, and Robert Ravnihar, Alen Mihelčič and Marko Šavli as employee representatives.

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. Their remuneration is fixed; they are not entitled to the variable remuneration, that is, remuneration based



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

The 29<sup>th</sup> General Meeting of the Company held on 18 April 2019 adopted resolution No 5.1., determining payments to the Supervisory Board Members. It is published on the following link:

[https://seonet.ljse.si/default.aspx?doc=SEARCH&doc\\_id=67629](https://seonet.ljse.si/default.aspx?doc=SEARCH&doc_id=67629)

Based on that resolution, the Supervisory Board Members received remuneration until 21 April 2021.

The 33<sup>rd</sup> General Meeting held on 22 April 2021 determined remuneration for the Supervisory Board Members by resolution No 5.1. It is published on the following link:

[https://seonet.ljse.si/default.aspx?doc=SEARCH&doc\\_id=75096](https://seonet.ljse.si/default.aspx?doc=SEARCH&doc_id=75096)

Based on that resolution, the Supervisory Board Members receive remuneration from 22 April 2021 onwards.

The Supervisory Board Members are not entitled to any other remuneration.

The nominal amounts for each member of the Supervisory Board received in the 2021 business year (and a comparison with the 2020 business year) based on the abovementioned resolutions are presented in Table 1:

**Table 1:**

Name and surname	Function	
	Supervisory Board	Committees
Janez Žlak	President from 22 April 2021	Audit Committee HRMBEC*
Borut Vrvščar	Deputy President from 22 April 2021, Member from 11 April 2021 to 21 April 2021	Member from 22 April 2021 President from 22 April 2021
Aleksander Zupančič	Member from 11 April 2021	Member from 22 April 2021
Alenka Urnaut Ropoša	Member from 11 April 2021	President from 22 April 2021
Mario Selecky	Member from 11 April 2021	Member from 22 April 2021
Mladen Kaliterna	Member; President from 11 April 2021 to 21 April 2021	Member from 22 April 2021, President until 16 April 2021
Alen Mihelič	Member	Member
Robert Ravnikar	Member	Member from 22 April 2021 Member until 10 April 2021
Marko Šavli	Member	Member until 16 April 2021 Member from 22 April 2021
Janez Pušnik	Member until 10 April 2021	External member from 22 April 2021, Member until 10 April 2021
Sašo Berger	President until 10 April 2021	Member until 10 April 2021
Igo Gruden	Deputy President until 10 April 2021	Member until 10 April 2021
Metod Podkrižnik	Member until 10 April 2021	Member until 10 April 2021
Sergej Goriup	Member until 10 April 2021	President from 22 April 2021
Christoph Gaymayer		External Member until 16 April 2021
Zoran Gračner	Member until 10 December 2020	Member until 23 August 2020

\* Human Resources and Management Board Evaluation Committee

**Remuneration to members of the Supervisory Board and Committees in the 2021 business year**

Name and surname	(1) Basic payment		(2) SB and Committee attendance fees		(3) total (1+2)	Sum	(4) Travel expenses*	(5) Remuneration from any Group company
	SB	Committees	SB	Committees				
Janez Žiak	15,563	2,594	1,925	660	20,741		0	0
Borut Vršičar	11,840	3,891	1,925	660	18,316		0	0
Aleksander Zupančič	10,803	2,594	1,925	1,276	16,598	848	0	0
Alenka Umaut Ropoša	10,803	3,891	1,925	1,276	17,894		0	0
Mario Selecky	9,553	3,844	1,650	440	15,487		0	0
Mladen Kaliterna	21,906	4,140	2,695	2,156	30,896		0	0
Alen Mihelčič	21,692	3,566	2,695	880	28,833		0	0
Robert Ravnikar	21,692	3,566	2,695	1,496	29,449		0	0
Marko Šavli	15,220	3,624	2,695	1,540	23,079		0	0
Janez Pušnik	7,081	3,972	770	2,156	13,979		0	0
Sašo Berger	16,333	972	770	220	18,296		0	0
Igo Gruden	11,510	972	770	1,100	14,353		0	0
Metod Podkrižnik	10,889	972	770	880	13,511		0	0
Sergej Goriup	10,889	1,458	770	220	13,337		0	0
Christoph Geymayer	0	1,413	0	880	2,293		0	0
Zoran Gračner	6,598	0	0	0	6,598		0	0
<b>Total</b>	<b>202,371</b>	<b>41,469</b>	<b>23,980</b>	<b>15,840</b>	<b>283,660</b>	<b>848</b>	<b>0</b>	<b>0</b>

\* Travel expenses are not remuneration by their nature; they are intended as reimbursement for the costs incurred in the performance of function, which Supervisory Board members enforce in their income tax assessment.

**Remuneration to members of the Supervisory Board and Committees in the 2020 business year**

Name and surname	(1) Basic payment		(2) SB and Committee attendance fees		(3) total (1+2)	Sum	(4) Travel expenses*	(5) Remuneration from any Group company
	SB	Committees	SB	Committees				
Mladen Kaliterna	12,950	4,856	4,840	1,628	24,274		0	0
Alen Mihelčič	12,950	3,238	4,840	2,068	23,096		0	0
Robert Ravnikar	12,950	3,238	4,840	2,068	23,096		0	0
Marko Šavli	790	0	275	0	1,065		0	0
Janez Pušnik	6,134	3,579	3,135	1,628	14,476		0	0
Sašo Berger	19,425	3,238	4,840	2,068	29,571		0	0
Igo Gruden	12,950	3,238	4,840	3,476	24,504		0	0
Metod Podkrižnik	12,950	3,238	4,840	1,408	22,436		0	0
Sergej Goriup	12,950	4,856	4,840	2,068	24,714		0	0
Christoph Geymayer	0	1,703	0	880	2,583		0	0
Škerjanec Žiga	0	0	0	440	440		0	0
Zoran Gračner	12,160	3,040	4,290	1,408	20,898		0	0
<b>Total</b>	<b>116,211</b>	<b>34,222</b>	<b>41,580</b>	<b>19,140</b>	<b>211,153</b>	<b>0</b>	<b>0</b>	<b>0</b>

\* Travel expenses are not remuneration by their nature; they are intended as reimbursement for the costs incurred in the performance of function, which Supervisory Board members enforce in their income tax assessment.

**III. MANAGEMENT BODY**

Pursuant to the Company's Articles of Association, the Company's management body is the Management Board. As at 31 December 2021, the Management Board was comprised of Nada Drobne Popović – President, Matija Bitenc, Jože Smolič and Jože Bajuk – Members, and Zoran Gračner – Member/Worker Director.

In 2021, remuneration of the Management Board consisted of the fixed and variable parts and other perks. Severance was not paid to management body members in 2021. Perks were calculated based on payments in cash or in kind in accordance with the effective regulations.

The Management Board's remuneration structure ensures proper balance between the fixed and the variable parts of remuneration.

The nominal amounts received in the 2021 business year (and comparison with 2020) are presented in Table 2 for each member of the Management Board.

### **1. Fixed remuneration**

The fixed remuneration was paid to the Management Board for the performance of their tasks and for their efforts and responsibility-taking. It was set so as to ensure financial stability, reimburse the invested effort and correspond to their professional background and loyalty. It did not depend on the operating results or other unforeseeable factors. The basic guideline in determining this part of remuneration was the complexity and responsibility level of tasks.

The fixed remuneration is made up of the base salary of the Management Board, which is determined in the gross amount in the Employment Contract.

Length-of-service allowances and bonuses for work during less favourable worktime are already included in the base salary amount.

Remuneration to the Management Board Member – Worker Director was paid in accordance with the Employment Contract and the Petrol Worker Participation Agreement between the Company and the Company's Workers' Council.

In 2021, the Management Board received the fixed part of remuneration in amounts as presented in Table 2.

### **2. Variable remuneration**

In the 2021 business year, the variable remuneration was paid based on the Petrol Group's performance in the 2020 business year and was primarily intended to reward the Management Board for their results and engagement in 2020.

The variable remuneration is determined based on the Petrol Group's performance and the performance of the Management Board as a whole. The variable remuneration for the Management Board was determined based on Supervisory Board resolution in accordance with the Policy, which lays down the objectives and criteria for the payment of variable remuneration.

#### **2.1. Criteria to determine variable remuneration amount**

The variable remuneration was comprised of:

- the variable remuneration for short-term performance (performance bonus under the quantitative criteria), and
- the variable remuneration for long-term performance (performance bonus under the qualitative criteria).

The aim of quantitative criteria was to motivate the Management Board Members to maximise their performance in achieving the Company's operating results. These criteria were intended to promote the short-term and long-term performance of the Management Board Members and the Company and are important for the realisation of the Company's and the Petrol Group's strategy. Quantitative criteria are used to measure performance based on the plan for an individual business period.

### 2.1.1. Quantitative criteria

The quantitative criteria for determining performance-related remuneration for the Management Board in the 2020 business year, based on which the Management Board members were paid the variable part of remuneration in 2021, were:

- **Achieving business activity growth:** the Petrol Group's EBITDA achievement criterion was used.
- **Operational productivity:** it was measured as the proportion between operating costs in adjusted gross profit.
- **Generating value for owners:** it was measured as the achieved net return on equity (ROE).
- **Financial stability:** the success in ensuring (consolidating) the Group's financial situation was measured with the net debt-to-EBITDA ratio.

### 2.1.2. Qualitative criteria

The qualitative criteria used to determine remuneration for the Management Board's performance for the 2020 business year, based on which the Management Board members were paid the variable part of remuneration in 2021, were the following:

- **Success in business strategy implementation:** the strategic project implementation and operations streamlining was evaluated: development activities, risk management, procurement and logistical process streamlining, innovation, corporate responsibility, support process and IT upgrade, and similar, with the goal to achieve long-term sustainability of operations and sustainable development of the Company.
- **Success in ensuring operational growth:** the implementation of the projects enabling the Petrol Group to further grow and expand its operations was evaluated: successful implementation of investment projects, takeovers, strategic alliances, strengthening the position in existing markets and entering new markets, with the goal to achieve long-term operational growth.
- **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, ensuring inclusion and respecting diversity), and the provision of the proper HR structure (organizational climate, devoted employees) needed for strategy realisation were measured.
- **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 was measured.

In 2021, the variable remuneration was paid out as cash.

Based on business performance in 2020 and the Supervisory Board's resolution, the Management Board received the variable remuneration in 2021 as presented in Table 2.

## 3. Relative shares of fixed and variable remuneration to the Management Board Members

The data about the relative shares of fixed and variable remuneration to the Management Board members for the 2021 business year (and the 2020 business year) are presented in Table 2.

#### 4. Relative shares of financial and non-financial criteria in the variable remuneration to the Management Board Members

The data about the relative shares of fixed and variable remuneration to the Management Board members for the 2021 business year (and the 2020 business year) are presented in Table 2.

#### 5. Severance pay

No severance was paid for the Management Board in 2021.

#### 6. Other perks

Under the conditions determined with the Employment Contract, the Management Board members are entitled to perks in the form of premium for life, accident, disability insurance, voluntary supplementary pension insurance, Company or third-party liability insurance, health insurance, mobile phone, and vehicle for business and private use.

The data about remuneration referring to the above-mentioned perks are presented in Table 2.

**Table 2**

**Remuneration to Management Board Members in the 2021 business year**

Name, surname, function	(1) Fixed remunerat ion	(2) Variable remunera tion*	(3) Perks and other rights	(4) Severance pay, competitive clause obligations, other office termination payments		(5) Clawback	(6) Maluses (return of remunera tion)	(7) Total payment (1+2+3+4- 5-6)	(8) Share of variable remuneration from financial and non- financial criteria (xx% / yy%)	(9) Share of fixed and variable remuneration (xx% / yy%)	(10) Ratio to average employee salary (multiple) Company	(11) Remunerat ion from any Group company
Nada Drobne Popovič, President	197,066	133,387	26,945	0	0	0	0	359,398	25% / 75%	80% / 40%	13.25	0
Jože Bajuk, Member	168,000	91,921	27,742	0	0	0	0	287,663	25% / 75%	65% / 35%	10.60	0
Matija Bitenc, Member	168,000	91,921	26,622	0	0	0	0	286,543	25% / 75%	65% / 35%	10.56	0
Jože Smolič, Member	168,000	39,756	23,896	0	0	0	0	231,652	25% / 75%	81% / 19%	8.54	0
Zoran Gračner, Worker Director	106,406	11,864	3,452	0	0	0	0	121,723	25% / 75%	90% / 10%	4.49	0
<b>Total</b>	<b>807,472</b>	<b>368,849</b>	<b>110,658</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,286,979</b>				<b>0</b>

\* Variable remuneration was paid in full.

Remark: Holiday allowance for 2021 paid to the Management Board in the total amount of EUR 5,500

**Remuneration to the Management Board Members in the 2020 business year**

Name, surname, function	(1) Fixed remunerat ion	(2) Variable remunera tion*	(3) Perks and other rights	(4) Severance pay, competitive clause obligations, other office termination payments		(5) Clawback	(6) Maluses (return of remunera tion)	(7) Total payment (1+2+3+4- 5-6)	(8) Share of variable remuneration from financial and non- financial criteria (xx% / yy%)	(9) Share of fixed and variable remuneration (xx% / yy%)	(10) Ratio to average employee salary (multiple) Company	(11) Remunerat ion from any Group company
Nada Drobne Popovič, President	191,400	1,000	10,873	0	0	0	0	203,273	66,67% / 33,33%	000% / 001%	7.98	0
Jože Bajuk, Member from 11 March 2020	129,945	771	6,579	0	0	0	0	137,295	66,67% / 33,33%	000% / 001%	7.06	0
Matija Bitenc, Member from 11 March 2020	129,945	771	10,387	0	0	0	0	141,103	66,67% / 33,33%	000% / 001%	7.30	0
Jože Smolič, Member from 28 August 2020	57,333	211	4,790	0	0	0	0	62,334	66,67% / 33,33%	100% / 000%	7.78	0
Danijela Ribič Selaković, Member until 10 March 2020	32,175	225	572	0	0	0	0	32,972	66,67% / 33,33%	000% / 001%	6.75	0
Tomaž Berložnik, President until 24 October 2019	0	82,500	0	0	0	0	0	82,500	66,67% / 33,33%	000% / 100%	-	0
Rok Vodnik, Member until 24 October 2019	0	70,000	0	0	0	0	0	70,000	66,67% / 33,33%	000% / 100%	-	0
Igor Stebomak, Member until 24 October 2019	0	70,000	0	0	0	0	0	70,000	66,67% / 33,33%	000% / 100%	-	0
Ila Krevzel Panik, Worker Director until 10 December 2020	60,873	22,418	3,020	0	0	0	0	106,311	66,67% / 33,33%	078% / 022%	4.17	0
Zoran Gračner, Worker Director from 11 December 2020	5,787	0	223	0	0	0	0	6,010	66,67% / 33,33%	100% / 000%	-	0
<b>Total</b>	<b>627,458</b>	<b>247,896</b>	<b>36,444</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>911,798</b>				<b>0</b>

\* Variable remuneration was paid in full.

Remark: Holiday allowance for 2020 paid to the Management Board in the total amount of EUR 4,108

#### 7. Annual change of remuneration, corporate performance, average employee remuneration

The data for the last five business years about the annual change of remuneration, performance of the Company and average remuneration for Company employees (excluding the Management Board Members) who were employed full-time in this period are presented in Table 3.



**Table 3**
**Comparison of remuneration to Management Board members in the last five years**

	2017 vs. 2016	2018 vs. 2017	2019 vs. 2018	2020 vs. 2019	2021 vs. 2020	2021 (absolute amount of the current reporting year)
<b>Annual change</b>						
<b>Remuneration</b>						
Nada Drobne Popović	-	-	-	5.6	1.8	360,498
Jože Bajuk	-	-	-	-	2.1	288,763
Matija Bitenc	-	-	-	-	2.0	287,643
Jože Smolič	-	-	-	-	3.7	232,752
Zoran Gračner	-	-	-	-	20.4	122,822
<b>Operations of the Group</b>						
EBITDA	1.1	1.1	1.1	0.8	1.4	238,134,646
Net profit	1.1	1.1	1.1	0.7	1.7	124,481,361
Operating expenses/adjusted gross profit	1.0	1.0	1.0	1.2	0.9	78.2%
Net debt/EBITDA	0.9	0.7	1.1	1.1	1.1	2.1
<b>Average remuneration to other Company and Group employees</b>						
Company employees	1.2	1.3	1.1	1.0	1.1	27,132
Group employees	1.2	1.2	1.1	1.0	1.1	15,628

**Comparison of remuneration to Supervisory Board members in the last five years**

	2017 vs. 2016	2018 vs. 2017	2019 vs. 2018	2020 vs. 2019	2021 vs. 2020	2021 (absolute amount of the current reporting year)
<b>Annual change</b>						
<b>Remuneration</b>						
Janez Žlak	-	-	-	-	-	20,741
Borut Vrnšičar	-	-	-	-	-	18,316
Aleksander Zupančič	-	-	-	-	-	17,445
Alenka Urnaut Ropoša	-	-	-	-	-	17,894
Mario Selecky	-	-	-	-	-	15,487
Mladen Kaliterna	1.0	1.0	1.2	1.0	1.3	30,896
Alen Mihelčič	-	1.2	1.2	1.1	1.2	28,833
Robert Ravnikar	-	1.2	1.2	1.1	1.3	29,449
Marko Šavli	-	-	-	-	21.7	23,079
Janez Pušnik	0.9	1.0	1.1	2.4	1.0	13,979
Sašo Berger	-	1.4	1.3	1.2	0.6	18,296
Igo Gruden	1.2	1.0	1.2	1.1	0.6	14,353
Metod Podkrižnik	-	1.4	1.1	1.0	0.6	13,511
Sergej Goriup	-	1.4	1.2	1.1	0.5	13,337
Zoran Gračner	1.1	1.0	1.1	1.0	0.3	6,598

**8. Remuneration received from any of the Petrol group companies**

The Management Board Members received remuneration in the amounts as presented in Table 2.

**9. Shares and share options**

The members of the Supervisory and Management Boards did not receive any shares or share options from the Company.

**10. Clawback option**

This option was not activated in 2021.

In accordance with the draft Remuneration Policy for Management and Supervisory Bodies of Petrol d.d., Ljubljana, the Company demands 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.

The return of the already paid variable remuneration may be claimed within three years from the payment date of remuneration, or a part thereof.

#### **11. Financial perks, payments and services**

11.1. There were no financial perks or payments and services approved or provided in 2021 by a third party to any member of the Management Board in relation to their activity in the 2021 business year.

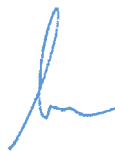
11.2. In the 2021 business year, there were no financial perks or payments and services approved to any member of the Management Board for the event of early termination of office, including changes agreed in 2021.

11.3. In the 2021 business year, there were no financial perks or payments and services approved to any member of the Management Board for the event of ordinary termination of office, with relevant cash value and amount spent or set aside by the Company in the 2021 business year.

11.4. No Management Board member's term of office ended in the 2021 business year, hence no financial perks or payments and services were approved or provided in the last business year to a former Management Board whose term of office ended in the last business year.



**Nada Drobne Popović**  
predsednica uprave



**Matija Bitenc**  
član uprave



**Jože Bajuk**  
član uprave



**Jože Smolič**  
član uprave



**Zoran Gračner**  
član uprave, delavski direktor

Petrol d.d., Ljubljana, Dunajska cesta 50, 1000 Ljubljana, Slovenija  
Ljubljana, 10. marec 2022



Building a better  
working world

## INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT

### To the shareholders of Petrol d.d., Ljubljana

Pursuant to the contract agreed with Petrol d.d. ("Company"), we have reviewed the accompanying Remuneration Report prepared by the management of Petrol d.d. on 10 March 2022 which presents all remuneration payments to Management and Supervisory Board members in the year ended on 31 December 2021, as required by Article 294.b. of the Companies Act-1 (ZGD-1) ("the Remuneration Report").

### *Management board and Supervisory board Responsibilities*

The Company's Management board and Supervisory board is responsible for the preparation of the Remuneration Report in accordance with the Article 294.b of the Companies Act (ZGD-1). In particular, the Company's Management board and Supervisory board is responsible for internal controls being designed and implemented to prevent the Remuneration Report from being materially misstated, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express a conclusion on limited assurance of the accompanying Remuneration Report based on the work performed and evidence obtained. Our limited assurance engagement was conducted in accordance with International Standard on Assurance Engagements 3000 (Revised) - Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ISAE 3000 (Revised)), issued by the International Auditing and Assurance Standards Board (IAASB). The standard requires that we plan and perform the engagement to obtain limited assurance about the fact that nothing has come to our attention that causes us to believe that the Remuneration Report contains material misstatements, among other, in respect of compliance with requirements of Article 294.b of the Companies Act, the accuracy of presented transactions, all in consideration of the criteria identified below.

### *Definition of Criteria*

When performing our procedures, we assessed whether the Remuneration Report, prepared by the management of Petrol d.d. for the year ended 31 December 2021, contains information required by the Paragraphs 2 and 3 of the Article 294.b of the Companies Act.

### *Our independence and quality management*

We have acted in accordance with the independence requirements and ethical requirements of the International Ethics Standards Board of Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), which is based on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional conduct.

Our firm operates in accordance with International Standards on Quality Control (ISOQ 1) and maintains a comprehensive quality management system, including documented policies and procedures regarding compliance with ethical requirements of professional standards and applicable legal and regulatory requirements.

### *Summary of work performed*

As part of our work we performed, amongst other, the following procedures:

- obtained understanding of the Company's internal controls, processes and systems set up for the preparation of the Remuneration Report
- performed reconciliation, on the sample basis, of input data disclosed in the Remuneration Report with the supporting documentation provided by the Company
- inquired the Management board and Supervisory board members on the accuracy of the information presented in the Remuneration Report

- read the Remuneration Report and confirmed that the representations in the Remuneration Report are done in accordance with the Article 294.b of the Companies Act (ZGD-1)

The nature and scope of our work were determined on the basis of risk assessment and our professional judgement exercised for the purpose of obtaining a limited assurance and do not include an opinion of the appropriateness of the management remuneration policy.

Procedures aimed at gathering evidence for the purpose of limited assurance engagements are more limited than is the case when issuing a reasonable assurance and accordingly, less assurance is given than in the case of a reasonable assurance or an audit.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

**Emphasis of matter**

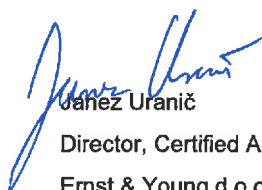
We draw attention to first point of the Remuneration Report which describes that Remuneration Policy has not yet been approved at the general assembly as required in article 294.b of ZGD-1. The Remuneration Report has been prepared based on the remuneration policies that were in force 2021. Accordingly, the requirement of 294.b of ZGD for the Company to confirm that remuneration presented in the Remuneration Report is in compliance with remuneration policy approved by general assembly, was not possible.

Our conclusion is not modified in respect of this matter.

**Conclusion**

Based on the work performed and evidence obtained, nothing has come to our attention that causes us to believe that the Remuneration report prepared by the management of Petrol d.d. for the year ended 31 December 2021 does not contain data, in all material respects, in accordance with Paragraphs 2 and 3 of the Article 294.b of the Companies Act (ZGD-1).

Ljubljana, 17 March 2022



Janez Uranič

Director, Certified Auditor

Ernst & Young d.o.o.

Dunajska cesta 111, Ljubljana



Mateja Repušič

Certified Auditor

**ERNST & YOUNG**  
Revizija, poslovno  
svetovanje d.o.o., Ljubljana 1

## Working papers to Item 3 of the Agenda

### 3. Remuneration Policy for Management and Supervisory Bodies of Petrol d.d., Ljubljana

#### Resolution proposal:

##### 3.1.

The General Meeting has taken note and hereby endorses the Remuneration Policy for Management and Supervisory Bodies of Petrol d.d., Ljubljana.

#### Substantiation:

Pursuant to Article 294.a of the Slovenian Companies Act (ZGD-1) a company whose securities are traded on a regulated market shall draw up a remuneration policy for management and supervisory bodies, which is to be submitted to the General Meeting for endorsement. The remuneration policy shall be transparent and clear and it must include at least the parts set forth in the second paragraph of Article 294.a of the ZGD-1. The Company sets remuneration for management and supervisory bodies solely in accordance with the Remuneration Policy as submitted for voting for endorsement by the General Meeting. After being voted on at the General Meeting, the Remuneration Policy shall be immediately published on the Company's website, including the date and the result of the vote, where it shall be publicly available free of charge at least for as long as it is in effect, but not less than ten years.

In accordance with the foregoing, the Company prepared the Remuneration Policy for Management and Supervisory Bodies of Petrol d.d., Ljubljana, which was endorsed by the Supervisory Board on 17 March 2022. The Supervisory Board and the Management Board propose that the General Meeting endorses. Voting on the Remuneration Policy at the General Meeting is by way of consultation.

#### Attachments to item 3 of the Agenda:

- Remuneration Policy for Management and Supervisory Bodies of Petrol d.d., Ljubljana

#### Explanation regarding the majority required to adopt the resolution proposal:

The resolution is adopted by a majority of the votes cast.

The resolution is proposed by the Management Board and the Supervisory Board.



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 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 to promote the achievement of the basic, short-term and long-term goals defined in the Petrol Group's business plans and strategy for the 2021–2025 period, 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 effective 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 Workers' 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 33<sup>rd</sup> General Meeting held on 22 April 2021 determined remuneration for the Supervisory Board Members by resolution No 5.1.

Each member of the Supervisory Board shall receive a gross meeting fee of EUR 275 for their participation at the meeting. For participation at committee meetings, each Supervisory Board member shall receive a meeting fee equalling 80% of the amount of the meeting fee for their participation at Supervisory Board meetings. The correspondence session meeting fee equals 80% of the usual meeting fee. Each Supervisory Board member is, regardless of the above and of the frequency of participations at meetings, eligible in each financial year for the payment of meeting fees, until the total amount of the meeting fees reaches 50% of the basic payment for the function of Supervisory Board member on an annual level. Each Supervisory Board member who is also a member of a committee or committees of the Supervisory Board is, regardless of the above and regardless of the frequency of participations at the Supervisory Board and committee meetings, eligible in each financial year for the payment of meeting fees, until the total amount of the meeting fees from their participation at the Supervisory Board and committee meetings reaches 75% of the basic payment for the function of Supervisory Board member on an annual level.

In addition to the meeting fees, the Supervisory Board members shall also receive a basic payment for performing the respective function in the gross annual amount of EUR 15,000 per member. 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 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 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 appropriately 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 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 can be reimbursed for travel and accommodation costs that incur 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 are not entitled to 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.

### 3. 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 Workers' Council. The variable remuneration for the Management Board Member – Worker Director is determined based on the monthly salary multiple as decided by the Supervisory Board for the other Management Board members.

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

##### 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.

Perks are calculated based on the payments in cash or in kind in accordance with the effective regulations.

In addition to the fixed and variable parts, the Management Board members are in certain cases entitled to **severance pay** and some **other perks** 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 tasks and for their efforts and responsibility. It is set so as to ensure financial stability and reimburse the Management Board for their efforts and is a reflection of professional background and loyalty. The fixed remuneration does not depend on the operating results or other unforeseeable factors. The basic guideline in determining this part of remuneration is the complexity and responsibility level of tasks.

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 comparable 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:
- organizational complexity based on the number and size of Group subsidiaries, the complexity of regulation, and the risk management complexity;
  - internationalization of operations based on the number and size of subsidiaries abroad, and the share of revenue generated abroad;
  - direct economic environment complexity 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. It operates actively in Slovenia and the rest of the region, that is, in Croatia, Bosnia and Herzegovina, Serbia, and Montenegro where it has subsidiaries with widespread retail networks, and in Austria, Macedonia and Romania.

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 trading companies. Its core activity is trade of petroleum products, gas, other energy products and consumer goods. The Petrol Group is made up of more than 40 companies; the Company is a 100% owner of strategically important companies such as Petrol d.o.o. Hrvaška, Crodex Derivati Dva d.o.o., Petrol Beograd d.o.o., E 3 d.o.o., together with Geoplin where it holds a majority share.

The Petrol Group is distinguished for its strong market and financial positions and a widespread modern retail network, which is its absolute competitive advantage. With its business activity of trade of petroleum products, gas and other energy products, the Petrol Group holds the leading market share in almost all segments, especially in the Slovenian and Croatian markets. It holds a significant market share in Serbia, Bosnia and Herzegovina and Montenegro.

As a result of the numerous activities, the Company has a widespread organisational structure at the parent company level with many elements of the organisational structure as well as accurate rules of categorisation in the organisational structure of the Petrol Group with relevant separations 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. All relevant Group companies have a transparent management with efficient internal controls and a unified system of all key corporate processes (central procurement,



separation of the sales and purchasing function from investments, and the like) and transparent operations (demand management, Investment Committee, Risk Committee, etc.) in place.

In addition to the level of complexity and responsibility, the base salary is determined based on a comparison of payments in companies of comparable size, activity and comparable economic environment (large enterprises engaged in trading activity or in energy product sales, companies partly owned by the government and operating in the region; hereinafter: comparable companies) as well as knowledge and competences of the 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 base salary is annually 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. Non-financial criteria also include those which show that stakeholder interests have been observed and which are used to pursue the environmental and social objectives of the Company's operations.

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%.

The variable remuneration is structured so that the maximum ratio between the part of the variable remuneration rewarding long-term performance and the part rewarding short-term performance is 50% based on the part of remuneration for the long-term performance of the Company.

The variable remuneration is paid out in the form of cash.

### 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. Achieving business activity growth:** the Petrol Group's EBITDA achievement criterion is measured.

**2. Financial performance of the Petrol Group:** the achievement of the Petrol Group's earnings before tax (EBT) is measured.

**3. Operational productivity:** the achieved percentage of operating costs in adjusted gross profit is measured.

**4. Financial stability:** the success in reducing debt and consolidating the Group's financial situation is measured with the net debt/EBITDA ratio.

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 and 3 from the second paragraph of this point): it is expressed as the multiple of the gross base salary based on the EBITDA and EBT achievement index compared to the plan for the current period;

b) the rating scale to determine the basic salary coefficient is determined for the criteria for which the desired state is below the plan (used for criterion 2 from the second paragraph of this point): it is expressed as the multiple of the gross base salary based on the index of achieving a % of costs in the gross profit based on the plan for the current period;

c) 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.

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

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, in accordance with the fourth paragraph of point 3.1.3., for each year separately 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.

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.

#### **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 4<sup>th</sup> indent of the 2<sup>nd</sup> 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.

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 case of early termination of office occurring sooner than at half the office duration. The amount of severance pay shall in no event exceed the total amount of the gross base pay that a member of the Management Board would receive under the contract in the case of ordinary termination of office.

Only the member of the Management Board who performed their function continuously for at least one year prior to the early termination of office shall be entitled to severance pay.

Notwithstanding the previous paragraph, the Supervisory Board may, circumstance permitting, decide on the entitlement to severance pay regardless of the duration of the term of office with the maximum amount of severance pay set in the amount equalling three monthly gross base salaries such as determined in the contract with a member of the Management Board.

A member of the Management Board who, after early termination of the relevant contract, joins a 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.

### 3.1.6. OTHER REMUNERATION

Management Board Members are further entitled to the following benefits or receipts:

- **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;
- under the same conditions and in the amount as applicable to Company employees, to **holiday allowance, long-service bonuses, reimbursement of travel expenses, meal allowance, holiday pay, sick leave or other legally determined absence which is subject to allowance;**
- **non-competition clause:** in the context of the act governing employment relationships, detailed rules are determined in the employment contract;
- **right to use a mobile phone for private purposes**, including the right to payment of fee or cost for calls or data transfer;
- right to **use a portable computer and/or tablet** for private purposes;
- 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);
- right to **reimbursement of all training and education costs** aimed to upgrade job effectiveness;
- right to **preventive medical examination for managers;**
- 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;
- right to use **costs for entertainment** in accordance with the business and financial plan and by ensuring spending traceability;

- right to the reimbursement of **membership fees in peer organisations**, related to the performance of the function as a member of a management body;
- 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 in the case liability is established by final decision;
- 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;
- right to **the reimbursement of costs needed for or related to the performance of function** under the conditions and in the amount as applicable to other Company employees, unless the amount for management body members is determined by a special regulation; this refers to: daily allowance for business trips, mileage, reimbursement of accommodation costs, reimbursement of commuting expenses, meal allowance;
- right to **paid leave**: a management body member should be entitled to it in the cases, duration and amount as applicable to the other Company employees;
- **special payments on holidays, such as Christmas bonus**: under the conditions and in the amount such as applicable to all other Company employees, subject to approval by the Supervisory Board;
- if the Company as an employer pays its employees a part of salary in respect of **business performance**, the same is paid to the Management Board members under the same conditions; payment is included in the variable remuneration and the variable remuneration is reduced by the amount already paid out.

### 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 the same logic and proportionate payment apply 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 and Supervisory Boards 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 of Management Board members are 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 to 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 will apply to all subsidiaries, whereby the guidelines to set remuneration for management bodies in subsidiaries abroad will take into account the specifics of the business environment in which such companies operate, as well as the specifics of the local legislation in this field.

### 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 delivers its 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 be operable in the period from 1 January 2022 onwards.

Supervisory Board President  
Dr. Janez Žlak

## Working papers to Item 4 of the Agenda

### 4. Appointment of the auditor to audit the Company's financial statements and review the business report for the financial years of 2022, 2023 and 2024

#### Resolution proposal:

##### 4.1.

Pricewaterhousecoopers d.o.o., Cesta v Kleče 15, 1000 Ljubljana is appointed as the Company auditor for the financial years of 2022, 2023 and 2024.

#### Substantiation:

Pursuant to Articles 297.a and 280 of the Companies Act (ZGD-1) and the Auditing Act, the Supervisory Board, based on the proposal by its Audit Committee, proposes the General Meeting to appoint Pricewaterhousecoopers d.o.o., Cesta v Kleče 15, 1000 Ljubljana ("PwC") as the auditor for the financial years of 2022, 2023 and 2024. PwC has proper experience in auditing the economic activities of the companies and it has references in Slovenia and abroad.

PwC is one of the first international advisory companies. Its history dates back to the nineteenth century. In Slovenia, PwC has provided professional services since 1993 and employs over 100 experts. PwC Slovenia is part of SEE, CEE and EMEIA regions. PwC offices in the SEE make up for the largest audit and advisory company in the region which works as a partnership. This allows PwC to draw on the expertise and experience of more than 700 extremely experienced experts at the level of the SEE region and enjoy the benefits delivered by the unique combination of local expertise and audit skills that meet the globally accepted standards. PwC has offices in 156 and more than 296,000 employees. In Slovenia, PwC offers its services to the leading Slovenian and international companies, including some of the major companies on the Slovenian market: Mercator, Telekom, Bank of Slovenia, Lek, Novartis. PwC's global clients in the oil and gas industry are Adiaplin, ExxonMobil Corp, Royal Dutch Shell plc, Saudi Aramco, Total SE, Chevron Corporation, SINOPEC and many others.

#### Explanation regarding the majority required to adopt the resolution proposal:

The resolution is adopted by a majority of the votes cast.

The resolution is proposed by the Supervisory Board.

## Working papers to Item 5 of the Agenda

### 5. Amendment of point 11.07. of the Articles of Association in accordance with the provision of the third paragraph of Article 297 of the Slovenian Companies Act (ZGD-1)

#### Resolution proposal:

##### 5.1.

With the aim to align the Company's Articles of Association with the provision of the third paragraph of Article 297 of the ZGD-1, point 11.07 of 11.00 GENERAL MEETING, Chapter IV. COMPANY BODIES, shall be amended to read as follows:

"Only those shareholders who have registered for participation in the General Meeting not later than at the end of the fourth day prior to the General Meeting, and who have been registered in the Central Book-Entry Securities Register as of the end of the *seventh* day prior to the General Meeting, shall be entitled to participate in the General Meeting and exercise their voting rights."

#### Substantiation:

Supplements and amendments of the third paragraph of Article 297 of the Slovenian Companies Act (ZGD-1) entered into effect on 24 February 2021, which now sets forth that only those shareholders who have been registered in the Central Book-Entry Securities Register as of the end of the *seventh* day prior to the General Meeting shall be entitled to participate in the General Meeting and exercise their voting rights. Point 11.07 of 11.00 GENERAL MEETING of Chapter IV. COMPANY BODIES of the effective Articles of Association of the Company determines that only those shareholders who have registered for participation in the General Meeting not later than at the end of the fourth day prior to the General Meeting, and who have been registered in the Central Book-Entry Securities Register as of the end of the *fourth* day prior to the General Meeting, shall be entitled to participate in the General Meeting and exercise their voting rights, which was in line with the previously effective provision of the third paragraph of Article 297 of the ZGD-1. The change of the relevant legal provision must be aligned accordingly in the Company's Articles of Association.

#### Attachments to item 5 of the Agenda:

- Clean copy of the Company's Articles of Association currently in effect, notarised by Notary Public, Bojan Podgoršek, ref. no. 1629/20 dated 29 December 2020

#### Explanation regarding the majority required to adopt the resolution proposal:

The resolution requires at least a three-quarter majority of the share capital represented to be passed.

The resolution is proposed by the Management Board and the Supervisory Board of the Company.

Pursuant to the Act on the Ownership Transformation of PETROL, podjetje za notranjo in zunanjo trgovino ter finančno poslovanje, r.o., Ljubljana, Dunajska c. 50 (fifty), on 27th June 1996 (the twenty-seventh of June, Nineteen Ninety-Six) the General Meeting of the company adopted the Articles of Association of the joint-stock company PETROL, Slovenska naftna družba, d.d., Ljubljana. Amendments to the Articles of Association were adopted at the 1st (first) General Meeting held on 4th April, 1997 (the fourth of April, Nineteen Ninety-Seven), the 2nd (second) General Meeting held on 21st November, 1997 (the twenty-first of November, Nineteen Ninety-Seven), the 9th (ninth) General Meeting held on 27th May, 2003 (the twenty-seventh of May, Two Thousand and Three), the 14th (fourteenth) General Meeting held on 14th March, 2006 (the fourteenth of March, Two Thousand and Six), the 15th (fifteenth) General Meeting held on 10th May, 2006 (the tenth of May, Two Thousand and Six), the 16th (sixteenth) General Meeting held on 16th May, 2007 (the sixteenth of May, Two Thousand and Seven), the 18th (eighteenth) General Meeting held on 7th April, 2009 (the seventh of April, Two Thousand and Nine), the 20th (twentieth) General Meeting held on 6th May, 2010 (the sixth of May, Two Thousand and Ten), the 21st (twenty-first) General Meeting held on 19th May, 2011 (the nineteenth of May, Two Thousand and Eleven), the 27th (twenty-seventh) General Meeting held on 10th April, 2017 (the tenth of April, Two Thousand and Seventeen), the 29th (twenty-ninth) General Meeting held on 18th April, 2019 (the eighteenth of April, Two Thousand and Nineteen), and the 32nd (thirty-second) General Meeting held on 28th December, 2020 (the twenty-eighth of December, Two Thousand and Twenty), so that the Company's Articles of Association now read as follows:

**ARTICLES OF ASSOCIATION**  
**OF THE JOINT STOCK COMPANY**  
**(consolidated text)**

**I. GENERAL PROVISIONS**

**01.00. ESTABLISHMENT AND LEGAL STATUS**

01.01. PETROL, Slovenska energetska družba, d.d., Ljubljana, Dunajska c. 50 (fifty), Ljubljana is entered in the register of companies/business register under the company identification number 5025796000 (hereinafter referred to as: the Company).

**02.00. NAME AND REGISTERED OFFICE**

02.01. The name of the Company is PETROL, Slovenska energetska družba, d.d., Ljubljana.

02.02. The abbreviated name of the Company is PETROL d.d., Ljubljana.

02.03. The Company's symbol and logo are integral parts of its name.

02.04. The Company's seals shall bear the Company's full or abbreviated name in addition to its symbol.

02.05. In its international operations, the Company may use, together with its Slovenian name, the English translation of the name which shall read »PETROL, Slovenian Energy Company, d.d., Ljubljana«.



02.06. The registered office of the Company is in Ljubljana and its principal place of business is at Dunajska cesta 50 (fifty). Any changes in the Company's principal place of business shall be decided on by the Management Board.

### **03.00. ACTIVITIES OF THE COMPANY**

03.01. The activities of the Company according to the Standard Classification of Activities include:

- 01.620 Support activities for animal production
- 02.400 Support services to forestry
- 06.100 Extraction of crude petroleum
- 06.200 Extraction of natural gas
- 08.120 Operation of gravel and sand pits; mining of clays and kaolin
- 08.910 Mining of chemical and fertiliser minerals
- 08.930 Extraction of salt
- 08.990 Other mining and quarrying n.e.c.
- 09.100 Support activities for petroleum and natural gas extraction
- 09.900 Support activities for other mining and quarrying
- 10.110 Processing and preserving of meat
- 10.120 Processing and preserving of poultry meat
- 10.130 Production of meat and poultry meat products
- 10.200 Processing and preserving of fish, crustaceans and molluscs
- 10.310 Processing and preserving of potatoes
- 10.320 Manufacture of fruit and vegetable juice
- 10.390 Other processing and preserving of fruit and vegetables
- 10.520 Manufacture of ice cream
- 10.710 Manufacture of bread; manufacture of fresh pastry goods and cakes
- 10.720 Manufacture of rusks and biscuits; manufacture of preserved pastry goods and cakes
- 10.730 Manufacture of macaroni, noodles, couscous and similar farinaceous products
- 10.820 Manufacture of cocoa, chocolate and sugar confectionery
- 10.830 Processing of tea and coffee
- 10.850 Manufacture of prepared meals and dishes
- 10.860 Manufacture of homogenised food preparations and dietetic food
- 10.890 Manufacture of other food products
- 11.010 Distilling, rectifying and blending of spirits
- 11.020 Manufacture of wine from grape
- 11.030 Manufacture of cider and other fruit wines
- 11.040 Manufacture of other non-distilled fermented beverages
- 11.050 Manufacture of beer
- 11.070 Manufacture of soft drinks; production of mineral waters and other bottled waters
- 13.300 Finishing of textiles
- 17.230 Manufacture of paper stationery
- 18.120 Other printing
- 18.200 Reproduction of recorded media

19.100 Manufacture of coke oven products  
19.200 Manufacture of refined petroleum products  
20.110 Manufacture of industrial gases  
20.120 Manufacture of dyes and pigments  
20.140 Manufacture of other organic basic chemicals  
20.150 Manufacture of fertilisers and nitrogen compounds  
20.160 Manufacture of plastics in primary forms  
20.410 Manufacture of soap and detergents, cleaning and polishing preparations  
20.420 Manufacture of perfumes and toilet preparations  
20.590 Manufacture of other chemical products  
22.110 Manufacture of rubber tyres and tubes; retreading and rebuilding of rubber tyres  
22.220 Manufacture of plastic packing goods  
22.290 Manufacture of other plastic products  
23.440 Manufacture of other technical ceramic products  
24.330 Cold forming or folding  
25.110 Manufacture of metal structures and parts of structures  
25.290 Manufacture of other tanks, reservoirs and containers of metal  
25.620 Machining  
25.731 Manufacture of hand tools  
25.732 Manufacture of other tools  
25.910 Manufacture of steel drums and similar containers  
25.990 Manufacture of other fabricated metal products  
26.110 Manufacture of electronic components  
26.200 Manufacture of computers and peripheral equipment  
26.300 Manufacture of communication equipment  
26.510 Manufacture of instruments and appliances for measuring, testing and navigation  
26.520 Manufacture of watches and clocks  
26.700 Manufacture of optical instruments and photographic equipment  
27.110 Manufacture of electric motors, generators and transformers  
27.120 Manufacture of electricity distribution and control apparatus  
27.330 Manufacture of wiring devices  
27.400 Manufacture of electric lighting equipment  
27.900 Manufacture of other electrical equipment  
28.110 Manufacture of engines and turbines, except aircraft, vehicle and cycle engines  
28.120 Manufacture of fluid power equipment  
28.130 Manufacture of other pumps and compressors  
28.140 Manufacture of other taps and valves  
28.290 Manufacture of other general-purpose machinery  
28.490 Manufacture of other machine tools  
28.940 Manufacture of machinery for textile, apparel and leather production  
28.960 Manufacture of plastics and rubber machinery  
28.990 Manufacture of other special-purpose machinery  
29.100 Manufacture of motor vehicles  
29.200 Manufacture of bodies (coachwork) for motor vehicles; manufacture of trailers and semi-trailers

29.310 Manufacture of electrical and electronic equipment for motor vehicles  
29.320 Manufacture of other parts and accessories for motor vehicles  
30.200 Manufacture of railway locomotives and rolling stock  
30.910 Manufacture of motorcycles  
32.500 Manufacture of medical and dental instruments and supplies  
32.990 Other manufacturing  
33.110 Repair of fabricated metal products  
33.120 Repair of machinery  
33.130 Repair of electronic and optical equipment  
33.140 Repair of electrical equipment  
33.190 Repair of other equipment  
33.200 Installation of industrial machinery and equipment  
35.111 Production of electricity in HE generation facilities  
35.112 Production of electricity in thermal power stations  
35.119 Other production of electricity  
35.120 Transmission of electricity  
35.130 Distribution of electricity  
35.140 Trade of electricity  
35.210 Manufacture of gas  
35.220 Distribution of gaseous fuels through mains  
35.230 Trade of gas through mains  
35.300 Steam and air conditioning supply  
36.000 Water collection, treatment and supply  
37.000 Sewerage  
38.110 Collection of non-hazardous waste  
38.120 Collection of hazardous waste  
38.210 Treatment and disposal of non-hazardous waste  
38.220 Treatment and disposal of hazardous waste  
38.310 Dismantling of wrecks  
38.320 Recovery of sorted materials  
39.000 Remediation activities and other waste management services  
41.100 Development of building projects  
41.200 Construction of residential and non-residential buildings  
42.110 Construction of roads and motorways  
42.120 Construction of railways and underground railways  
42.130 Construction of bridges and tunnels  
42.210 Construction of utility projects for fluids  
42.220 Construction of utility projects for electricity and telecommunications  
42.910 Construction of water projects  
42.990 Construction of other civil engineering projects  
43.110 Demolition  
43.120 Site preparation  
43.130 Test drilling and boring  
43.210 Electrical installation  
43.220 Plumbing, heat and air-conditioning installation  
43.290 Other construction installation

43.310 Plastering  
43.320 Joinery installation  
43.330 Floor and wall covering  
43.341 Glazing  
43.342 Painting  
43.390 Other building completion and finishing  
43.910 Roofing activities  
43.990 Other specialised construction activities  
45.110 Sale of cars and light motor vehicles  
45.190 Sale of other motor vehicles  
45.200 Maintenance and repair of motor vehicles  
45.310 Wholesale trade of motor vehicle parts and accessories  
45.320 Retail trade of motor vehicle parts and accessories  
45.400 Sale, maintenance and repair of motorcycles and related parts and accessories  
46.110 Agents involved in the sale of agricultural raw materials, live animals, textile raw materials and semi-finished goods  
46.120 Agents involved in the sale of fuels, ores, metals and industrial chemicals  
46.130 Agents involved in the sale of timber and building materials  
46.140 Agents involved in the sale of machinery, industrial equipment, ships and aircraft  
46.150 Agents involved in the sale of furniture, household goods, hardware and ironmongery  
46.160 Agents involved in the sale of textiles, clothing, fur, footwear and leather goods  
46.170 Agents involved in the sale of food, beverages and tobacco  
46.180 Agents specialised in the sale of other particular products  
46.190 Agents involved in the sale of a variety of goods  
46.210 Wholesale of grain, unmanufactured tobacco, seeds and animal feeds  
46.220 Wholesale of flowers and plants  
46.230 Wholesale of live animals  
46.240 Wholesale of hides, skins and leather  
46.310 Wholesale of fruit and vegetables  
46.320 Wholesale of meat and meat products  
46.330 Wholesale of dairy products, eggs and edible oils and fats  
46.340 Wholesale of beverages  
46.350 Wholesale of tobacco products  
46.360 Wholesale of sugar and chocolate and sugar confectionery  
46.370 Wholesale of coffee, tea, cocoa and spices  
46.380 Wholesale of other food, including fish, crustaceans and molluscs  
46.390 Non-specialised wholesale of food, beverages and tobacco  
46.410 Wholesale of textiles  
46.420 Wholesale of clothing and footwear  
46.430 Wholesale of electrical household appliances  
46.440 Wholesale of china and glassware and cleaning materials  
46.450 Wholesale of perfume and cosmetics  
46.460 Wholesale of pharmaceutical goods  
46.470 Wholesale of furniture, carpets and lighting equipment

46.480 Wholesale of watches and jewellery  
46.490 Wholesale of other household goods  
46.510 Wholesale of computers, computer peripheral equipment and software  
46.520 Wholesale of electronic and telecommunications equipment and parts  
46.610 Wholesale of agricultural machinery, equipment and supplies  
46.620 Wholesale of machine tools  
46.630 Wholesale of mining, construction and civil engineering machinery  
46.640 Wholesale of machinery for the textile industry and of sewing and knitting machines  
46.650 Wholesale of office furniture  
46.660 Wholesale of other office machinery and equipment  
46.690 Wholesale of other machinery and equipment  
46.710 Wholesale of solid, liquid and gaseous fuels and related products  
46.720 Wholesale of metals and metal ores  
46.730 Wholesale of wood, construction materials and sanitary equipment  
46.740 Wholesale of hardware, plumbing and heating equipment and supplies  
46.750 Wholesale of chemical products  
46.760 Wholesale of other intermediate products  
46.770 Wholesale of waste and scrap  
46.900 Non-specialised wholesale trade  
47.110 Retail sale in non-specialised stores with food, beverages or tobacco predominating  
47.190 Other retail sale in non-specialised stores  
47.210 Retail sale of fruit and vegetables in specialised stores  
47.220 Retail sale of meat and meat products in specialised stores  
47.230 Retail sale of fish, crustaceans and molluscs in specialised stores  
47.240 Retail sale of bread, cakes, flour confectionery and sugar confectionery in specialised stores  
47.250 Retail sale of beverages in specialised stores  
47.260 Retail sale of tobacco products in specialised stores  
47.290 Other retail sale of food in specialised stores  
47.301 Retail sale of own automotive fuel in specialized stores  
47.302 Agents involved in retail sale of automotive fuel in specialized stores  
47.410 Retail sale of computers, peripheral units and software in specialised stores  
47.420 Retail sale of telecommunications equipment in specialised stores  
47.430 Retail sale of audio and video equipment in specialised stores  
47.510 Retail sale of textiles in specialised stores  
47.520 Retail sale of hardware, paints and glass in specialised stores  
47.530 Retail sale of carpets, rugs, wall and floor coverings in specialised stores  
47.540 Retail sale of electrical household appliances in specialised stores  
47.590 Retail sale of furniture, lighting equipment and other household articles in specialised stores  
47.610 Retail sale of books in specialised stores  
47.621 Retail sale of newspapers in specialized stores  
47.622 Retail sale of stationery in specialized stores  
47.630 Retail sale of music and video recordings in specialised stores



47.640 Retail sale of sporting equipment in specialised stores  
47.650 Retail sale of games and toys in specialised stores  
47.710 Retail sale of clothing in specialised stores  
47.720 Retail sale of footwear and leather goods in specialised stores  
47.730 Dispensing chemist in specialised stores  
47.740 Retail sale of medical and orthopaedic goods in specialised stores  
47.750 Retail sale of cosmetic and toilet articles in specialised stores  
47.761 Retail sale in florists shops  
47.762 Retail sale of gardening material, pet animals and pet food in specialized stores  
47.770 Retail sale of watches and jewellery in specialised stores  
47.781 Activities of opticians  
47.782 Retail sale services of commercial art galleries  
47.789 Other retail sale of new goods in specialized stores  
47.790 Retail sale of second-hand goods in stores  
47.810 Retail sale via stalls and markets of food, beverages and tobacco products  
47.820 Retail sale via stalls and markets of textiles, clothing and footwear  
47.890 Retail sale via stalls and markets of other goods  
47.910 Retail sale via mail order houses or via Internet  
47.990 Other retail sale not in stores, stalls or markets  
49.200 Freight rail transport  
49.310 Urban and suburban passenger land transport  
49.320 Taxi operation  
49.391 Interurban and other road passenger transport  
49.410 Freight transport by road  
49.420 Removal services  
49.500 Transport via pipeline  
50.200 Sea and coastal freight water transport  
50.400 Inland freight water transport  
52.100 Warehousing and storage  
52.210 Service activities incidental to land transportation  
52.220 Service activities incidental to water transportation  
52.230 Service activities incidental to air transportation  
52.240 Cargo handling  
52.290 Other transportation support activities  
53.100 Postal activities under universal service obligation  
53.200 Other postal and courier activities  
55.100 Hotels and similar accommodation  
55.201 Children and other holiday homes  
55.202 Tourist farm houses with lodging  
55.203 Letting of private tourist rooms  
55.204 Mountain refuges and youth hostels  
55.209 Other short-stay accommodation  
55.300 Camping grounds, recreational vehicle parks and trailer parks  
56.101 Restaurants and inns  
56.102 Snack bars and similar  
56.103 Sweetshops and coffee-houses

56.104 Provisory food-serving stands  
56.105 Tourist farm houses without lodging  
56.210 Event catering activities  
56.290 Other food service activities  
56.300 Beverage serving activities  
58.110 Book publishing  
58.120 Publishing of directories and mailing lists  
58.130 Publishing of newspapers  
58.140 Publishing of journals and periodicals  
58.190 Other publishing activities  
58.210 Publishing of computer games  
58.290 Other software publishing  
59.110 Motion picture, video and television programme production activities  
59.120 Motion picture, video and television programme post-production activities  
59.130 Motion picture, video and television programme distribution activities  
59.140 Motion picture projection activities  
59.200 Sound recording and music publishing activities  
60.100 Radio broadcasting  
60.200 Television programming and broadcasting activities  
61.100 Wired telecommunications activities  
61.200 Wireless telecommunications activities  
61.300 Satellite telecommunications activities  
61.900 Other telecommunications activities  
62.010 Computer programming activities  
62.020 Computer consultancy activities  
62.030 Computer facilities management activities  
62.090 Other information technology and computer service activities  
63.110 Data processing, hosting and related activities  
63.120 Web portals  
63.990 Other information service activities  
64.190 Other monetary intermediation  
64.200 Activities of holding companies  
64.300 Trusts, funds and similar financial entities  
64.910 Financial leasing  
64.920 Other credit granting  
64.990 Other financial service activities, except insurance and pension funding  
65.110 Life insurance  
65.120 Non-life insurance  
65.200 Reinsurance  
65.300 Pension funding  
66.110 Administration of financial markets  
66.120 Security and commodity contracts brokerage  
66.190 Other activities auxiliary to financial services, except insurance and pension funding  
66.210 Risk and damage evaluation  
66.220 Activities of insurance agents and brokers

66.290 Other activities auxiliary to insurance and pension funding  
66.300 Fund management activities  
68.100 Buying and selling of own real estate  
68.200 Renting and operating of own or leased real estate  
68.310 Real estate agencies  
68.320 Management of real estate on a fee or contract basis  
69.103 Other legal activities  
69.200 Accounting, bookkeeping and auditing activities; tax consultancy  
70.100 Activities of head offices  
70.210 Public relations and communication activities  
70.220 Business and other management consultancy activities  
71.111 Architectural planning  
71.112 Landscape architecture, urban and other planning  
71.129 Other engineering activities and related technical consultancy  
71.200 Technical testing and analysis  
72.110 Research and experimental development on biotechnology  
72.190 Other research and experimental development on natural sciences and engineering  
72.200 Research and experimental development on social sciences and humanities  
73.110 Advertising agencies  
73.120 Media representation  
73.200 Market research and public opinion polling  
74.100 Specialised design activities  
74.200 Photographic activities  
74.300 Translation and interpretation activities  
74.900 Other professional, scientific and technical activities  
77.110 Renting and leasing of cars and light motor vehicles  
77.120 Renting and leasing of trucks  
77.210 Renting and leasing of recreational and sports goods  
77.220 Renting of video tapes and disks  
77.290 Renting and leasing of other personal and household goods  
77.310 Renting and leasing of agricultural machinery and equipment  
77.320 Renting and leasing of construction and civil engineering machinery and equipment  
77.330 Renting and leasing of office machinery and equipment (including computers)  
77.340 Renting and leasing of water transport equipment  
77.350 Renting and leasing of air transport equipment  
77.390 Renting and leasing of other machinery, equipment and tangible goods  
77.400 Leasing of intellectual property and similar products, except copyrighted works  
78.100 Activities of employment placement agencies  
78.200 Temporary employment agency activities  
78.300 Other human resources provision  
79.110 Travel agency activities  
79.120 Tour operator activities  
79.900 Other reservation service and related activities  
80.100 Private security activities

80.200 Security systems service activities  
80.300 Investigation activities  
81.100 Combined facilities support activities  
81.210 General cleaning of buildings  
81.220 Other building and industrial cleaning activities  
81.290 Other cleaning activities  
82.110 Combined office administrative service activities  
82.190 Photocopying, document preparation and other specialised office support activities  
82.200 Activities of call centres  
82.300 Organisation of conventions and trade shows  
82.910 Activities of collection agencies and credit bureaus  
82.920 Packaging activities  
82.990 Other business support service activities  
84.250 Fire service activities  
85.510 Sports and recreation education  
85.520 Cultural education  
85.590 Other education  
85.600 Educational support activities  
87.300 Residential care activities for the elderly and disabled  
88.109 Other social work activities without accommodation for the elderly and disabled  
88.910 Child day-care activities  
88.991 Activity of humanitarian and charity organisations  
88.999 Other social work activities without accommodation  
90.010 Performing arts  
90.020 Support activities to performing arts  
90.030 Artistic creation  
90.040 Operation of arts facilities  
91.011 Library activities  
91.012 Archives activities  
91.020 Museums activities  
92.001 Activities of casinos  
92.002 Other gambling and betting activities  
93.110 Operation of sports facilities  
93.120 Activities of sport clubs  
93.130 Fitness facilities  
93.190 Other sports activities  
93.210 Activities of amusement parks and theme parks  
93.291 Operation of marinas  
93.292 Operation of ski hills  
93.299 Other amusement and recreation activities  
95.110 Repair of computers and peripheral equipment  
95.120 Repair of communication equipment  
95.210 Repair of consumer electronics  
95.220 Repair of household appliances and home and garden equipment

95.230 Repair of footwear and leather goods  
95.250 Repair of watches, clocks and jewellery  
95.290 Repair of other personal and household goods  
96.010 Washing and (dry-) cleaning of textile and fur products  
96.021 Hairdressing  
96.022 Other beauty treatment  
96.040 Physical well-being activities  
96.090 Other personal service activities

03.02. In addition to the activities specified under paragraph 03.01., the Company may also engage in other activities necessary for its existence and the performance of its principal activities.

03.03. In the event of its failure to fulfil the conditions for the performance of all its registered activities, the Company shall engage solely in those activities for which it fulfils the required conditions, and shall begin to perform the remaining activities after it has fulfilled the conditions for the performance thereof.

## **II. SHARE CAPITAL AND SHARES**

### **04.00. SHARE CAPITAL, NUMBER AND TYPES OF SHARES**

04.01. The Company's share capital amounts to EUR 52,240,977,04 (fifty-two million, two hundred and forty thousand, nine hundred and seventy-seven euros and four cents) and is divided into 2,086,301 (two million, eighty-six thousand, three hundred and one) ordinary registered no-par value shares.

04.02. Ordinary shares are shares which entitle their holders to:

04.02.01. participate in the management of the Company,

04.02.02. a share in the profit (dividend),

04.02.03. a proportional share of the assets remaining after the Company's liquidation or bankruptcy.

04.03. All the shares form a single share class within the meaning of Article 177 of the Companies Act (ZGD-1) and are issued in dematerialised form.

04.04. All the shares have been paid up in full.

04.05. In relation to the Company, a shareholder is a person registered as a shareholder in the central register of book-entry securities kept by the clearing and depository house..

### **05.00. TRANSFER OF SHARES**

05.01. The shares are transferred by transfer between the holders' accounts in the central register of book-entry securities kept by the clearing and depository house.

05.02. Shares shall be freely transferable unless otherwise provided by law or these Articles of Association.



05.03. Any acquisition of the Company's registered shares by means of which an individual shareholder would attain or exceed, directly or jointly with controlled (affiliated) companies, together with the shares held by the same shareholder prior to the acquisition, a 25% (twenty-five percent) holding in the Company's share capital (controlling stake) shall be subject to the prior approval of the Government of the Republic of Slovenia in accordance with the provisions of the Energy Act.

05.04. The provision of the previous paragraph of these Articles of Association shall apply for as long as the Company is engaged as a commercial public service in power supply activities according to the provisions of the Energy Act.

#### **06.00. ACQUISITION OF OWN SHARES**

06.01. The Company may acquire its own shares provided that: (a) the full issue amount has been paid for these shares and (b) that reserves are formed for the purpose of acquiring own shares without reducing the share capital or legal or statutory reserves, in accordance with the law.

06.02. The Company may acquire its own shares only for the purposes set out in the provision of Article 247 of the Companies Act (ZGD-1) and for remuneration of the Management Board and the Supervisory Board.

### **III. INCREASE AND DECREASE IN SHARE CAPITAL**

#### **07.00. INCREASE IN SHARE CAPITAL**

07.01. Any increase in the share capital by means of a new issue of shares, and the types and classes of shares, shall be decided by the General Meeting with a 3/4 (three-quarters) majority vote of share capital represented in the voting. The existing shareholders shall have the pre-emptive right of subscription to new shares in proportion to their holdings in the share capital of the Company. The pre-emptive right may be excluded only on the basis of a decision of the General Meeting adopted with a 3/4 (three-quarters) majority vote of the share capital represented in the voting.

07.02. Unless otherwise provided by law, within the time limit specified in the relevant decision on the increase of share capital adopted by the General Meeting, the Management Board of the Company shall announce the issue of new shares in a daily newspaper and invite the existing shareholders to subscribe and pay for the new shares in proportion to their existing shareholdings. The existing shareholders must subscribe the newly issued shares not later than 30 (thirty) days after the announcement of share issue in a daily newspaper, unless otherwise provided in the relevant decision on the issue of shares or by law.

07.03. Shareholders shall exercise their pre-emptive right by sending a written statement to that effect to the Management Board of the Company within the time limit specified in the decision on share issue. If the existing shareholders do not exercise their pre-emptive rights within the specified time limit and do not subscribe the issued shares, the Management Board shall be free to call on third parties to subscribe and pay for the shares.

07.04. The share issue procedure and the conditions for share subscription and payment are laid down by law or a relevant decision on the issue of new shares adopted by the General Meeting.

07.05. The increase in share capital shall take effect on the date of its entry in the court register.

07.06. The General Meeting may decide with an ordinary majority that the share capital of the Company shall be increased by reassigning other capital items of the Company to the share capital in accordance with the law.

07.07. The decision on the increase in share capital referred to in the previous paragraph shall be based on the audited last annual balance sheet.

07.08. In the above-mentioned case the existing shareholders shall be entitled to new shares in proportion to their holdings in the Company's share capital.

07.09. In the case of the increase in share capital from the Company's reserves, the value of the reserves must not fall below the legally determined minimum level.

#### **08.00. DECREASE IN SHARE CAPITAL**

08.01. The Company may decrease its share capital if so required by law or by decision of the General Meeting adopted with a 3/4 (three-quarters) majority of share capital represented in the voting. The decision shall state the reasons for and the purpose of the decrease, as well as the manner in which the share capital is to be decreased.

### **IV. COMPANY BODIES**

#### **09.00. MANAGEMENT BOARD**

09.01. The Company is managed and represented by the Management Board, which has a minimum of three and a maximum of six members, one of whom is always the Worker Director. One member of the Management Board is the President of the Management Board and the rest are members of the Management Board, whereby the Worker Director cannot be the President of the Management Board. The exact number of members of the Management Board, their scope of work and responsibilities, shall be determined by a decision of the Company's Supervisory Board upon the proposal of the President of the Management Board.

09.02. The Management Board may validly decide if a majority of its members are present at the meeting. The Management Board shall take a decision on an individual issue by a majority of the votes cast by members. Each member of the Management Board shall have one vote. In the event of a tied vote, the President of the Management Board shall have the casting vote.

09.03 As a member of the Management Board, the Worker Director shall participate in decision-making only in connection with issues relating to the formulation of personnel and social policy.

09.04. The Supervisory Board shall appoint and recall the President of the Management Board and other members of the Management Board. The Supervisory Board shall appoint other members of the Management Board, with the exception of the Worker Director, on a proposal from the President of the Management Board. A member of the Management Board shall hold at least a bachelor's or master's degree from a relevant university (Bologna 2nd Cycle Degree), and shall have five years of appropriate work experience in managerial positions and suitable knowledge and organisational skills to manage the company. Further, the member shall demonstrate professional and personal integrity.

09.05. The members of the Management Board shall be elected for a term of office of 5 (five) years and may be re-elected.

09.06. The Management Board may grant power of procurement.

09.07. The Supervisory Board may recall the members of the Management Board prior to the expiration of their term for the reasons set out in the provision of the 2nd Paragraph of Article 268 of the Companies Act (ZGD-1).

09.08. In the event of early termination of the contract of employment, a member of the Management Board is entitled to receive severance pay in accordance with the law and/or general meeting resolution, the amount of which is defined in the relevant contract. A member of the Management Board is not entitled to severance pay if the contract has been prematurely terminated by reasons of the member's serious breach of obligations or his incapability of business conduct, or if the General Meeting passes a vote of no-confidence (except where the vote of no-confidence has been passed for clearly unsubstantial reasons), or if the member has terminated the contract himself.

09.09. The Management Board shall adopt rules of procedure to regulate its work.

09.10. The Company is jointly represented by the President of the Management Board and a member of the Management Board (i.e. four eyes principle). In the event that the Management Board grants a power of procuration in accordance with the provision of Item 09.06, the holder of procuration may represent the Company only together with the President of the Management Board.

09.11. Notwithstanding the provision of Item 09.10 (zero nine ten), the Management Board of the Company requires the consent of the Supervisory Board for the conclusion of the following transactions:

09.11.01. transactions on the basis of which the Company acquires or disposes of its own shares;

09.11.02. transactions in the amount of over EUR 1,000,000.00, on the basis of which the Company acquires or disposes of shareholdings or shares of companies, whereby, in order to avoid doubt, transactions related to the acquisition of shareholdings or shares also include transactions related to the Company's participation in the recapitalisation process of another company;

09.11.03. transactions on the basis of which the Company establishes or terminates (i.e. liquidates) any company and/or business unit;

09.11.04. transactions on the basis of which the Company borrows or approves a loan over EUR 2,000,000.00, except for such transactions concluded between the Company and its subsidiaries and borrowing operations of the Company in amounts as included in the Company's borrowing plan, which is approved by the Supervisory Board of the Company. For the avoidance of doubt, a series of several consecutive loans taken out by the Company from the same lender or granted by the Company to the same borrower shall be considered as a single loan, whereby affiliated companies in the sense of the provision of Article 527 of ZGD-1 shall also be considered the same lender.

09.11.05. individual transactions of purchases or sales of long-term intangible, tangible fixed assets and investment property of the Company, for the amount exceeding EUR 5,000,000.00. For the avoidance of doubt, a set of several interconnected transactions shall also be considered as a single transaction, in particular insofar as they represent a single investment or are part of a single investment programme;

09.11.06. transactions on the basis of which the Company (a) establishes a mortgage, building right or any other encumbrance on immovable property owned by the Company, with the exception of transactions establishing (quasi or true) real easements (i) to the benefit of public and private operators for the purpose of servicing the Company's immovable property or (ii) to the benefit of the state or a municipality or of a public service operator; or (b) establishes a lien or otherwise encumbers other fixed assets or intangible assets of the Company;

09.11.07. granting a power of procuration;

09.11.08. other transactions, if so decided by the Supervisory Board of the Company by decision.

09.12. The provision of Item 9.11 applies mutatis mutandis to transactions entered into by subsidiaries in the course of their operations and in respect of which the consent of the Company's Management Board must be obtained prior to the conclusion. If the Management Board of the Company is requested by the management of any subsidiary to give its consent to the conclusion of the transaction referred to in Items 9.11.01 to 9.11.07 (where the term Company is replaced mutatis mutandis by the term subsidiary), the Management Board must obtain the prior consent of the Company's Supervisory Board before granting such consent.

09.13. The mutual rights, obligations and responsibilities between the members of the Management Board and the Company shall be set out in detail in an agreement concluded on behalf of the Company by the President of the Supervisory Board.

09.14. As remuneration for their work, the members of the Management Board may be entitled to participate in the Company's profit for appropriation, which may be paid out in the form of shares, in accordance with a proposal of the Supervisory Board and a relevant decision adopted by the General Meeting.

09.15. Besides reporting on the Company's transactions, for which the Management Board requires the consent of the Supervisory Board, the Management Board shall regularly, timely and comprehensively inform the Supervisory Board on all other important matters relating to the Company's operations, compliance with its strategies and risk management and on all measures taken in this regard. When submitting data to the Supervisory Board, the Management Board shall observe high standards of confidentiality and information security.

## **10.00. SUPERVISORY BOARD**

10.01. The Supervisory Board shall comprise 9 (nine) members. All members of the Supervisory Board of the Company shall have the same rights and obligations unless otherwise provided in these Articles of Association.

10.02. Three members of the Supervisory Board under the previous paragraph of these Articles of Association shall be representatives of the employees of the Company elected by the Workers' Council. Other members of the Supervisory Board (6) shall be appointed by the General Meeting of Shareholders by a simple majority of votes of the shareholders present.

10.03. The members of the Supervisory Board shall be elected for a term of 4 (four) years and may be re-elected.

10.04. The Supervisory Board shall elect from among its members a President and a Deputy President. The President is always a representative of the shareholders.

10.05. The President convenes and chairs the meetings of the Supervisory Board and is authorised to declare the will of the Supervisory Board and to publish its decisions.

10.06 The President of the Supervisory Board represents (a) the Company in relation to the Management Board; and (b) the Supervisory Board vis-à-vis the Company's Management Board and third parties, unless otherwise specified in each specific case.

10.07. Meetings of the Supervisory Board shall be convened by the President at his/her discretion, or on the initiative of any member of the Supervisory Board or on the initiative of the Management Board.

10.08. The Supervisory Board shall adopt decisions at its meetings. The Supervisory Board may adopt decisions in writing, by telephone, telegraph or similar technical equipment, provided none of its members oppose such manner of decision-making.

10.09. The Supervisory Board has a quorum if at least 2/3 (two-thirds) of the members of the Supervisory Board are present at the meeting..

10.10. The Supervisory Board shall adopt decisions with a majority of votes cast by the members present at a meeting. In the event of a tied vote, the President of the Supervisory Board shall have the casting vote.

10.11. A decision on the early recall of members of the Supervisory Board representing shareholders shall be adopted with a 3/4 (three-quarters) majority of votes present at a General Meeting, while the conditions for the recall of members of the Supervisory Board representing the employees shall be determined by the Workers' Council in a general act.

If the term of a member of the Supervisory Board is terminated for any reason whatsoever, elections for his/her replacement shall be held at the next General Meeting, and the term of the newly elected member of the Supervisory Board shall end on the date when the term of the member being replaced would have ended.

A member of the Supervisory Board may resign from the position as a member of the Supervisory Board 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. Exceptionally, a member of the Supervisory Board may resign without notice, in the case of objectively justified reasons (e.g. prolonged illness or absence, potential conflict of interest) specified in the resignation..

10.12. In return for their work, the members of the Supervisory Board shall be entitled to receive remuneration for duties performed, attendance fees and reimbursement of costs in connection with their work for the Supervisory Board. The exact amounts of payments shall be determined in a resolution adopted by the General Meeting.

10.13. The Supervisory Board shall regulate in detail the manner and conditions of its work in its rules of procedure.

## **11.00. GENERAL MEETING**

11.01. Shareholders shall exercise their rights relating to the Company at General Meetings.

11.02. During voting at General Meetings each share shall confer an entitlement to one vote.

11.03. General Meetings shall be convened when this is in the interest of the Company or when so required by law or these Articles of Association.

11.04. A General Meeting shall be convened by the Management Board of the Company on its own initiative, at the request of the Supervisory Board, or at the written request of the company's shareholders whose total interest accounts for one-twentieth of the company's share capital. The request of a shareholder demanding the convening of the General Meeting shall be accompanied by a written proposal of the agenda, a resolution proposal regarding each item on the agenda on which



the General Meeting is to decide, or, if for a particular item on the agenda the General Meeting does not adopt a resolution, an explanation regarding this item.

11.05. The notice convening the General Meeting with the content required by the regulations shall be published at least 30 days before the day of the General Meeting on: (a) the AJPES website or a journal published in the entire territory of the Republic of Slovenia; (b) the Company's website; and (c) in the manner required by any legislation for companies such as the Company, taking into account the possibility of rapid access to this information on a non-discriminatory basis.

11.06. Notwithstanding the provision of Clause 11.04 of these Articles of Association, a General Meeting with contents as required by law may also be convened by means of registered mail sent to all shareholders whose names and addresses are found in the valid Register of Shareholders. In such a case, the day of sending the mail shall be deemed to be the day of the announcement of the General Meeting.

11.07. Only those shareholders who have registered for participation in the General Meeting not later than at the end of the fourth day prior to the General Meeting, and who have been registered in the Central Book-Entry Securities Register as of the end of the fourth day prior to the General Meeting, shall be entitled to participate in the General Meeting and exercise their voting rights.

11.08. The Management Board shall, not later than on the 14<sup>th</sup> day prior to the General Meeting, notify in writing (by registered mail with acknowledgement of receipt) financial organisations, associations of shareholders, other persons specified by law and those shareholders whose interest in the total share capital of the Company accounts for at least a 5% (five percent), of the convening of a General Meeting, amendments to the agenda, shareholders' proposals or electoral proposals, together with explanations and other relevant information. If the Company has published the above-mentioned information on its website, it is sufficient to state in its written notification the website address on which these information is accessible.

11.09. As a rule, General Meetings shall be held in the place where the Company's registered office is located. The Management Board may, with the consent of the Supervisory Board, determine in the notice convening the General Meeting that shareholders may attend the General Meeting and vote at the General Meeting by electronic means without physical presence (electronic General Meeting). Members of management or supervisory bodies may participate in the General Meeting by transmitting an image and tone in an electronic General Meeting in accordance with the fourth paragraph of Article 297 of ZGD-1 and in other cases determined by the General Meeting Rules of Procedure.

The following rules must be observed when conducting an electronic General Meeting:

- the technical solution must ensure the transmission of the image and tone of the entire General Meeting in real time,
- the Company must provide the conditions and method for establishing the identity of shareholders or their proxies in a manner proportionate to the objective of the electronic General Meeting, which is to facilitate the exercise of shareholders' voting rights in a secure manner,
- the technical solution must be such as to enable shareholders to vote on General Meeting proposals, to submit counter-proposals (including procedural ones) and to make a statement announcing the challenge of decisions in real time,
- the technical solution must enable shareholders to ask questions and participate in the discussion in real time. The Company's Management Board may, in the rules of procedure referred to in the third paragraph of this Article, make the exercise of the rights referred to in this indent conditional on the shareholder announcing the exercise of these rights to the Company at least 1 day before the General Meeting,
- the technical solution must ensure secure electronic communication.

The Management Board of the Company is authorised to determine more detailed rules of procedure for participation and voting at the electronic General Meeting and other aspects of conducting the electronic General Meeting and to publish them on the Company's website and/or in the notice convening the General Meeting of shareholders.

11.10. A General Meeting shall adopt valid decisions if more than 15% (fifteen percent) of the votes are present at the meeting (first convening).

11.11. If a quorum is not achieved upon the first convening of the General Meeting, a new meeting shall be convened, as a rule on the same day, two hours later and with the same agenda. Decisions adopted at the newly convened meeting shall be valid irrespective of the amount of share capital represented, which is to be explicitly stated in the notice (second convening).

11.12. The General Meeting shall adopt decisions with a majority of votes cast, unless otherwise provided by law or these Articles of Association.

11.13. The General Meeting shall adopt decisions with a 3/4 (three-quarters) majority of share capital represented, primarily on the following matters:

11.13.01. amendments to the Articles of Association,

11.13.02. decrease in share capital (including conditional increase),

11.13.03. approved increase in share capital,

11.13.04. changes in status and the dissolution of the Company,

11.13.05. the exclusion of pre-emptive rights of shareholders in a new share issue,

11.13.06. the recall of members of the Supervisory Board prior to the expiry of their term,

11.13.07. other cases determined by law or these Articles of Association.

11.14. At the General Meeting, shareholders may also exercise their rights deriving from shares by a proxy. The authorisation shall be submitted in writing to the company and shall be stored by it.

11.15. Notwithstanding the provision of Clause 11.14., shareholders may also authorise a proxy to represent them at the General Meeting by means of electronic media. The authorisation form is available on the company's website. It may be sent by electronic mail to the address defined in each notice to convene a General Meeting, in a scanned form as attachment, and shall contain a personal signature of a natural person, or, in the case of a legal entity, a personal signature of a representative and a stamp/seal if used by such a legal entity. The company is entitled to verify the identity of a shareholder or a person who submits the authorisation by e-mail, as well as the authenticity of their signatures.

11.16. In the same manner and form as defined in Clause 11.15. herein, shareholders may submit to the company a request for an additional item on the agenda and resolution proposals to particular items on the agenda, including electoral proposals. The company is entitled to verify the identity of a shareholder or a person who submits a request or proposal by e-mail, as well as the authenticity of their signatures.

11.17. The General Meeting shall regulate its work in more detail in its rules of procedure.

## **12.00. WORKERS' COUNCIL**

12.01. The Company shall have a Workers' Council through which the Company's employees participate in the management of the Company in accordance with the law. The form of participation in the management of the Company shall be regulated in detail in an agreement adopted by the Management Board of the Company and the Workers' Council.

## **13.00. BAN ON COMPETITION**

13.01. The members of the Management Board, members of the Supervisory Board and holders of procuration of the Company may not participate as partners, managers, members of the management or supervisory boards or holders of procuration in corporations or partnerships which are:

- 13.01.01. high volume customers of the Company; or
- 13.01.02. high volume suppliers of the Company; or
- 13.01.03. strategic business partners of the Company; or
- 13.01.04. the activity of which is in competition with that of the Company.

13.02. The Company's Supervisory Board may determine more detailed conditions under which these persons are allowed to participate in a competing company.

**13.03. Companies belonging to the Petrol group shall not be deemed competing companies within the meaning of the previous paragraph.**

## **V. ANNUAL REPORT AND DISTRIBUTION OF PROFIT**

### **14.00 ANNUAL REPORT, PROFIT AND DIVIDENDS**

14.01. The financial year shall be the calendar year.

14.02. Within the prescribed deadline, the Management Board shall prepare and present to the Supervisory Board the annual report together with the auditor's report for the previous year.

14.03. The Management Board shall submit to the Supervisory Board, together with the annual report, a proposal for the use of profit for appropriation.

14.04. The Management Board is also authorised to pay out dividends during the year (interim dividends) on the basis of the anticipated profit for the current year. The payment of interim dividends shall be subject to the prior approval of the Supervisory Board. Interim dividends may not exceed half the value of the anticipated profit after the creation of reserves, nor half the profit earned in the previous year.

### **15.00. INFORMING SHAREHOLDERS**

15.01. The Company shall publish information or notices intended for the Company or its shareholders on the Ljubljana Stock Exchange information system »SEOnet«.

15.02. The Company shall send notices in writing (by registered post with a receipt confirmation slip) to those shareholders with at least a 5% stake in the total share capital of the Company.

## **VI. CONFIDENTIAL INFORMATION**

16.01. The Management Board of the Company shall specify in a general act the information deemed to represent confidential information, the persons obliged to protect confidential information, the manner of storing confidential information, and the persons authorised to disclose confidential information to third parties.

## **VII. DURATION AND TERMINATION OF THE COMPANY**

17.01. The Company is established for an indefinite period.

17.02. The Company shall be terminated for reasons and according to the procedure specified by law.

## **VIII. ARTICLES OF ASSOCIATION AND GENERAL ACTS**

### **18.00. ARTICLES OF ASSOCIATION AND GENERAL ACTS**

18.01. The general acts regulating the rights, obligations and responsibilities of employees, as well as individual areas of activity, operation and performance of the Company's business functions shall be adopted by the Management Board of the Company.

18.02. The Supervisory Board of the Company shall be authorised to adopt the amendments to the Articles of Association relating merely to the alignment of the text of the Articles of Association with the decisions adopted by the General Meeting.

## Working papers to Item 6 of the Agenda

### 6. The Petrol (PETG) share split

#### **Resolution proposal:**

##### **6.1.**

Each ordinary registered no-par value share of the Company with the PETG symbol shall be split into 20 ordinary registered no-par value shares of the Company.

##### **6.2.**

In the Company's Articles of Association, point 04.01. of Article 04.00 SHARE CAPITAL, NUMBER AND TYPES OF SHARES, Chapter II. SHARE CAPITAL AND SHARES shall be amended to read as follows:

"The Company's share capital amounts to EUR 52,240,977.04 (fifty-two million, two hundred and forty thousand, nine hundred and seventy-seven euros and four cents) and is divided into 41,726,020 (forty-one million, seven hundred and twenty-six thousand and twenty) ordinary registered no-par value shares."

##### **6.3.**

A new point 18.03. shall be added in Article 18.00. ARTICLES OF ASSOCIATION AND GENERAL ACTS of Chapter VIII. ARTICLES OF ASSOCIATION AND GENERAL ACTS of the Company's Articles of Association, which reads as follows:

"The Company has 2,086,301 (two million, eighty-six thousand, three hundred and one) ordinary registered no-par value shares in the Central Book-Entry Securities Register until the total number of Company's shares in the Central Book-Entry Securities Register is aligned with point 04.01 of these Articles of Association with the entry of the split of each share into 20 (twenty) parts."

##### **6.4.**

Points of resolutions 6.1. to 6.3., inclusive, shall enter into effect on 19 August 2022.

##### **6.5.**

The General Meeting hereby authorises the Supervisory Board to align the text of the Articles of Association in accordance with the points of resolutions 6.1. to 6.4., inclusive, and draw up a clean copy of the Articles of Association.

The Management Board of the Company shall implement the necessary procedures for the PETG share split after the entry of the Articles of Association amendment into the Court Register of Companies.

#### **Substantiation:**

The Petrol d.d., Ljubljana's share with the PETG symbol is a no-par value share and has the highest price among the shares on LJSE's Prime Market. By splitting the PETG share, Petrol d.d., Ljubljana



aims to increase its liquidity and attract new investors, as this will make it easier for minor investors to purchase and trade the PETG shares. In accordance with Article 172 of the ZGD-1, it is possible to split no-par value shares into several parts without changing the share capital and by amending the Articles of Association. The proposed split ratio is 1:20, meaning that one share would be split into 20 shares. After the split, the total number of PETG shares would increase to 41,726,020 from the current 2,086,301 without changing the share capital. The Management Board will execute the PETG share split in accordance with the General Meeting resolution after the resolution on the amendment to the Articles of Association becomes effective, namely by entering the amendment of the Articles of Association into the Court Register and implementing a corporate action and the procedures stipulated in the Central Book-Entry Securities Register at KDD d.o.o. and Ljubljana Stock Exchange.

- A transitional provision regarding the alignment of the number of shares in the Central Book-Entry Securities Register because of the share split shall be added to the Company's Articles of Association.

The amendment of the Articles of Association shall enter into effect on 19 August 2022, which is after the dividend is paid out, pursuant to resolution no. 2.

**Attachments to item 6 of the agenda:**

- Clean copy of the Company's Articles of Association currently in effect, notarised by Notary Public, Bojan Podgoršek, ref. no. 1629/20 dated 29 December 2020 (See attachment to item 5 on the agenda)

**Explanation regarding the majority required to adopt the resolution proposal:**

The resolution requires at least a three-quarter majority of the share capital represented to be passed.

The resolution is proposed by the Management Board and the Supervisory Board of the Company.

## Working papers to Item 7 of the Agenda

### **Authorisation to the Management Board to purchase own shares and a report on founded reasons for the exclusion of the pre-emption right in the disposal of own shares**

#### **Resolution proposal:**

##### **7.1.**

The General Meeting authorises the Management Board of the Company to purchase own shares over a period of 36 months starting on the effective date of this resolution. The authorisation applies for the acquisition of a maximum of such number of own shares that the total percentage of the shares acquired based on this authorisation, together with other own shares already held by the Company on this authorisation adoption date does not exceed 3% of the Company's share capital.

The Company may acquire own shares by way of transactions concluded on the regulated market at the market price as valid at the time. The Company may also acquire own shares outside of the regulated market ("over-the-counter"). In acquiring shares on the regulated or over-the-counter market, the purchase price of shares cannot be lower than 50% of the book value per share calculated based on the last published audited annual statements of the Petrol Group. Likewise, the purchase price of shares cannot be higher than 13-times the amount of earnings per share (EPS) calculated based on the last published audited annual financial statements of the Petrol Group.

Subject to the Supervisory Board's prior consent, the Company may dispose its own shares acquired based on this authorisation by exchanging them for shareholdings in other companies in the context of M&A strategy implementation.

In disposing own shares that the Company has acquired based on this authorisation, the shareholders' pre-emption right is fully excluded, as in the case that they can be exchanged for shares or shareholdings in other companies in the context of M&A strategy, if this was in the interest of the Company, the exchange option is tied to a potential disposal to individual persons only (holders of shares/shareholdings in other companies).

Pursuant to the third and fourth paragraphs of Article 381 of the ZGD-1, the Company may reduce its share capital through the withdrawal of all own shares under the simplified procedure and to the debit of other profit reserves based on the Supervisory Board's consent.

##### **7.2.**

Resolution 7.1 shall enter into effect on 30 November 2022, but not prior to the PETG share split execution, pursuant to General Meeting resolutions 6.1. to 6.5., in the Central Book-Entry Securities Register.

#### **Substantiation:**

The Management Board of Petrol d.d., Ljubljana proposes acquiring own shares pursuant to the 8<sup>th</sup> bullet of the 1<sup>st</sup> paragraph of Article 247 of the ZGD-1. Pursuant to this provision, the General Meeting authorises the Management Board of Petrol d.d., Ljubljana to acquire own shares over a period of 36 months in the amount of up to 3% of the share capital of the Company. In line with the relevant legal

provision, the General Meeting resolution also sets the minimum and maximum purchase price for the acquisition of the Company's own shares.

It is proposed that shareholders' pre-emption right to purchase own shares that the Company might dispose after having previously acquired them be excluded, for the event that a justifiable possibility arises to exchange such own shares for shares or shareholdings in other companies in the context of the M&A strategy, should this be in the Company's interest. Such possibility could lead to an increase in the Company's value and hence to an increase in the value per share, which would finally benefit the existing shareholders of the Company. However, since the possibility of such exchange is tied to a potential disposal only to individual persons (holders of shares/shareholdings in other companies), the pre-emption right of the existing shareholders of the Company must be entirely excluded. In the opposite case, the disposal of the Company's own shares for the said purpose would not be possible which would very likely have negative economic effects on the value of the Company and on the value per share. Therefore, the Management Board of the Company estimates that the full exclusion of the pre-emption right of the existing shareholders of the Company under the above-mentioned conditions and in accordance with the explained purposes is to the benefit of all stakeholders of the Company.

In the light of the Company's financial stability and ability to continue generating a stable and high cashflow from operations, the Management Board of the Company assesses that it is reasonable to establish a fund of own shares with the aim to reduce the share capital, which can be implemented in the coming periods by withdrawing own shares under the simplified procedure, pursuant to the third and fourth paragraphs of Article 381 of the ZGD-1.

The Company will prepare and implement the Own share purchase scheme in line with the effective legislation. The Company will report on any change in the balance of own shares in line with the effective regulations, ensuring that shareholders are informed on the balance of own shares in a timely manner. At the next General Meetings of Shareholders, the Management Board will report on transactions with own shares in terms of achieving long-term strategic objectives of the Company and summarise interim announcements of the balance of shares.

#### **Attachments to item 7 of the Agenda:**

- The Management Board's written report on founded reasons for the exclusion of the pre-emption right in the disposal of own shares (the fourth paragraph of Article 337 of the ZGD-1)

#### **Explanation regarding the majority required to adopt the resolution proposal:**

The resolution requires at least a three-quarter majority of the share capital represented to be passed.

The resolution is proposed by the Management Board and the Supervisory Board of the Company.

Report of the Management Board on the reasons for the exclusion of the existing shareholders' pre-emption right in the disposal of own shares:

The Management Board proposes the General Meeting to grant an authorisation to acquire and dispose own shares by excluding the shareholders' pre-emption right, as in the case shares can be exchanged for shares or shareholdings in other companies in the context of M&A strategy, if this was in the interest of the Company, the exchange option is tied to a potential disposal to individual persons only (holders of shares/shareholdings in other companies).

PETROL, Slovenska energetska družba, d.d., Ljubljana

Nada Drobne Popović

President of the Management Board