



2022

AB KLAIPĖDOS NAFTA
REPORT ON REMUNERATION



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Remuneration principles of the Company's governing and supervisory bodies are determined by the Remuneration policy approved in General shareholders meeting in October 2022. Full remuneration policy can be found on Company's website.

Remuneration for activities in the collegial bodies of the Company may be paid to the members of the collegial body of the Company who are independent or not.

The personal data of the members of the Company's governing and supervisory bodies is included in the report on remuneration for the following purposes:

- to increase the transparency of the Company;
- to improve the accountability of the members of the governing bodies;
- to supervise the remuneration of the governing bodies.

Members of collegial governing and supervisory bodies of the Company are only eligible for receiving fixed monthly compensation.

The remuneration to be paid must:

- promote the creation of long-term and sustainable value of the Company, to be fair and understandable.
- comply with the workload of the individual organs of the Company and their members.
- be competitive with the salary levels in the labour market of the respective field.
- ensure the indemnification of the liability assumed by the individual members of the Company bodies.
- promote the attraction of high-level professionals in their field to the management of the Company.

REMUNERATION OF THE SUPERVISORY COUNCIL IN 2022

| TITLE | MONTHLY SALARY FOR 2022, EUR | TOTAL FOR 2022, EUR | MONTHLY SALARY FOR 2021, EUR | TOTAL FOR 2021, EUR |
|------------------------|------------------------------|---------------------|------------------------------|---------------------|
| Member 1 | 1,140.59 | 4,448.30 | 1,140.59 | 13,687.08 |
| Member 2 | 856.92 | 3,341.99 | 856.92 | 10,283.04 |
| Member 3 | 0.00 | 0.00 | 0.00 | 0.00 |
| Member 4 ¹⁾ | 3,318.67 | 7,904.72 | - | - |
| Member 5 ¹⁾ | 2,110.00 | 5,023.81 | - | - |
| Member 6 ¹⁾ | 2,637.00 | 6,278.57 | - | - |
| TOTAL | - | 26,997.39 | - | 23,970.12 |

¹⁾ 20th October 2022 extraordinary General Meeting of Shareholders has adopted the following resolutions: 1) to approve the amendment of Remuneration Policy, 2) for the 4 years cadence of Supervisory Council members of AB Klaipėdos nafta to elect: Mantas Šukevičius, Robertas Vyšniauskas, and Dovilė Kavaliauskienė, 3) to determine fixed monthly remuneration for the members of Supervisory Council of AB Klaipėdos nafta, 4) to approve standard contract form, regarding the activity of the member of Supervisory Council of AB Klaipėdos nafta.

In 2022 the total remuneration for the members of the Supervisory Council amounted to EUR 27.0 thousand (2021 – EUR 24.0 thousand). Members of the Supervisory Council were not granted with any loans, guarantees, assets, premiums, tantiemes, shares or salary for service at any other company of the Group for the year 2022. They are not eligible for any variable part of remuneration or for recovery of it.

REMUNERATION OF THE BOARD OF THE COMPANY IN 2022

| TITLE | MONTHLY SALARY FOR 2022, EUR | TOTAL FOR 2022, EUR | MONTHLY SALARY FOR 2021, EUR | TOTAL FOR 2021, EUR |
|-------------------------|------------------------------|---------------------|------------------------------|---------------------|
| Member 1 | 2,400.00 | 9,000.00 | 2,400.00 | 28,800.00 |
| Member 2 | 2,095.00 | 2,205.26 | 2,095.00 | 25,140.00 |
| Member 3 | 2,095.00 | 7,856.25 | 2,095.00 | 25,140.00 |
| Member 4 | - | - | 2,095.00 | 18,855.00 |
| Member 5 | 2,202.82 | 26,430.47 | 2,095.00 | 2,095.00 |
| Member 6 | 0.00 | 0.00 | 0.00 | 0.00 |
| Member 7 ¹⁾ | 2,548.27 | 27,907.11 | - | - |
| Member 8 ¹⁾ | 2,252.51 | 18,574.22 | - | - |
| Member 9 ¹⁾ | 2,252.51 | 18,574.22 | - | - |
| Member 10 ¹⁾ | 1,811.55 | 9,108.60 | - | - |
| TOTAL | - | 119,656.13 | - | 100,030.00 |

¹⁾ The newly elected Board of AB "Klaipėdos nafta" took office in 2022 April. Board members, Edvinas Katilius and Guy Mason were appointed at the end of the previous term, and from April 2022 they are elected to serve alongside other Board members until April 2026.

In 2022 the total remuneration for the members of the Board amounted to EUR 119.7 thousand (2021 – EUR

100.0 thousand). In 2022 members of the Board were not granted any shares, did not receive any loans, guarantees, assets, premiums, tantiemes or any other benefits for work as members of the Board or salary for service at any other company of the Group. They are not eligible for any variable part of remuneration or for recovery of it.

REMUNERATION OF THE AUDIT COMMITTEE IN 2022

| TITLE | MONTHLY SALARY FOR 2022, EUR | TOTAL FOR 2022, EUR | MONTHLY SALARY FOR 2021, EUR | TOTAL FOR 2021, EUR |
|------------------------|------------------------------|---------------------|------------------------------|---------------------|
| Member 1 | 1,140.59 | 4,448.30 | 1,140.59 | 13,587.79 |
| Member 2 | 856.92 | 1,668.74 | 856.92 | 10,382.33 |
| Member 3 | 856.92 | 9,426.12 | 856.92 | 10,283.04 |
| Member 4 ¹⁾ | 1,319.00 | 1,648.75 | - | - |
| Member 5 ¹⁾ | 1,319.00 | 1,648.75 | - | - |
| TOTAL | - | 18,840.66 | - | 34,253.16 |

¹⁾ On 24th of November 2022, until the end of term of office of Company's acting Supervisory Council, Robertas Vyšniauskas and Mantas Šukevičius were elected as Company's Audit Committee members.

In 2022 the total remuneration for the independent members of the Audit Committee amounted to EUR 18.8 thousand (in 2021 – EUR 34.3 thousand). In 2022 members

of the Audit Committee have not received any loans, guarantees or assets, unpaid bonuses, tantiemes and other benefits or salary for service at any other company of the Group, were not granted any shares of the Company. They are not eligible for any variable part of remuneration or for recovery of it.

REMUNERATION OF THE REMUNERATION AND NOMINATION COMMITTEE IN 2022

| TITLE | MONTHLY SALARY FOR 2022, EUR | TOTAL FOR 2022, EUR | MONTHLY SALARY FOR 2021, EUR | TOTAL FOR 2021, EUR |
|--------------|------------------------------|---------------------|------------------------------|---------------------|
| Member 1 | 660.00 | 825.00 | - | - |
| Member 2 | - | - | - | - |
| TOTAL | 660.00 | 825.00 | - | - |

On 24th of November 2022, until the end of term of office of Company's acting Supervisory Council, Dovilė Kavaliauskienė and Robertas Vyšniauskas were elected as

Company's Remuneration and Nomination Committee members.

In 2022 the total remuneration for the independent members of the Remuneration and Nomination Committee amounted to EUR 0.8 thousand. According to Remuneration Policy Member 2 has not received any compensation since the same person is already receiving compensation as a member in Audit Committee. In 2022 members of the Remuneration and Nomination

Committee have not received any loans, guarantees or assets, unpaid bonuses, tantiemes and other benefits or salary for service at any other company of the Group, were not granted any shares of the Company. They are not eligible for any variable part of remuneration or for recovery of it.

REMUNERATION OF THE CEO OF THE COMPANY IN 2022

The CEO of the Company is rewarded according to provisions set in the Remuneration policy approved by the Board of the Company and the Company's Procedure for rewarding bonuses to AB Klaipėdos nafta top management employees.

The monthly salary of the CEO of the Company was set to EUR 9,600 in August of 2022 (the monthly salary until July

of 2022 was EUR 9,200). Following the Remuneration policy, the CEO is also eligible for receiving annual bonus depending on the results of the Company and achievement of the annual goals. The maximum bonus in case all goals are achieved consists of 4 monthly salaries. In 2022 variable pay for the CEO, was EUR 767 (monthly equivalent of yearly bonus) (2021 – EUR 1,227 (monthly equivalent of yearly bonus).

CHANGES IN THE COMPANY RESULTS AND AVERAGE MONTHLY SALARY OF ALL EMPLOYEES

| | 2022 | 2022 adj.** | 2021 | 2021 adj.** | 2020 | 2020 adj.** | 2019 | 2019 adj.** |
|-------------------------------------|---------|----------------|----------|----------------|--------|----------------|---------|----------------|
| Sales | 74,722 | 74,722 | 58,633 | 58,633 | 77,474 | 77,474 | 104,138 | 104,138 |
| Net profit (loss) | (6,732) | 8,041 | (64,917) | (48,084) | 33,495 | 10,991 | 7,947 | 13,117 |
| Average monthly salary (gross), EUR | 2,765 | - | 2,570 | - | 2,574 | - | 2,282 | - |

* Remuneration of Members of governing and supervisory bodies are not included.

** adj. – adjusted financial indicators/data are recalculated and presented by eliminating from net profit (loss) the following amounts: (1) the impact of unrealised foreign currency exchange rates (forex) arising from IFRS 16 requirements, (2) respective impact of deferred income tax arising from forex, and (3) impact of financial derivatives.

The Company's 2022 average monthly salary of all employees is 7.6% higher compared to 2021 (2022 – 2,765 EUR/month, 2021 – 2,570 EUR/month).

Average monthly salary of all employees of the Company has been gradually growing for the last few years. Average monthly salaries per employee category for 2021-2022 are provided below.

AVERAGE MONTHLY SALARIES OF THE EMPLOYEES OF THE GROUP AND THE COMPANY

| EMPLOYEE CATEGORY | AVERAGE MONTHLY SALARY (GROSS), EUR | | | | | |
|------------------------|-------------------------------------|---------------|--------------|-----------------|-----------------|--------------|
| | GROUP 2022 | GROUP 2021 | CHANGE, % | COMPANY 2022 | COMPANY 2021 | CHANGE, % |
| Managers ¹⁾ | 5,501 | 5,061 | 8.7 | 5,621 | 5,459 | 3.0 |
| Specialists | 2,646 | 2,445 | 8.2 | 2,745 | 2,553 | 7.5 |
| Workers | 1,794 | 1,614 | 11.2 | 1,794 | 1,614 | 11.2 |
| Total | 2,728 | 2,506 | 8.9 | 2,765 | 2,570 | 7.6 |

1) The Company's managers include: Chief Executive Officer (CEO), Directors and Heads of Divisions. The following sums were calculated for the remuneration to the Group's managers in 2022: EUR 3,651 thousand, in that amount taxes paid by the employer included EUR 186 thousand (when in 2021 were EUR 3,684 thousand from which EUR 177 thousand of taxes paid by the employer). The average annual salary of manager of the Group amounted to EUR 67.6 thousand in 2022 (in 2021 – EUR 63.5 thousand).

2) The average monthly salary is calculated according to the average monthly wage calculation procedure as stated in the State companies' employees' average monthly salary calculation procedure approved by the Government of Lithuania on 23 August 2002, resolution No. 1341 and its subsequent changes.