



2020

AB KLAIPĖDOS NAFTA  
REPORT ON REMUNERATION

## REPORT ON REMUNERATION

Remuneration principles of the Company's governing and supervisory bodies are determined by the Remuneration policy approved in General shareholders meeting in April 2020. Full remuneration policy can be found [here](#).

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, but who are not public servants or employees of a state representative institution.

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

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 2020

TITLE	MONTHLY SALARY, EUR	TOTAL FOR 2020, EUR
Member 1	1,140.59	13,687.08
Member 2	856.92	5,998.44
Member 3	856.92	1,156.87
Member 4	0.00	0.00
<b>TOTAL</b>	<b>2,854.43</b>	<b>20,842.39</b>

In 2020 the total remuneration for the members of the Supervisory Council amounted to EUR 20.8 thousand (2019 – EUR 25.9 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 2020. They are not eligible for any variable part of remuneration or for recovery of it.

### REMUNERATION OF THE BOARD OF THE COMPANY IN 2020

TITLE	MONTHLY SALARY, EUR	TOTAL FOR 2020, EUR
Member 1	2,400.00	28,800.00
Member 2	2,095.00	25,140.00
Member 3	2,095.00	25,140.00
Member 4	2,095.00	25,140.00
Member 5	0.00	0.00
<b>TOTAL</b>	<b>8,685.00</b>	<b>104,220.00</b>

In 2020 the total remuneration for the members of the Board amounted to EUR 104.2 thousand (2019 - EUR 97.1 thousand). In 2020 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 2020

TITLE	MONTHLY SALARY	TOTAL FOR 2020
Member 1	1,140.59	7,984.13
Member 2	856.92	10,283.04
Member 3	968.36	11,620.31
Member 4	856.92	530.53
<b>TOTAL</b>	<b>3,822.79</b>	<b>30,418.01</b>

In 2020 the total remuneration for the independent members of the Audit Committee amounted to EUR 30.4 thousand (in 2019 – EUR 34.2 thousand). 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 CEO OF THE COMPANY IN 2020

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 9,200 in November of 2019 and has not been

changed since then. 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 2020 variable pay for the CEO, was EUR 2,101 (monthly equivalent of yearly bonus).

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

	2020	2020 adj.**	2019	2019 adj.**	2018	2017	2016
Sales	77,474	77,474	104,138	104,138	99,998	106,484	103,839
Net profit	33,495	10,991	7,947	13,117	11,577	17,031	13,794
Average monthly salary (gross), EUR	2,574	-	2,282	-	2,313	2,297	2,213

\* 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 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.

Average monthly salary of all employees of the Company has been gradually growing for last few years. Growth of

average monthly salaries per employee category for 2019-2020 are provided below.

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

EMPLOYEE CATEGORY	AVERAGE MONTHLY SALARY (GROSS), EUR					
	GROUP 2020	GROUP 2019	CHANGE, %	COMPANY 2020	COMPANY 2019	CHANGE, %
Managers <sup>1)</sup>	5,507	4,701	17.2	5,719	4,744	20.5
Specialists	2,511	2,281	10.1	2,552	2,286	11.7
Workers	1,741	1,621	7.4	1,741	1,621	7.4
<b>Total</b>	<b>2,543</b>	<b>2,280</b>	<b>11.6</b>	<b>2,574</b>	<b>2,282</b>	<b>12.8</b>

1) The Company's managers include: Chief Executive Officer (CEO), Directors, Functional Managers and Heads of Divisions. The following sums were calculated for the remuneration to the Group's managers in 2020: EUR 3,137 thousand, in that amount taxes paid by the employer included EUR 103 thousand (when in 2019 were EUR 2,827 thousand from which EUR 48 thousand of taxes paid by the employer). The annual average salary of manager of the Group amounted to EUR 65.3 thousand in 2020 (in 2019 - EUR 65.7 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.