

**DECISION ON REMUNERATION TO THE
INA – INDUSTRIJA NAFTE, d.d.
SUPERVISORY BOARD MEMBERS**

Attachments :

INA-INDUSTRIJA NAFTE, d.d General Assembly decision dated 26.08.2020.

Decision on remuneration to the INA – INDUSTRIJA NAFTE, d.d. Supervisory board members

Validity notice:

This Decision is applicable till 26.08.2024. or until different decision of respective Company body and put as not valid respective official decisions before afore mentioned date.



INDUSTRIJA NAFTE, d.d.

GENERAL ASSEMBLY

Av. V. Holjevca 10
ZAGREB

No: 1-08/20
Date: 26.08.2020.

Pursuant to the article 275. And 269. of the Companies Act, the General Assembly of the Company, on August 26, 2020 rendered the following

Decision on approval of remuneration to the INA – Industrija nafte, d.d. Supervisory Board members

General Assembly approves the remuneration to the INA – Industrija nafte, d.d. Supervisory Board members as in the text enclosed, Attachment no. 2 which makes an integral part of this decision.

This decision becomes valid on the day of its adoption.

PRESIDENT OF THE GENERAL ASSEMBLY OF INA,
d.d.

Luka Pavleković

INA, d.d.	Banka - Bank	Adresa - Address	IBAN broj - IBAN Number	Trgovački sud u Zagrebu Commercial Court in Zagreb
Avenija Većeslava Holjevca 10 10 002 Zagreb p.p. 555 Hrvatska - Croatia Telefon - Telephone +385(1)6450000 Faks - Fax + 385(1)6452100	Privredna banka Zagreb d.d. Raiffeisenbank Austria d.d. Zagrebačka banka d.d. Spšilska banka d.d. OTP banka Hrvatska d.d. Erste&Steiermärkische Bank d.d. Sberbank d.d. NATIXIS UniCredit Bank Austria AG BNP Paribas (Suisse) SA ING Bank NV	Radnička cesta 50, 10000 Zagreb Magazinska cesta 89, 10000 Zagreb Trg bana Josipa Jelačića 10, 10000 Zagreb Domovinskog rata 61, 21000 Split Domovinskog rata 3, 23000 Zadar Jadranski trg 3a, 51000 Rijeka Varšavska 9, 10000 Zagreb Avenue Pieme Mendes 30, 75013 Paris Schollergasse 6-8, A-1010 Wien Place de Hollande 2, Case Postale 5060 1211 Geneve 11 PO BOX 1800, 1000 BV Amsterdam	HR92 2340 0091 1000 2290 2 HR70 2484 0081 1006 1948 3 HR62 2380 0001 1013 0359 5 HR81 2330 0031 1002 0454 6 HR96 2407 0001 1001 5214 9 HR34 2402 0061 1006 8111 4 HR75 2503 0071 1000 6218 3 FR76 30007 99999 27 021 672 000 59 AT21 1200 0628 4400 3486 (EUR) AT91 1200 0528 4400 3487 (USD) CH95 0868 6001 0887 4000 2 (EUR) CH25 0868 6001 0887 4000 1 (USD) NL99 INGB 0650 7815 38 (EUR) NL23 INGB 0020 0370 90 (USD)	Uplaćen temeljni kapital – Paid capital stock 9.000.000,00 kn - HRK Broj izdanih dionica / Nominalna vrijednost No. of issued shares / Nominal value 10.000.000 / 900,00 kn - HRK Matični broj – Reg. No. 3586243 OIB – 27759560625 PDV identifikacijski broj / VAT identification number HR27759560625

Predsjednik i članovi Uprave / President and members of the Management Board:
Sándor Fasimon, Niko Dalić, Barbara Dorić, Darko Markotić, Zsolt Pethő, Ákos Székely
Predsjednik Nadzornog odbora / President of the Supervisory Board: Damir Vandelić

The Supervisory Board of INA – INDUSTRIJA NAFTE, d.d. (hereinafter: INA and/or Company) pursuant to Article 269 Item 3 of the Commercial Act (hereinafter: the Law and/or CA) submits to the General Assembly of INA – INDUSTRIJA NAFTE, d.d. for approval the following Decision on remuneration for Supervisory Board Members:

Article 1 Basic provisions

In accordance with the remuneration strategy, a starting point for calculation of remuneration fee for Supervisory Board Members is average monthly net salary for employees paid in previous month.

When determining employee salary amount in line with company's remuneration strategy INA is focused to its market position. Salary range is in line both with individual job complexity, responsibilities and dimensions of specific job, as well as required know how according to Hay methodology. With this objective, INA regularly participates in salary market researches and continuously follows salary and total remuneration market trends in Croatia.

In process of determination of salary and other remuneration for each work place, Company is focused on maintaining internal consistency and fairness within the Company, as well as on identifying and rewarding individual performance and goals achieved.

The objective of Remuneration policy is to provide competitive compensation package to Company's employees and managers in order to ensure focus on pursuing Company's strategy. Basic principles of remuneration strategy are:

- Internal equity in earnings on all Company levels,
- Regular monitoring of market trends and maintaining competitiveness,
- Rewarding employees and managers based on individual work performance driven by overall Company performance,
- Ensure objectivity and consistency for all employees and managers,
- Complexity evaluation of every work place according to Hay methodology.

Article 2 Remuneration to the Supervisory Board Members

INA, Plc. Supervisory Board, pursuant to the law and Articles of Association supervises the Management Board.

Supervisory Board members have right to remuneration for their work in the Supervisory Board, according to the General Assembly decision.

The remuneration fee for Supervisory Board member (including fee for President and Deputy president of the Supervisory Board) is established as unique component consisting of one fixed fee for performing the function within Supervisory Board.

Entitlement to remuneration or to its proportionate part pertains to a Supervisory Board member from the starting date of engagement on Supervisory Board member position and ceases on the date of engagement termination, regardless on the nature of engagement termination (resignation, termination of office term, etc.).

The remuneration to the Supervisory Board Member is paid only in following cases:

- The Supervisory Board member is not employed in any of INA/MOL Group companies, or
- The Supervisory Board member is elected employee representative in the Supervisory Board.

The remuneration fee is determined in the following manner:

Position:	Fee Amount:
President of the SB	Three (3) average net salaries paid to employees of INA in previous month
Member of the SB	Two (2) average net salaries paid to employees of INA in previous month

All appertaining taxes, surtaxes and contributions in relation to remuneration fee shall be calculated and paid by the Company pursuant to the provisions of valid regulations.

Article 3 Other allowances and benefits

Supervisory Board member is entitled to compensation for all business related, justified and documented costs which the member had for the purpose of attending Supervisory Board meetings or its work.

The Supervisory Board members can, during the period of performing the duty of Supervisory Board member, also perform the duty of Supervisory Board's Committee member (for example, Revision Committee). During this period the Supervisory Board can be entitled to additional fee for participation in the committee based on, and in amount determined in the Supervisory Board separate decision. This fee shall be paid to the Supervisory board member at the same time as fee for Supervisory Board participation.

Supervisory Board members do not exercise the right receive remuneration in a form of shares nor options on Company' shares, nor they exercise the right to receive any form of long-term variable remuneration.

There is no postponement of the fee or part of fee for Supervisory Board members.

Company and Supervisory Board member do not conclude any contract for the purpose of regulation of rights and responsibilities of the Supervisory Board member.

The Company has no obligations towards the Supervisory Board member from severance pay entitlement.

Article 4 Other basic rules of Decision on the remuneration of Supervisory board members

Within the process of establishment of remuneration for Supervisory Board members the Company shall take into consideration following principles:

- Company remuneration strategy which defines all compensation elements both for employees and managers
- Job evaluation rules according to Hay methodology
- Regular monitoring of market trends and maintaining competitiveness
- Internal fairness in remuneration on all levels throughout the Company,
- Ensure objectivity and consistency for all employees and managers.

For the Supervisory Board members, the fee is defined hereof as number of employee average monthly net salary.

Article 5 Procedure for adoption, implementation and supervision of Decision on the remuneration of Supervisory board members

Pursuant to the law, fee for the Supervisory Board members is approved by the General Assembly. The General Assembly shall at least every four (4) years decide about Supervisory Board members fee, with the possibility of confirming earlier decision.

Article 6 Final provisions

The Company shall pay the remuneration to the Supervisory Board member in in a transparent manner, in accordance with the approved Decision on the remuneration of Supervisory board members.

This Decision on the remuneration of Supervisory board members has been developed in accordance with the Company's business strategy, its long-term objectives and striving for sustainability. These rules include measures to avoid conflict of interest, and all mandatory elements as prescribed by the Article '247 a second sentence' and in line with Article 269 of the Commercial Act.

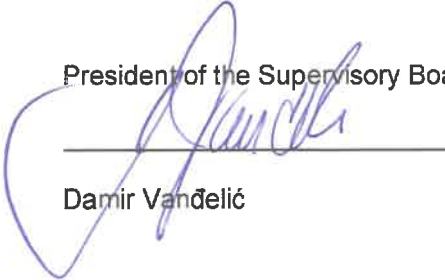
Pursuant to the Article 269 Item 3 and Article 276a Item 2 of the Company Act, The Company shall publish, without undue delay, the approved General Assembly's Decision on the remuneration of Supervisory Board members on its website, together with the of decision's validity. Company will provide free access to approved Decision on the remuneration of Supervisory Board throughout term set by the Law.

Pursuant to the Article 269 Item 3 and Article 276a Item 3 of the Company Act, in case the General Assembly does not approve the Decision on the remuneration of Supervisory Board, Company is obliged to present at the next General Assembly meeting for new approval, reconsidered and newly prepared Decision. This reconsidered Decision must contain explanation of all crucial changes including information how are voting results and shareholders inputs to previous Decision.

Revision of this Decision is conducted at least once in every 4 (four) years, and in any case if it is significantly amended. In case there is no change, the confirmation of same conditions shall be stated

This Decision on the remuneration of Supervisory shall take effect as of the day of General Assembly's approval.

President of the Supervisory Board



Damir Vandelić