



The text is an informative translation of the original in Slovene.

INFORMATION ON THE SHAREHOLDERS' RIGHTS

(Paragraph one of Article 298, paragraph one of Article 300, Articles 301 and 305 of the Companies Act – ZGD-1)

Paragraph one of Article 298 (Expansion of the agenda)

Following the publication of the notice convening the general meeting, the shareholders whose total interest in the company accounts for one-twentieth of the share capital may request in writing that an additional item be placed on the agenda. The request shall be accompanied by a written resolution proposal to be decided upon by the general meeting or, if the general meeting does not adopt a resolution on individual agenda items, a clarification of such items. It shall suffice to send the request to the company not later than within seven days after the publication of the notice convening the general meeting. The articles of association may make this right conditional upon a lower share capital holding.

Paragraph one of Article 300 (Proposals by shareholders)

Shareholders may propose resolutions in writing for each agenda item. A shareholders' proposal shall be published and notified in the manner specified in Article 296 of this Act only if within seven days of the publication of the notice convening the general meeting the shareholder sends the company a reasonably substantiated proposal, giving notification that they will oppose the proposal made by a management or supervisory body and that they will prevail upon other shareholders to vote for their counterproposal.

Article 301 (Voting proposals by shareholders)

The shareholders' proposals for the election of members of the supervisory board, the board of directors or auditors shall be subject, *mutatis mutandis*, to the provisions of the preceding Article. Voting proposals need not be substantiated.

Article 305 (The shareholders' right to be informed)

(1) At the general meeting, the management shall provide the shareholders with reliable information on the company's affairs if this information is important for the assessment of the agenda. The Information may be provided in a joint answer to the shareholders' questions with the same content. The right to be informed shall also apply in respect of the company's legal and business relations with associates.

(2) The management shall not be required to provide information only in the following cases:

- if the provision of information could, by reasonable economic judgment, cause damage to the company or its associate;
- if the information refers to the methods of accounting and assessment, provided that the statement of methods of this kind in the annex is sufficient for an assessment of the actual situation of the company in terms of property, financial standing and profitability;



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- if the provision of information would constitute a criminal act, a minor offence or a breach of good business practice; or
 - if the information is published on the company's website in the form of questions and answers at least seven days before the general meeting.

(3) If a shareholder receives information outside the general meeting, the same information shall be provided to every other shareholder at their request, even if it is not required in consideration of an item on the meeting's agenda.

(4) If a shareholder does not receive information at the general meeting, they can request that their inquiry or the reason for rejecting the provision of information be included in the minutes of the meeting.

Management Board

REPORT ON THE REMUNERATIONS OF THE MANAGEMENT AND SUPERVISORY BODIES IN THE 2021 FINANCIAL YEAR

Celje, 10 May 2022

From 1 January 2021 to 31 December 2021, Cinkarna Celje, d. d., was managed by three-member Management Board with the following composition: Aleš Skok - Chairman of the Management Board, Nikolaja Podgoršek-Selič - Member of the Management Board, and Filip Koželnik - Member of the Management Board / Workers' Director.

In the 2021 financial year, the function of a member of the Supervisory Board was performed by:

- Mario Gobbo, Chairman (from 26/05/2020 onwards)
- Luka Gaberščik, Deputy Chairman (from 01/07/2020 onwards)
- Mitja Svolfšak, Member (from 16/06/2021 onwards)
- Kastelic David, Member (from 18/06/2020 onwards)
- Dušan Mestinšek, Member (from 18/06/2020 onwards)
- Koštomaj Jože, Member of the SB and the AC (from 18/06/2020 onwards)

On 15 June 2021, the General Assembly of Cinkarna Celje, d. d., appointed Mitja Svolfšek as a new member of the Supervisory Board for a five-year term.

I. Introduction to the Remuneration Report

In compliance with the provision of Article 294.a of ZGD-1, which entered into force on 24 February 2021 in accordance with the fourth paragraph of Article 71 of ZGD-1 K, Cinkarna Celje, d.d., prepared the Remuneration Policy for Management and Supervisory Bodies of Cinkarna Celje, d. d., which, on the basis of the first paragraph of Article 294.a of ZGD-1, shall be approved by the company's General Assembly. As this report is on the agenda of the General Assembly that will be held on 15 June 2022 and will also decide on the adoption of the Remuneration Policy, it contains a comprehensive overview of remunerations, including all benefits provided or owed to each member of the management and supervisory body in the 2021 financial year; however, it was not possible to confirm in the Remuneration Report the compliance with the Remuneration Policy as stipulated in Article 294.b. of ZGD-1, because the Remuneration Policy has not yet been approved at the General Assembly.

In 2021, members of management and supervisory bodies received remunerations that were paid either on the basis of a decision of the General Assembly, an employment contract, internal rules on remunerations for the Management Board, or another act specified in this Report.

The company ended the 2021 financial year very successfully, exceeding all planned results and also exceeding the company's business results defined in the strategy. In 2021, sales were 12% higher than in the previous comparable period. The increase in sales was influenced by favourable demand from all geographical segments, which is related to the general increase in consumer / purchasing optimism. Asian competition is present, but at significantly higher prices than in previous periods. In situation where supply is tight, higher sales prices by Asian suppliers have created higher demand for products from Western multinationals and local producers. In parallel, the pressure on the inlet side is also related.

Cinkarna Celje, d. d., generated sales revenues in the amount of EUR 192.5 million in 2021, which is 12% more than in the comparable period of the previous year. The total value of exports in the period considered reached EUR 175.1 million, which is 11% more than in the same period last year. Net profit amounted to

EUR 33.2 million and was 75% higher than in the comparable period last year, when it reached EUR 18.9 million. The operating profit from write-offs or EBITDA reached EUR 51.2 million and amounts to 27% of sales. Compared to the previous year, EBITDA is 58% higher.

In preparing the remuneration report, the company took into account that there were no key differences in payments compared to the previous period and no changes in performance criteria (financial and non-financial criteria).

II. MANAGEMENT BODY

In accordance with the company's Articles of Incorporation, the management body of Cinkarna Celje, d.d., is represented by the Management Board. On 31 December 2021, the company's Management Board was represented by Chairman Aleš Skok, member Nikolaja Podgoršek-Selič and member of the Management Board and Workers' Director Filip Koželnik.

Remunerations of members of the Management Board in 2021 consist of fixed and variable component and other benefits. Remunerations of members of the Management Board are determined by the company's Supervisory Board and must be in appropriate proportion to the tasks of the members of the Management Board, the results achieved, and the company's financial condition.

In 2021, no severance pay was paid to members of the management body. From payments in cash or in kind, bonuses were calculated in accordance with applicable regulations.

The structure of remunerations of members of the Management Board ensures an appropriate balance between the fixed and variable component of remunerations. Nominal amounts received in the 2021 financial year (and comparison for 2020) are listed for each of the members of the Management Board in Table no. 1 later on in the report.

1. Fixed components

The fixed component of remunerations is intended for the payment to the member of the Management Board for the performance of tasks, efforts and responsibilities and is determined in order to ensure financial stability, remuneration for effort, professional experience and loyalty, and does not depend on business results or other unforeseen factors. The basic guideline in determining this component of the remuneration is the responsibility of the tasks, loyalty, and commitment.

The fixed component of remunerations is the basic salary of the Management Board in the gross amount and is determined by an employment contract concluded by the Supervisory Board with a member of the Management Board.

Remunerations for a member of the Management Board - Workers' Director were paid in accordance with his employment contract and the Agreement on the participation of employees in the management of Cinkarna Celje between the Company and the Company's Workers' Council.

In 2021, members of the Management Board received a fixed component of remunerations in the amount as shown in Table no. 1 later on in the report.

2. Variable component

In addition to the basic salary, a member of the Management Board is also entitled to a variable remuneration in the amount of no more than 25% of his / her basic remuneration paid in the financial year to which the variable remuneration relates (assessment period). The variable remuneration of a member of the Management Board depends on pre-determined and measurable criteria presented below.

The variable component was determined and paid in the 2021 financial year on the basis of the performance of Cinkarna Celje, d. d., in the 2020 business year and was intended primarily to reward members of the Management Board for the results achieved and their commitment in 2020.

Variable remunerations are based on the performance of Cinkarna Celje, d. d.

The variable component of remunerations of members of the Management Board was determined on the basis of a decision of the Supervisory Board in accordance with the Remuneration Rules for the Management Board, which sets goals and criteria for payment of the variable part of remuneration, as well as the procedure for determining the performance of the Management Board and determining the variable component of remunerations.

2.1. Criteria for determining the amount of variable remunerations

The criteria for determining the remuneration for business performance of the Management Board for the 2020 financial year, on the basis of which the members of the Management Board received a variable component of remunerations in 2021, were:

- a) **key financial performance indicators EBIT, EBITDA, net profit, results according to the business plan:** these are quantitative criteria calculated for the current year and compared with the planned data and data from the previous year;

The following three criteria are qualitative:

- b) **successful completion of projects based on the decision of the Management Board and the Supervisory Board to determine these remunerations:** the assessment of the success of projects that enable Cinkarna Celje to further grow and expand operations was measured: successful implementation of investment projects, environmental projects, strengthening the position in existing markets and entering new markets, managing key risks, streamlining procurement and logistics processes, energy resources, etc., in order to ensure long-term existence and development of the company and the implementation of the company strategy;
- c) **social responsibility and employee satisfaction, based on the existing level:** the satisfaction of the company's employees was measured with the help of a questionnaire, which is conducted every year, and its content refers to working conditions, employee satisfaction, quality of work, and ensuring benefits and safety of employees;

- d) **discretion of the Supervisory Board:** the Supervisory Board assesses the work of the Management Board in relation to the achieved results of the company's performance.

Quantitative and qualitative criteria have the same share, i.e. 50% represent criteria under point a), and the remaining 50% are criteria under points b), c) and d). In 2021, variable remunerations in the form of cash benefits were paid. Based on the operations in 2020 and the decision of the Supervisory Board, the members of the Management Board received payments for the variable component in 2021, as shown in Table no. 1.

3. Relative shares of fixed and variable remunerations of members of the Management Board

Data on the relative shares of fixed and variable remunerations of members of the Management Board for the 2021 financial year (and the 2020 financial year) are given in Table no. 1.

4. Relative shares of financial and non-financial criteria in variable remunerations of members of the Management Board

Data on the relative shares of fixed and variable remunerations of members of the Management Board for the 2021 financial year (and the 2020 financial year) are given in Table no. 1.

5. Severance bonus

In 2021, no severance pay was paid to members of the Management Board.

6. Other benefits

In accordance with an employment contract, members of the Management Board are entitled to benefits from the premium for life, accident, disability insurance, voluntary supplementary pension insurance, liability insurance for damage to the Company or third parties, health insurance, mobile phone, a vehicle for business and private purposes, medical examinations, etc.). Data on the received remunerations related to the above benefits are shown in Table no. 1.

Table no. 1: Remunerations of the members of the Management Board in 2021 and 2020

Name and surname, function, term of office		Fixed remuneration	Variable remuneration (paid)	Benefits and other rights	Severance pay, other payments after termination of service	Reimbursement of paid reward	Penalties	Total payments	Proportion of variable remunerations from financial and non-financial criteria (XX% / YY%)	Proportion of fixed and variable remunerations XX% / YY%	Ratio to average salary of employees (multiple in the company)	Remunerations from any Group company
		1	2	3	4	5	6	7= 1+2+3+4- 5-6	8	9	10	11
Aleš Skok, Chairman (01/07/2020-30/06/2025)	In 2021	264,000	22,277	13,999	0	0	0	300,276	20.8% / 75%	92.2% / 7.8%	9.85	0
	In 2020	107,100	0	6,625	0	0	0	113,725	22.0% / 75%	100% / 0%	3.86	0
Nikolaja Podgoršek Selič, Deputy Chairman (01/07/2020-30/06/2025)	In 2021	210,354	43,753	15,198	0	0	0	269,305	20.8% / 75%	82.8% / 17.2%	8.74	0
	In 2020	210,354	44,390	16,043	0	0	0	270,787	22.0% / 75%	82.6% / 17.4%	9.17	0
Tomaž Benčina,	In 2020	162,349	55,489	6,403	133,727	0	0	357,968	22.0% / 75%	74.5% / 25.5%	7.84	0

Chairman (until 30/06/2020)													
Jurij Vengust, Member (until 30/06/2020)	In 2020	118,021	41,616	13,401	100,882	0	0	273,920	20.0% / 75%	73.9% / 26.1%	5.75	0	
Marko Cvetko, Member, Workers' Director (until 30/10/2020)	In 2020	91,006	23,582	4,890	5,295	0	0	124,773	22.0% / 75%	79.4% / 20.6%	4.13	0	
Filip Koželnik, Member, Workers' Director (05/11/2020-05/11/2025)	In 2021	15,981	582	7,997	0	0	0	24,560	20.8% / 75%	96.5% / 3.5%	0.57	0	
	In 2020	6,219	0	1,761	0	0	0	7,980	22.0% / 75%	100% / 0%	0.22	0	

7. Annual change of remunerations, company performance, and average remuneration of employees

Data on the annual change in remunerations, the company's performance, and the average remuneration of employees in the company (excluding members of the Management Board) for full-time work in this period for the last five financial years is shown in Table no. 2.

Table no. 2: Comparison of annual remunerations of members of the Management Board in the last five years, in EUR

	2018 vs 2017	2019 vs 2018	2020 vs 2019	2021 vs 2020	2021 (absolute amount of the current reporting year)
Remunerations of the Management Board members					
Aleš Skok	-	-	-	2.6	300,276
Nikolaja Selič Podgoršek	1.1	0.9	1.1	1.0	269,305
Filip Koželnik	-	-	-	3.1	24,560
Company performance					
Net profit and loss	1.1	0.7	0.9	1.8	33,227,124
Operating profit plus depreciation (EBITDA)	1.0	0.7	1.0	1.6	51,258,023
Dividend per share	2.9	1.1	0.6	1.2	21.00
Average remunerations of other employees in the company					
Employees in the company	1.0	1.1	1.0	1.0	28,309

8. Remunerations from Group companies

Cinkarna Celje, d. d., has no subsidiaries or associates and therefore no remuneration from this.

9. Shares and share options

Members of the Management Board as well as members of the Supervisory Board did not receive any shares or share options.

10. Possibility of reimbursement of variable remunerations

This option was not activated in 2021.

11. Financial advantages, benefits, and services

- In the 2021 financial year, there were no financial advantages or benefits and services approved or provided by a third party in 2021 to a member of the Management Board in connection with his / her activity as a member of the Management Board.
- In the 2021 financial year, there were no financial advantages or benefits and services that would be granted to a member of the Management Board in the event of an early termination of office, including changes agreed in 2021.
- In the 2021 financial year, there were no financial advantages or benefits and services that would be granted to a member of the Management Board in the event of a regular termination of office, with a monetary value and an amount that the company would spend or reserve for this in 2021.
- In the 2021 financial year, there was no member of the Management Board that ceased to hold office. Thus, there were no financial advantages or benefits and services that would have been approved and provided to a former member of the Management Board whose term of office would end in 2021 in the last financial year.

III. Supervisory body

The supervisory body is defined by the ZGD-1 in force and the currently valid Articles of Incorporation of the Company. In accordance with the Articles of Incorporation of Cinkarna Celje, d. d., the supervisory body is the Supervisory Board, which consists of 6 members. On 15 June 2021, member Mitja Svoljšak took office. In 2021, no member's term expired. Members of the Supervisory Board are entitled to remunerations for their work, attendance fees, and reimbursement of expenses incurred in connection with the performance of work in the Supervisory Board. Their remuneration is fixed, and they are not entitled to a variable component of remunerations or remunerations that would be based on the company's performance. More precise amounts of payments are determined by the General Assembly with its decision.

At the 25th General Assembly of the company held on 15 June 2011, decision no. 5. was adopted, determining the remunerations of the members of the Supervisory Board and is described in more detail below:

Pursuant to the decision of the 25th General Assembly of Shareholders held on 15 June 2021, the members of the Supervisory Board will receive an attendance fee for attending the meeting, which amounts to EUR 275.00 gross for each member of the Supervisory Board of Cinkarna Celje. Members of the Supervisory Board committee receive an attendance fee for attending the meeting of the Supervisory Board, which for an individual member of the Committee amounts to 80% of the amount of the attendance fee for attending the Supervisory Board meeting. The attendance fee for a correspondence session is 80% of the usual attendance fee. An individual member of the Supervisory Board is entitled to the payment of attendance fees regardless of the above and therefore regardless of the number of participants in meetings in a particular financial year, as long as the total amount of attendance fees, either from Supervisory Board meetings or Supervisory Board committee meetings, does not reach 50% of the basic remuneration for performing the function for an individual member of the Supervisory Board in relation to the actual payments at the annual level. An individual member of the Supervisory Board who is a member of the committee or committees of the Supervisory Board is entitled to the payment of attendance fees in an individual financial year, regardless of the above and therefore regardless of the number of participations in meetings of the Supervisory Board and committees, as long as the total amount of attendance fees from attending the meetings of the Supervisory Board or committees does not reach the amount of 75% of the basic remuneration for performing the function of a member of the Supervisory Board on an annual basis.

In addition to attendance fees, members of the Supervisory Board receive a basic salary for performing the function in the amount of EUR 15,000.00 gross per year per individual member. The Chairman of the Supervisory Board is also entitled to an additional payment of 50% of the basic remuneration for performing the function of a member of the Supervisory Board, and the Deputy Chairman of the Supervisory Board to an additional payment of 10% of the basic remuneration for performing the function of a member of the Supervisory Board. Members of the Supervisory Board committee receive a surcharge for performing the function, which for an individual member of the committee amounts to 25% of the amount of the basic remuneration for performing the function of a member of the Supervisory Board. The chairman of the committee is entitled to a surcharge for performing the function in the amount of 37.5% of the basic remuneration for performing the function of a member of the Supervisory Board. An individual member of the Supervisory Board committee, regardless of the above and therefore regardless of the number of committees of which he is a member or chairman, is entitled to additional payments in an individual financial year until the total amount of such additional payments reaches 50% of the basic remuneration for performing the function of a member of the Supervisory Board on an annual basis. If the term of office of an individual member of the Supervisory Board is shorter than the financial year, an individual member of the Supervisory Board committee, regardless of the above and therefore regardless of the number of committees of which he is a member or chairman, is entitled to additional payments in each financial year until the total amount of such additional payments reaches the value of 50% of the basic remuneration for performing the function for an individual member of the Supervisory Board in relation to eligible payments for the period of his / her term of office in the respective financial year.

Members of the Supervisory Board and members of the Supervisory Board Committee receive a basic remuneration and surcharge for performing the function in proportional monthly payments to which they are entitled while performing the function. The monthly payment amounts to one twelfth of the above annual amounts. The limitation of the amount of total attendance fees or payments of surcharges to a member of the Supervisory Board does not affect his / her duty to actively participate in all the meetings of the Supervisory Board and the meetings of committees of which he / she is a member and his / her statutory responsibility.

Members of the Supervisory Board are entitled to reimbursement of transport and accommodation costs incurred in connection with their work on the Supervisory Board, up to the amount specified in the regulations governing the reimbursement of expenses related to work and other income not included in tax base (provisions applicable to business travel and overnight accommodation). The amount due to a member of the Supervisory Board according to the cited regulation is reversed, so that the net payment represents the reimbursement of actual travel expenses. To determine the mileage, the distances between places calculated on the AMZS public website are taken into account. Accommodation costs may be reimbursed only if the distance of a permanent or temporary residence of a member of the Supervisory Board or a member of the Supervisory Board committee from the place of work of the body is at least 100 kilometres, and if a member could not return because no public transport was provided or for other objective reasons.

Decision no. 5 adopted at the 25th General Assembly of the Company held on 15 June 2011 is also available at the following link:

https://www.cinkarna.si/si/files/default/objave_si/leto2021/Obvestilo%20o%20sklepih%2025.%20skup%c5%a1%c4%8dine%2015062021.pdf

Pursuant to the aforementioned decision, members of the Supervisory Board receive remuneration from 15 June 2021 onwards. Until that date, members of the Supervisory Board received remuneration on the basis of the decision of the 15th General Assembly held on 5 June 2012, which is published at the following link: https://www.cinkarna.si/si/files/default/objave_si/leto2012/obvestilo_o_sklepih_15_skupine.pdf

Members of the Supervisory Board do not receive any other remuneration.

Data on nominal amounts for each of the members of the Supervisory Board received in the 2021 financial year (and comparison with the 2020 financial year) on the basis of the above explanations and decisions are given in Table no. 4:

Table 3: List of SB members and their functions

Name and surname	Function		
	Supervisory Board	Committees	
		Audit Committee	Personnel Committee
Aleš Skok	Chairman of the SB until 25/05/2020		Member until 30/06/2020
Gobbo Mario	Chairman from 26/05/2020, member from 23/12/2019		Chairman from 02/07/2020
Gaberščik Luka	Member from 04/06/2019, Deputy Chairman of the SB from 21/01/2020		Member from 02/07/2020
Svoljšak Mitja	Member from 16/06/2021		Member from 12/04/2022
Kastelic David	Member from 18/06/2020	Chairman from 02/07/2020	
Dušan Mestinšek	Member from 18/06/2020		Member from 02/07/2020
Koštomaj Jože	Member from 18/06/2020	Member from 02/07/2020	
Žiga Gregorinčič			External member
Peček Lea			External member
Korošec Gregor		External member from 03/11/2015	
Dejan Rajbar	Member until 17/06/2020	Member until 17/06/2020	
Aleš Stevanovič	Member until 17/06/2020		

Table 4: Remunerations of the members of the Supervisory Board in 2021 and 2020

Name and surname, function, term of office		Payment for the performance of the function		Attendance fees of the SB and Committees		Total payments	Travel expenses	Remunerations from any Group company
		SB	Committees	SB	Committees			
		1		2		3=1+2	4	5
Mario Gobbo, Chairman of the SB, President of the PC (26/05/2020-26/05/2025)	In 2021	12,454	10,897	1,595	0	24,947	344	0
	In 2020	9,442	5,812	3,575	1,716	20,544	2,724	0
Luka Gaberščik, Deputy Chairman of the SB, member of the PC (01/07/2020-30/06/2025)	In 2021	12,454	4,359	1,595	0	18,408	58	0
	In 2020	10,300	3,895	3,850	1,936	19,981	292	0
Mitja Svoljšak, member of the SB (16/06/2021-16/06/2026)	In 2021	6,875	0	770	0	7,645	80	0
	In 2020	0	0	0	0	0	0	0
David Kastelic, member of the SB, President of the AC (18/06/2020-18/06/2025)	In 2021	12,454	4,670	1,595	1,320	20,039	114	0
	In 2020	4,664	1,749	1,375	660	8,447	125	0
Mestinšek Dušan, member of the SB, AC, PC (18/06/2020-18/06/2025)	In 2021	12,454	3,114	1,595	0	17,163	0	0
	In 2020	10,300	2,575	3,850	1,232	17,957	0	0
Jože Koštomaj, member of the SB and the AC (18/06/2020-18/06/2025)	In 2021	12,454	3,114	1,595	1,100	18,263	0	0
	In 2020	4,664	1,166	1,375	660	7,864	0	0
Aleš Skok, member of the SB (until 30/06/2020) and the PC	In 2020	8,333	0	2,178	871	11,382	204	0
Dejan Rajbar, member of the SB, President of the AC (until 30/06/2020)	In 2020	5,636	2,114	2,475	1,012	11,237	234	0
Stevanovič Aleš, member of the SB (until 17/06/2020)	In 2020	4,864	1,216	2,024	1,685	9,789	0	0
Žiga Gregorinčič, external member, member of the PC	In 2020	0	0	0	1,315	1,315	0	0
Peček Lea, external member, PC	In 2020	0	0	0	1,315	1,315	0	0
Korošec Gregor, external member of the AC (05/11/2020-05/11/2025)	In 2021	0	0	0	6,000	6,000	0	0
	In 2020	0	0	0	8,000	8,000	0	0

Data on the annual change in the remuneration of members of the Supervisory Board in the last five years are presented in Table no. 5.

Table no. 5: Comparison of annual remunerations of members of the Supervisory Board in the last five years

	2018 vs 2017	2019 vs 2018	2020 vs 2019	2021 vs 2020	2021 (absolute amount of the current reporting year)
Remunerations of the Supervisory Board members					
Mario Gobbo	-	-	-	1.1	25,290
Luka Gaberščik	-	-	-	0.9	18,467
Mitja Svoljšak	-	-	-	-	7,725
David Kastelic	-	-	-	2.4	20,153
Mestinšek Dušan	1.1	1.0	1.1	1.0	17,163
Jože Koštomaj	-	-	-	-	18,263

Aleš Skok
Chairman of the Management Board

Nikolaja Podgoršek Selič
Member of the Management Board

Filip Koželnik
Member of the Management Board-
Workers' Director





INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT

To the shareholders of CINKARNA Celje d.d.

Pursuant to the contract agreed with CINKARNA Celje d.d. ("Company") on 5 May 2022, we have reviewed the accompanying Remuneration Report prepared by the management of the CINKARNA Celje d.d. on 10 May 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 CINKARNA Celje 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)



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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 in 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 Note [X] in 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 the 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 CINKARNA Celje d.d. for the year end-end 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, 10 May 2022


Sanja Kosir-Nikašinić
Director, Certified Auditor
Ernst & Young d.o.o.
Dunajska cesta 111, Ljubljana


Lidija Sinkovec
Certified Auditor

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The text is an informative translation of the original in Slovene.

**REMUNERATION POLICY FOR THE MEMBERS OF THE MANAGEMENT BOARD AND THE
SUPERVISORY BOARD OF
CINKARNA CELJE, D.D.**

(hereinafter: Remuneration Policy)

1. Purpose and objectives of the Remuneration Policy

The Remuneration Policy applies to members of the Management Board and the Supervisory Board of Cinkarne Celje, d. d.

The Remuneration Policy aims to ensure that the total remuneration of the Management Board and the Supervisory Board members is proportionate to their duties and responsibilities, while it also contributes to:

- achieving a business strategy that defines the core objectives pursued by the Company and the activities and resources to achieve them,
- long-term development, enabling the Company to monitor and adapt appropriately to the economic and wider environment in which it operates,
- the Company's sustainability, with a view to using its resources efficiently to achieve economic and wider impacts.

The objectives of the Remuneration Policy pursued by the Company are to:

- recruit top professionals to the Management Board and the Supervisory Board, whose skills and experience are able to cover all the areas of expertise needed by these bodies,
- set the level of remuneration and other benefits for members of the Company's Management Board and Supervisory Board to enable them to recruit appropriate experts that could perform their work competently and in a financially sustainable manner,
- guide and motivate the members of the Management Board to work responsibly and actively and to achieve the objectives set, and the members of the Supervisory Board to perform their duties and assume their responsibilities.

2. Procedure for the development, review and implementation of the Remuneration Policy

The Supervisory Board or the Human Resources Committee, on the basis of a review of the existing system of remuneration of the Management Board (contracts and other acts) and of the Supervisory Board (existing resolutions of the General Meeting), obtains the opinion of the Management Board on the starting points for the drafting or updating the Remuneration Policy for the Management Board.

In accordance with the Supervisory Board's decision, the Company's professional services draft a Remuneration Policy, that is a document containing a description of remuneration for each body separately.

The Remuneration Policy for members of the management and supervisory bodies is approved by the Supervisory Board for submission to a vote at the General Meeting of the Company.

The review of the Remuneration Policy is carried out in the same way as the policy-making process. The review is normally carried out annually at the time of the audit of the remuneration report of the members of the Management Board and the Supervisory Board.



The Supervisory Board takes the Remuneration Policy into account when setting expectations and agreeing on the level of remuneration, bonuses, and other benefits to be paid to the members of the Management Board on appointment and on amendments to managerial contracts. The Remuneration Policy is considered by the General Meeting when setting the remuneration of the members of the Supervisory Board and their attendance fees.

At the time of appointment of an individual member of the Management Board or the Supervisory Board, and during the term of office, conflicts of interest are subject to a comprehensive check including a conflict-of-interest check in relation to the remuneration of the members of the Management Board or Supervisory Board.

Members of the Management Board and the Supervisory Board are required to disclose any conflicts of interest upon appointment and during their term of office.

Conflicts of interest of an individual member of the Supervisory Board or of the Supervisory Board Committees shall be addressed by the Supervisory Board, and conflicts of interest of members of the Management Board shall be addressed by both the Management Board and the Supervisory Board, in accordance with the provisions of the applicable law and the Company's internal regulations, whenever the conflicts of interest arise.

3. Remuneration of the Supervisory Board

The remuneration of the members of the Supervisory Board is decided by a resolution of the General Meeting of the Company on the Supervisory Board's proposal. The decision shall be taken in accordance with the provisions of this Policy and shall remain in force until revoked or amended.

The remuneration of the members of the Supervisory Board, given the nature of their work, does not depend on the remuneration of the Management Board and the Company's employees, nor on the performance of the Company's business.

The remuneration of the members of the Supervisory Board consists of the remuneration for the performance of their function and attendance fees based on their membership in the Supervisory Board and in its committees.

The remuneration of the members of the Supervisory Board of the Company is determined on the basis of a comparison with the remuneration of the members of the Supervisory Boards of other listed public limited companies with their registered office in the Republic of Slovenia, whose shares are listed on the stock exchange, taking into account the following:

- the fact that Cinkarna Celje, d.d., is a large company according to the provisions of the Company's Act,
- the scope and specificities of the Company's field of business,
- the complexity of the supervision and the responsibilities of the members of the Supervisory Board,
- codes, guidelines and communicated shareholder expectations.

Pursuant to the resolution of the General Meeting adopted on 15 June 2021, the following remuneration for the members of the Supervisory Board and the committees of the Supervisory Board for the performance of their duties is fixed:

1. Each Member of the Supervisory Board of the Company shall receive an attendance fee in the gross amount of EUR 275.00. Each member of the Supervisory Board Committees shall receive an attendance fee for the participation at the Supervisory Board Committees Meeting in the amount of 80% of the attendance fee for the participation at a Supervisory Board Session. The attendance fee for a meeting by correspondence shall be 80 % of the normal attendance fee. Notwithstanding the foregoing, and therefore irrespective of the number of meetings attended, each member of the Supervisory Board shall be entitled to the payment of an attendance fee in each financial year until the total amount of the attendance fee reaches 50 % of the basic

remuneration for the performance of the duties of a member of the Supervisory Board on an annual basis. Notwithstanding the foregoing, and therefore irrespective of the number of times a member of the Supervisory Board attends meetings of the Supervisory Board and the Supervisory Board Committees, an individual member of the Supervisory Board who is a member of a Supervisory Board Committee or Supervisory Board Committees shall be entitled to the payment of an attendance fee in each financial year until the total amount of the attendance fee for the attendance at Supervisory Board and Supervisory Board Committee meetings reaches 75% of the basic remuneration for the performance of the duties of a member of the Supervisory Board on an annual basis.

2. In addition to the attendance fees, each member of the Supervisory Board receives a basic remuneration for the performance of their duties in the gross amount of EUR 15,000.00 per year. The Chairman of the Supervisory Board is also entitled to a supplement of 50% of the basic remuneration for acting as a member of the Supervisory Board, and the Vice-Chairman/Deputy Chairman of the Supervisory Board to a supplement of 10% of the basic remuneration for acting as a member of the Supervisory Board. The members of a Supervisory Board Committee shall receive an additional remuneration for the performance of their duties, amounting to 25% of the basic remuneration for the performance of the duties of a member of the Supervisory Board for each member of the Committee. The Chairman of a Committee is entitled to an additional remuneration for the performance of his/her duties equal to 37.5% of the basic remuneration for the performance of his/her duties as a member of the Supervisory Board. Notwithstanding the foregoing, and therefore irrespective of the number of committees of which he or she is a member or chairs, each member of a Supervisory Board committee shall be entitled to payment of additional remuneration in each financial year until the aggregate amount of such additional remuneration reaches 50 % of the basic remuneration for the performance of the duties of a member of the Supervisory Board on an annual basis. If the term of office of an individual member of the Supervisory Board is less than one financial year, the individual member of a Supervisory Board committee shall, notwithstanding the foregoing and therefore irrespective of the number of committees of which he or she is a member or chairs, shall be entitled to the payment of the remuneration, until the aggregate amount of such remuneration reaches a figure equal to 50 % of the basic remuneration for the performance of the functions of an individual member of the Supervisory Board, in relation to the eligible remuneration for the Supervisory Board member's term of office in the financial year in question.
3. Members of the Supervisory Board and members of Supervisory Board Committees shall receive the basic remuneration and the additional remuneration for the performance of their duties in proportionate monthly payments to which they are entitled to for as long as they hold office. The monthly payment shall be one-twelfth of the annual amounts indicated above.
4. The limitation of the total amount of the attendance fees or the remuneration of a member of the Supervisory Board shall in no way affect the member's duty to actively participate in all meetings of the Supervisory Board and of the committees of which he or she is a member, and his or her statutory responsibility.
5. Members of the Supervisory Board shall be entitled to reimbursement of transport and accommodation expenses incurred in connection with their work on the Supervisory Board up to the amount laid down in the rules governing the reimbursement of expenses relating to work and other income not deductible for tax purposes (the provisions applicable to transport expenses and accommodation). The amount due to a member of the Supervisory Board under the above-mentioned regulation shall be adjusted so that the net payment represents the reimbursement of actual travel expenses. The mileage shall be determined based on the distances between places calculated on the public website of the AMZS. Accommodation expenses may be reimbursed only if the distance between the place of residence or temporary residence of the member of the Supervisory Board or of a member of a committee of the Supervisory Board and the place of work is at least 100 kilometres; if he or she was unable to return home because the timetable no longer provided for any journey by public transport; or for other objective reasons.



Reimbursement of training costs / payment of D&O insurance premiums, subject to the prescribed deductible, is possible subject to the Income Tax Act, i.e. expenditure on such costs is taxed in accordance with the legislation.

External members of the Supervisory Board Committees shall be entitled to remuneration for their duties as members of the Supervisory Board Committees of up to 50% of the basic annual remuneration received by a member of the Supervisory Board and an attendance fee in the gross amount of EUR 220.00 for their participation at the Supervisory Board Committee meetings.

Members of the Supervisory Board are prohibited from participating in the Company's profits.

4. Remuneration of the Management Board

Decisions about the remuneration of the Management Board are taken by the Supervisory Board in accordance with applicable law and the Remuneration Policy submitted to the General Meeting of Shareholders.

The Supervisory Board must endeavour to ensure that the remuneration of the members of the Management Board is appropriately proportionate to their powers, duties, experience, and responsibilities and to the Company's financial situation.

Nominal amounts received in an individual financial year are stated for each of the members of the Management Board in the annual report and in the remuneration report for management and supervisory bodies of Cinakrna Celje, d.d.

4.1 Structure of the remuneration of the members of the Management Board

The remuneration of the members of the Management Board consists of a fixed and variable part. Members of the Management Board are also entitled to other remuneration and benefits as defined in this Policy.

a) Fixed remuneration

Fixed remuneration is the basic salary, not less taxes and contributions. The basic salary already includes all allowances.

In order to determine the fixed remuneration, the level of complexity and responsibility of the work shall be considered, taking into account in particular the following criteria:

a) the size of the company in relation to other comparable companies in Slovenia, taking into account the value of assets, generated net sales revenues, and the average number of employees in the last financial year;

b) the complexity of the business, taking into account:

- internationalisation of operations, which is assessed according to the share of revenues generated abroad;
- the complexity of the direct economic environment, which is assessed in terms of the level of competitiveness in the industry, competitiveness in the most important markets, and the stage of development of the industry;
- complexity of key products, according to the stages of development of key products, technological complexity, risks and sales growth potential;

c) tasks and responsibilities, required knowledge, experience and competencies of each member of the Management Board;

b) Variable remuneration

The purpose of the variable remuneration is to encourage top professionals to apply for the position of a member of the Management Board, as well as to work responsibly and actively throughout their term of office, as the remuneration for their work is not based solely on a predetermined amount, but on the possibility of additional remuneration in the event of successful management of the Company and the achievement or surpassing of ambitious targets.

The variable remuneration is calculated up to a maximum of 30% of the annual basic salary paid.

Financial and non-financial criteria for calculating the reward with criteria (benchmarks) for key performance indicators are set out in point 5 of this Policy. The Supervisory Board of the Company shall set out in the Remuneration Policy for the Management Board the financial and non-financial criteria for calculating the bonuses.

The variable remuneration is determined by a resolution of the Supervisory Board, which entitles a member of the Management Board to the payment of the variable remuneration, after the end of each financial year, subject to the fulfilment of predefined criteria, and the payment of the total remuneration is made immediately after the adoption of the resolution of the Supervisory Board.

A member of the Management Board must repay the variable part of his or her performance-related remuneration already received, or a pro rata part thereof, within three years of its payment or part thereof, if the following occurs:

- the annual report is declared void following a final decision and the grounds for annulment relate to the items or facts on which the variable component was based;
- it is established, on the basis of a special auditor's report, that the criteria for determining the bonus have been incorrectly applied or that critical accounting, financial and other data and indicators have not been properly identified or taken into account;
- in all other cases as provided for by the applicable legislation.

On a proposal from the Supervisory Board and in accordance with a resolution of the General Meeting, the Management Board may participate in part of the balance sheet profit. The amount of the balance-sheet profit that may be distributed to the Management Board may not, as a general rule, exceed 5% of the part of the balance-sheet profit that is earmarked for the payment of dividends to shareholders, and at the same time may not exceed six times the average monthly gross salary of each member of the Management Board in the preceding quarterly period. The participation of the Management Board in the distribution of profit and its possible participation in profit or loss in the form of a bonus or incentive component of remuneration, in accordance with the terms of the individual employment contract, are mutually exclusive.

c) Other payments and benefits

In addition to the above remuneration, members of the Company's Management Board are entitled to the following payments and benefits:

- use of the company car for private purposes in accordance with the Company's internal rules,
- use of the work mobile phone for private purposes,
- training and education in the maximum value of EUR 10,000.00 excluding VAT per year,
- membership fees of professional organisations/associations up to a maximum of EUR 5,000.00 excluding VAT per year,
- annual executive health check-up in the maximum value of EUR 1,500.00 excluding VAT,
- annual leave allowance equal to that received by all Company's employees,
- reimbursement of meals taken in the course of duty, reimbursement of expenses and subsistence allowances for missions, jubilee awards,
- the payment of a voluntary supplementary pension insurance premium at the level set for all employees of the Company, if they decide to join the scheme,
- insurance against the accepted liability of directors and officers (D&O insurance), subject to the deductibles prescribed by the applicable legislation,
- performance-related salary based on the criteria applicable to all employees of the Company.

In determining other benefits, the Supervisory Board must take into account that other benefits, together with other payments, are in proportion to the duties and responsibilities of the members of the Management Board and to the financial situation of the company.

4.2 Employment contract for a member of the Management Board (Management Contract)

Remuneration of the members of the Management Board are determined by a Management Contract (Individual Employment Contract).

The Management Contract shall be concluded for a maximum period of five years.

The Management Contract shall terminate upon expiry of the term of appointment as a member of the Management Board, by a termination agreement, resignation from office, recall by the Company's Supervisory Board, death, loss of legal capacity, permanent incapacity to perform the duties of a member of the Management Board, or cessation of the statutory conditions for the performance of the duties of a member of the Management Board, as well as in any other cases provided for by the applicable legislation. In the event of resignation from office, the term of office of the member of the Management Board shall expire with 2 months' notice, at which time the employment contract for the management of the company shall also terminate; the member of the Management Board and the company may also agree on a shorter notice period.

The remuneration of the members of the Management Board shall be determined by the Supervisory Board for each member of the Management Board as follows:

- The amount of the fixed remuneration shall be determined at the time of conclusion of a fixed-term Management Contract, which shall set the basic remuneration with all the components as derived from point 4.1 of the present Article. The complexity and difficulty of the tasks to be performed by him/her in the performance of his/her duties shall be taken into account. The Management Contract shall stipulate other payments and benefits as well.
- The Management Contract shall stipulate the maximum amount of variable remuneration.
- The Management Contract shall specify the maximum amount of the severance pay, which may not exceed 12 times the last monthly salary of the member of the Management Board. The severance pay is determined on the termination of the duties of the members of the Board of Management, to the extent that the statutory or contractual conditions are met, in proportion to the time spent in office, the contribution made to the company, performance in relation to the criteria for determining variable remuneration, etc.
 - In the event of a consensual termination of office before the end of the term of office (prolonged illness, permanent incapacity, personal reasons, other legitimate reasons), the member of the Management Board is entitled to a severance pay not exceeding 6 times his/her last monthly salary.
 - In the event of early termination of the term of office, including the recall of a member of the Management Board without giving any reason, for economic and business reasons, or for any other reason other than fault on the part of the member of the Management Board, the member of the Management Board shall be entitled to a compensation of up to 12 times his or her last monthly salary.
 - A member of the Management Board shall not be entitled to severance pay in the event of early termination of his or her term of office if the member of the Management Board is dismissed for the reasons set out in the first, second and third indents of the second paragraph of Article 268 of the Companies Act, if the member of the Management Board himself or herself resigns or terminates the management contract, and in any other case where the legislation in force at the time does not permit the payment of severance pay.
- A member of the Management Board shall be entitled to compensation for compliance with a non-compete clause as defined in the Company's Articles of Association and his management contract upon termination of his duties as a member of the Management Board if, as a result of such compliance, he no longer receives the same or less income than before. The amount of the indemnity shall be calculated on the basis of the average monthly salary in the last month preceding the date of termination of office and the actual monthly earnings for the duration of the period of the prohibition on competition, up to a maximum of 24 months. The monthly

compensation to which a member of the Management Board is entitled may be up to 1/3 of his average monthly salary in the month preceding the month in which he ceases to hold office. Only the fixed monthly salary is taken into account when calculating the average monthly salary.

The Company pays all remuneration to members of the Management Board in cash only, without the use of share-based remuneration or share options.

5. Financial performance or the Company's performance indicators

The financial criteria and their impact on the determination of variable remuneration are as follows:

- key financial performance indicators EBIT, EBITDA, net profit, results according to the business plan -;
- successful completion of projects based on the decision of the Management Board and the Supervisory Board on the determination of these projects;
- social responsibility and employee satisfaction based on the existing level; and
- discretion of the Supervisory Board with regard to the assessment of the quality of the Management Board's work (poor, satisfactory, good, very good, excellent).

In assessing the quality of the Management Board's work, the Supervisory Board may also take into account the fulfilment of non-financial criteria (such as success in ensuring sustainable operations, success in human capital development, etc.) with regard to activities under each criterion, considering the events and circumstances in each financial year.

The specific amount of variable remuneration of an individual member of the Management Board is determined using accounting methods, taking into account the criteria specified in the previous article and their impact on the amount of variable remuneration of a member of the Management Board. The calculation is made in the form of a total performance estimate of an individual member of the Management Board for an individual year, where the estimate is directly expressed in determining the percentage of variable remuneration for a specific financial year, which is estimated (previous year) so that the overall performance estimate ranges from 0% to XX% of the gross salary in the previous year.

The Supervisory Board is responsible for determining the performance of the Management Board and determining the variable component of remuneration in accordance with the Rules and this Remuneration Policy. More detailed criteria for determining the variable part of remuneration are adopted by the Supervisory Board after the adoption of the annual plan, usually by the end of the calendar year for the following year, or it checks their adequacy once a year and proposes changes if necessary.

The Management Board also submits a report on the work of the Management Board to the Supervisory Board no later than when adopting the audited annual report for the financial year.

The performance of the Management Board and variable remuneration are determined once a year for the previous financial year upon the adoption of the audited annual report adopted by the Supervisory Board.

6. Conditions for temporary derogation from the Remuneration Policy

Temporary derogation from the Remuneration Policy is only permitted in exceptional circumstances necessary to pursue the long-term interests and sustainability of the Company as a whole or to safeguard its assets. Derogation is also possible due to changes in legislation, e.g. changes in tax rules.

Changed circumstances must arise after the Annual Meeting has debated the Remuneration Policy.

The derogation may be applied if the following procedural conditions are met:

1. the HR Committee, in accordance with the Supervisory Board's instructions and after obtaining the Management Board's opinion:
 - verifies the existence of exceptional circumstances or such changes in legislation as to permit a temporary deviation from the Remuneration Policy,
 - reviews the existing system of remuneration of the Management Board,
2. the HR Committee determines the existence of exceptional circumstances or a change in the law justifying a derogation from the Remuneration Policy and proposes to the Supervisory Board the basis for the deviation (the elements of the policy for which it proposes a deviation and their new level),
3. the Supervisory Board approves the proposal of the HR Committee.

A derogation in terms of remuneration is only possible with regard to the following elements of the Remuneration Policy:

- the amount of fixed remuneration,
- the amount of variable remuneration,
- the level of remuneration for education and training, membership fees, management medical check-up,
- the amount of severance pay,
- the amount of compensation for compliance with the competition clause.

7. Decision on the Remuneration Policy and its publication

The Remuneration Policy must be submitted to the General Meeting for a vote whenever a significant change is made, and at least every four years.

The General Meeting shall implement consultative voting on the Remuneration Policy. If the proposed Remuneration Policy is not approved by the General Meeting, the Company shall amend it and put the amended Remuneration Policy to a vote at the next General Meeting.

The Company determines the remuneration of the members of the Management Board and the Supervisory Board only in accordance with the Remuneration Policy put to the vote for approval at the General Meeting.

This Remuneration Policy shall enter into force when the General Meeting of the Company has taken a decision on it in the context of a consultative decision-making process.

The Remuneration Policy submitted to the General Meeting shall be promptly made publicly available by the Company on the Company's website, together with the date and results of the vote. The remuneration policy shall remain free of charge and publicly available for at least the period during which it is applied, but not less than 10 years.

Celje, 10. 5. 2022

Chairman of the Supervisory Board
Mario Gobbo

President of the Management Board
Aleš Skok



The text is an informative translation of the original in Slovene.

REPORT ON THE ACQUISITION OF TREASURY SHARES OF CINKARNA CELJE, d.d.

At its 25th session that was held on 15 June 2021, the General Meeting of Shareholders of Cinkarna Celje, d. d. (hereinafter also the company) authorised the Management Board to obtain treasury shares whereby the total share of all treasury shares, including the shares that the company already owns, may not exceed 10% of the company's initial capital (80,797 shares). The Power of Attorney of the General Meeting was granted for a period of 12 months. Pursuant to the Power of Attorney, the Company may acquire treasury shares either by engaging in transactions on regulated markets in financial instruments or in over-the-counter transactions. The purchase price of acquired treasury shares may not be under €120/share and not above €270/share.

At the first regular session of the Supervisory Board following the General Meeting, the Management Board and the Supervisory Board of the company adopted the Treasury Share Buyback Program, with the aim of public and transparent trading in treasury shares, taking into account equal treatment of all shareholders, protection of interests of shareholders and prevention of risks of market abuse.

The acquisition of treasury shares was conducted in accordance with the Power of Attorney granted at the 25th session of the General Meeting and the adopted Treasury Share Buyback Program. The acquisition of treasury shares in the regulated market was executed through purchase orders submitted to ILIRIKA borzno posredniška hiša d.d., Slovenska cesta 54 A, 1000 Ljubljana, which is a member of the Ljubljana Stock Exchange. The purchases were transparent and pursuant to the relevant regulatory framework that applies to investment companies. The company did not acquire any shares in over-the-counter transactions. The Company will keep the public regularly informed of any share repurchase transactions on the website of the Ljubljana Stock Exchange, d. d., in the SEOnet information system (<http://seonet.ljse.si>) and on the Company's official website.

According to the register, as at 13 May 2022, the company owns a total of 807,977 ordinary no-par value shares, whereby the total number of treasury shares of the company on that day equals 26,465, which represents 3.28% of all issued shares; note that 1,150 treasury shares were acquired on the basis of the decision of the 25th General Meeting of Shareholders of the company of 15 June 2021.

The value of the total purchase of treasury shares of the company on the regulated market of the Ljubljana Stock Exchange in the period from the granting of the Power of Attorney at the 25th General Meeting of Shareholders of 15 June 2021 to 13 May 2022 totalled EUR 247,198.00, with the average purchase price per share of EUR 238.43, and the lowest issue price per share of EUR 231.00.

The company obtains treasury shares with the purpose of realising the expectations of owners and pursuant to the adopted strategy of the company for the 2019-2023 period.

CINKARNA Celje, d.d.
Aleš Skok
President of the Management Board
