



ȘANTIERUL NAVAL ORȘOVA S.A.  
Nr. RC J25/150/1991 CIF: RO 1614734  
Capital social: - subscris 28.557.297,5 lei  
- varsat 28.557.297,5 lei  
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Codul LEI (Legal Entity Identifier): 254900UXAJ8TPIKLG79  
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**REMUNERATION REPORT RELATED TO THE FINANCIAL YEAR 2021**  
**regarding the remunerations and other advantages granted to the administrators**  
**and directors within the Orșova S.A. Shipyard.**

**Preamble**

In accordance with the Company's remuneration policy, approved by the OGMS on April 16, 2021, the Company's Board of Directors has prepared this annual report which includes the remuneration and other benefits granted to the Company's executives during the financial year ended December 31, 2021.

The Remuneration Report provides an overview of remuneration, including all benefits, regardless of form, granted or due during the last financial year, to individual managers, including newly appointed and former executives in accordance with the Remuneration Policy.

The Remuneration Report will be submitted to the advisory vote of the ordinary general meeting of the Company's shareholders, will be published on the Company's website and will remain available to the public for 10 years from publication, in accordance with the applicable legal provisions.

**1. GENERAL LEGAL FRAMEWORK:**

- Law no. 31/1990 on commercial companies
- Law no. 24/2017 on issuers of financial instruments and market operations
- Law no. 158/2020 amending, supplementing and repealing certain legislation, as well as establishing measures for the implementation of Regulation (EU) 2017 / 2.402 of the European Parliament and of the Council of 12 December 2017 establishing a general framework for securitization and creating a specific framework for simple, transparent and standardized security and amending Directives 2009/65 / EC, 2009/138 / EC and 2011/61 / EU, as well as Regulations (EC) No. 1,060 / 2009 and (EU) no. 648/2012.

## **2. Internal regulations regarding remuneration and other benefits granted to administrators and directors**

The internal regulations taken into account for determining the rules regarding the remuneration of the Company's administrators and directors are the following:

- The articles of incorporation of the Company
- Decisions of the GMS and decisions of the Board of Directors of the company

## **3. The composition of the Nomination and Remuneration Committee The Nomination and Remuneration**

Committee assists the Board of Directors in fulfilling its responsibilities regarding the composition and structure of the Board of Directors, the selection and remuneration of the directors and directors.

The composition of the Nomination and Remuneration Committee between January 1 and December 27, 2021, approved at the meeting of the Board of Directors on 02.10.2020 (Decision no. 9 / 02.10.2020) was next:

	Name end surname	Function
1	Moldovan Marius	President
2	Dumitrescu Lucia- Carmen	Member
3	Andanut Crinel-Valer	Member
4	Mihai Constantin Marian	Member

At the end of 2021, the composition of the Nomination and Remuneration Committee underwent modifications, respectively the Board of Directors of the company, as it was elected during the OGMS meeting of December 28, 2021, decided its composition (Decision no. 18 / 28.12.2021) , as follows:

	Name end surname	Function
1	Radu Rosca Claudiu	President
2	Enescu Radu Valentin	Member
3	Mihai Constantin Marian	Member

## **4. The structure of the remuneration of the administrators and directors of the Company and its amount, during the year 2021:**

- the administrators received, for the activity carried out, a fixed monthly indemnity according to the mandate contracts in force for each administrator;
- the General Manager received, for the activity carried out, a fixed monthly allowance; • the fixed allowance for the members of the Board of Directors was approved by the GMS;
- the allowance for the General Manager was approved by the Board of Directors;

- in 2021 no variable indemnity was granted to the administrators or stock and stock options;
- partially the directors and the general manager benefited from professional liability insurance, at the expense of the Company, in the amount approved by the GMS throughout 2021;
- the remuneration granted to the administrators and directors of the company complies with the remuneration policy adopted;

#### 4.1. The structure of the remuneration granted to the Company's administrators

Total gross remuneration for all members of the Company's Board of Directors for the year 2021 it was 587,889 lei.

**4.1.1. Fixed monthly remuneration:** it was established according to the legal provisions presented above and provided by the mandate contracts of each administrator as approved by the GMS decision. The net fixed remuneration granted to all members of the Company's Board of Directors during 2021, and related entirely to this year, was 343,927 lei.

**4.1.2. Variable remuneration:** In 2021 no variable remuneration was granted.

**4.1.3.** The details of the net remuneration related to each administrator are included in the following table:

a) The period January 1-December 27, 2021:

	<u>Name and surname</u>	<u>Remuneration Gross fixed</u>	<u>Remuneration Fixed net</u>	<u>Remuneration Variable</u>	<u>Other benefits according to the contract</u>
1	Andanut Crinel Valer	133.344	78.011	0	0
2	Moldovan Marius	122.212	71.500	0	0
3	Dumitrescu Lucia Carmen	111.126	65.12	0	0
4	Ciurezu Tudor	101.022	59.091	0	0
5	Mihai Constantin Marian	111.126	65.012	0	0

b) The period December 28-31, 2021:

	<u>Name and surname</u>	<u>Remuneration Gross fixed</u>	<u>Remuneration Fixed net</u>	<u>Remuneration Variable</u>	<u>Other benefits according to the contract</u>
1	Rosca Radu Claudiu	2.052	1.201	0	0
2	Enescu Radu Valentin	1.880	1.100	0	0
3	Sperdea Mircea Ion	1.709	1.000	0	0
4	Zoescu Mihai	1.709	1.000	0	0
5	Mihai Constantin Marian	1.709	1.000	0	0

**4.1.4. The general performance objectives** completed by the specific criteria, which are the basis for granting the variable component of the directors' remuneration, are subject to the approval of the GMS.

#### **4.2. The structure of the remuneration granted to the General Manager**

The remuneration of the General Manager of the Company was established by the Board of Directors in the mandate contract, within the limits approved by the GMS.

The total gross remuneration granted to the General Manager of the Company for 2021 was 376,320 lei.

The total net fixed remuneration granted to the General Manager of the Company for 2021 was 220,152 lei.

No variable remuneration was granted in 2021.

#### **4.3. The remuneration structure granted to the Director of the Agigea Branch**

The remuneration of the director of the Agigea Branch was established by the Board of Directors in the mandate contract, within the limits provided by the Articles of Association of the Company.

The total gross remuneration granted to the director of the Agigea branch, for the term of office in 2021, was 121,181 lei.

The total net fixed remuneration granted to the director of the Agigea branch, for the term of office in 2021, was 70,891 lei.

No variable remuneration was granted in 2021.

### **5. Information regarding the mandate contracts of the administrators and executive directors**

#### **5.1. Mandate contracts of administrators**

The mandate contracts of the company's administrators in 2021 were concluded for periods between 2 (two) and 4 (four) years.

The situation of the mandate contracts for the administrators who were part of the Board of Directors of Orsova S.A. during 2021 is presented in the following table:

	Name and surname	Start date mandate under contract	End date mandate	Appointment document
1	Andanut Crinel Valer	02.10.2020	27.12.2021	DecisionAGOA nr.51/2020 and nr.53/2021
2	Moldovan Marius	02.10.2020	27.12.2021	DecisionAGOA nr.51/2020 and nr.53/2021
3	Dumitrescu Lucia Carmen	02.10.2020	27.12.2021	DecisionAGOA nr.51/2020 and nr.53/2021
4	Ciurezu Tudor	02.10.2020	27.12.2021	DecisionAGOA nr.51/2020 and nr.53/2021
5	Mihai Constantin Marian	02.10.2020	27.12.2021	DecisionAGOA nr.51/2020 and nr.53/2021
6	Rosca Radu Claudiu	28.12.2021	28.12.2025	DecisionAGOA nr.51/2020 and nr.53/2021
7	Enescu Radu Valentin	28.12.2021	28.12.2025	DecisionAGOA nr.51/2020 and nr.53/2021
8	Sperdea Mircea Ion	28.12.2021	28.12.2025	DecisionAGOA nr.51/2020 and nr.53/2021
9	Zoescu Mihai	28.12.2021	28.12.2025	DecisionAGOA nr.51/2020 and nr.53/2021
10	Mihai Constantin Marian	28.12.2021	28.12.2025	DecisionAGOA nr.51/2020 and nr.53/2021

Mandate contracts contain clauses regarding:

- awarding damages for revocation without just cause, before the expiration of the term of office entrusted;
- the right to be insured for professional liability;
- the settlement by the company of the expenses determined by the travel and participation in the meetings, as well as for any activity related to the management and administration of the company.

The mandate contracts concluded with the company's administrators do not include performance indicators and criteria. These were approved by the OGMS in the meeting of April 17, 2021 (Decision no. 52 / 17.04.2021).

During 2021 there were no cases of dismissal of the members of the Board of Directors for non-fulfillment of the obligations provided in the contract; We specify that the OGMS, from December 28, 2021, found the legal revocation of the members of the Board of Directors, respectively Mr. Andanut Crinel Valer, Mr. Moldovan Marius, Mrs. Dumitrescu Lucia Carmen and Mr. Ciurezu Tudor, as a result of their non-confirmation by vote cumulatively in the new Board of Directors of the Company.

## **5.2. The mandate contract of the executive directors**

Mandate contracts contain clauses regarding:

- awarding damages for revocation without just cause, before the expiration of the term of office entrusted;
- the notice period of 30 days for the situation in which the director resigns;
- the right to be insured for professional liability;
- the right to service housing at the expense of the Company or, as the case may be, if the Company does not provide the service housing, the settlement of all expenses occasioned by accommodation in specialized units;
- the right to reimbursement of expenses related to the execution of the mandate (accommodation, subsistence, transport and any other types of expenses related to the execution of the mandate and regardless of whether they were caused by travel in the country or abroad, as well as the use of inventory items / fixed assets necessary to carry out the activity.

### **5.2.1. The mandate contract of the general manager**

By Decision no. 13 of November 10, 2020, the Board of Directors extends the term of office for the position of General Manager of the Company of Mr. Sperdea Mircea Ion, for a period of 2 years, between November 10, 2020 and November 9, 2022.

The mandate contract concluded by the General Manager with the Company does not include performance indicators and criteria. These were subsequently approved by the Board of Directors in the meeting of March 29, 2021 (Decision no. 6 / 29.03.2021).

### **5.2.2. The mandate contract of the director of the Agigea branch**

Based on Decision no. 4 of March 29, 2021, the mandate contract is concluded with Mr. Varlan Alexandru regarding the entrustment and exercise of the position of director of Agigea Branch, for a period between 01.04-31.12.2021, the indicators and specific performance criteria following be subsequently approved by the Board of Directors of the Company. On August 30, 2021 (Decision no. 14 / 27.08.2021) the Board of Directors of the Company decides to terminate the mandate contract of Mr. Varlan Alexandru, as a result of the resignation request made by him in accordance with the terms of the mandate contract.

## 6. Comparative information on changes in remuneration and performance of the Company

Annual change	Financial year 2021 compared to the financial year 2020+(-)	Financial year 2020 compared to the financial year 2019+(-)	Financial year 2019 compared to the financial year 2018 +(-)	Financial year 2018 compared to the financial year 2017 +(-)	Financial year 2017 compared to the financial year 2016 +(-)
<b>Average gross remuneration of managers</b>					
Board of Directors	(41,62%)	16,35%	21,45%	( 0,11%)	74,68%
Executive management	14,13	1,91%	3,54%	36,93%	12,11%
<b>Company performance</b>					
Turnover	4,06%	7,36%	27,20%	(4,14%)	(27,95%)
Gross profit	(89,88%)	26,92%	10,87%	(8,39%)	(7,20%)
Work productivity	3,42%	(12,64%)	10,49%	(0,35%)	(9,84%)
<b>Average gross remuneration based on the full-time equivalent of the Company's employees</b>					
Employees of society	3,67%	5,92%	12,52%	29,57%	7,43%

**PRESIDENT**

**Nomination and Remuneration Committee,**

**Ec. Rosca Radu Claudiu.**