



ŞANTIERUL NAVAL ORŞOVA 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): 254900UXAJ8TPIKLXG79
Cod IBAN: RO96RNCB0181022634120001- B.C.R. Orşova
Cod IBAN: RO59BRDE260SV03176142600- B.R.D. Orşova



REMUNERATION REPORT RELATED TO THE FINANCIAL YEAR 2023
regarding the remunerations and other advantages granted to the administrators
and directors within the Orsova 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, 2023.

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 - November 16, 2023, approved at the meeting of the Board of Directors on 28.12.2021 (Decision no. 18 / 28.12.2021) was next:

1	Radu Rosca Claudiu	President
2	Enescu Radu Valentin	Member
3	Mihai Constantin Marian	Member

At the end of 2023, the composition of the Nomination and Remuneration Committee underwent changes, following the resignation of Enescu Radu Valentin. The Board of Directors of the company, in the meeting of 19.12.2023, decided to appoint Mr. Ion Dumitru as a provisional member. Thus, on 31.12.2023, the Nomination and Remuneration Committee (Decision no. 16/19.12.2023), has the following component:

- 1 Radu Rosca Claudiu - president
- 2 Ion Dumitru - 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 2023:

- 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 2023 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 2023;
- 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 2023 it was 593,447 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 2023, and related entirely to this year, was 347,884 lei.

4.1.2. Variable remuneration: In 2023 no variable remuneration was granted.

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

	<u>Nume 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	135.396	79.211	0	0
2	Enescu Radu Valentin	108.826	63.667	0	0
3	Sperdea Mircea Ion	47.018	28.211	0	0
4	Zoescu Mihai	112.836	66.011	0	0
5	Mihai Constantin Marian	112.836	66.011	0	0
6	Chindris Gheorghe	51.472	30.111	0	0
7	Ion Dumitru	12.811	7.494	0	0
8	Fainarea Marius	12.252	7.168	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 2023 was 427,476 lei.

The total net fixed remuneration granted to the General Manager of the Company for 2023 was 256,485 lei.

No variable remuneration was granted in 2023.

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 2023 were concluded for periods between 4 (four) years.

During 2023, there were changes in the structure of the Board of Directors, as follows: - On 31.05.2023, Mr. Mircea Ion Sperdea resigned as a member of the Board of Directors, Mr. Chindris Gheorghe being provisionally appointed to the vacant post. - On 16.11.2023, Mr. Enescu Radu Valentin and Chindris Gheorghe resigned from the mandates of the company's administrators, so that, on the vacant positions, the Board of Directors appointed Mr. Ion Dumitru and Mr. Fainarea as provisional members Marius.

The status of the mandate contracts for the administrators who were part of the Board of Directors of Orșova Naval Shipyard S.A. during 2023 it is presented as follows:

	<u>Name and surname</u>	<u>Start date mandate under contract</u>	<u>End date mandate</u>	<u>Appointment document</u>
1	Rosca Radu Claudiu	28.12.2021	28.12.2025	Decision AGOA nr.53/2021
2	Enescu Radu Valentin	28.12.2021	28.12.2025	Decision AGOA nr.53/2021
3	Sperdea Mircea Ion	28.12.2021	28.12.2025	Decision AGOA nr.53/2021
4	Zoescu Mihai	28.12.2021	28.12.2025	Decision AGOA nr.53/2021
5	Mihai Constantin Marian	28.12.2021	28.12.2025	Decision AGOA nr.53/2021
6	Chindris Gheorghe	06.06.2023	16.11.2023	Decision CA nr.7/06.06.2023
7	Ion Dumitru	21.11.2023	The date of the meeting AGOA	Decision CA nr.14/20.11.2023
8	Fainarea Marius	21.11.2023	The date of the meeting AGOA	Decision CA nr.14/20.11.2023

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 20, 2023 (Decision no. 56 / 20.04.2023).

During 2023 there were no cases of dismissal of the members of the Board of Directors for non-fulfillment of the obligations provided in the contract.

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 8, 2022, 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 4 years, between November 10, 2022 and November 9, 2026.

The mandate contract concluded by the General Manager with the Company does not include performance indicators and criteria. For the year 2023, they were approved by the AGOA in the meeting of April 20, 2023.

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

Annual change	Financial year 2023 compared to the financial year 2022 +(-)**	Financial year 2022 compared to the financial year 2021 +(-)*	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 +(-)
Average gross remuneration of managers					
Board of Directors	0,76%	1,72%	(41,62%)	16,35%	21,45%
Executive management	7,66%	(6,94%)	14,13	1,91%	3,54%
Company performance					
Turnover	72,26%	(22,37%)	4,06%	7,36%	27,20%
Gross profit	-	-	(89,88%)	26,92%	10,87%
Work productivity	27.18%	33%	3,42%	(12,64%)	10,49%
Average gross remuneration based on the full-time equivalent of the Company's employees					
Employees of society	10,29%	9,61%	3,67%	5,92%	12,52%

*In 2022, the company registered a loss in the gross amount of 4,233,703 lei

** In 2023, the company registered a profit in the gross amount of 3,881,697 lei

PRESIDENT

Nomination and Remuneration Committee,

Ec. Rosca Radu Claudiu.