REMUNERATION POLICY
Societatea Santierul Naval Orsova S.A.
Revised version | Financial year 2026 and following
Approved on: ______________________

1. General considerations

This policy describes the formal approach adopted by Societatea Santierul Naval Orsova S.A. (hereinafter referred to as the "Company") for establishing the remuneration of executive directors with mandate contracts and members of the Board of Directors, in accordance with the provisions of Law no. 24/2017 on issuers of financial instruments and market operations, as subsequently amended and supplemented. The purpose of this policy is to provide a transparent overview of the remuneration principles and methods used by the Company, to ensure the attraction, retention and motivation of top professionals, defining a management by objectives system aligned with the long-term strategy of the Company. The remuneration policy represents the general framework established by the Ordinary General Meeting of Shareholders and concerns the remuneration of executive directors with mandate contracts and administrators, in accordance with the business strategy, objectives, values and long-term interests of the Company.

2. Fundamental principles

The Company's remuneration policy is governed by the following principles:

Principle	Description
Strategic coherence	The remuneration schemes are aligned with the Company's long-term strategy, prioritizing the increase in profitability (EBITDA, net profit) and financial sustainability.
Performance orientation	Variable remuneration is conditioned exclusively by the achievement of verifiable and auditable performance indicators. Poor performance is not rewarded.
Financial gateway	No bonus can be paid if the net profit achieved is below the minimum threshold approved by the OGMS. Profitability is a necessary condition, not an optional one.
Sustainability	Remuneration stimulates medium and long-term motivation, without excessive focus on short-term gains that could harm the Company.
Market relevance	The reward is determined in the context of market conditions in the shipbuilding sector, to ensure competitiveness in recruitment and retention.
Transparency	The remuneration schemes are designed with simplicity, allowing full understanding by all internal and external information users.

3. Approval of the remuneration policy

Shareholders have the right to vote and approve the remuneration policy at the Ordinary General Meeting of Shareholders. The decision-making structure is as follows:

Element	A.G.O.A.	Board of Directors	Remuneration Committee
Remuneration Policy	Approve	Propose for approval	Formulate recommendation
Remuneration ratio	Advisory vote	Approve	Formulate recommendation
Maximum variable amount (% of gross profit)	Approve	Propose	Formulate recommendation
Annual KPIs and their targets	Approve	Propose	Approve
Determination of the degree of KPI achievement	Take note	Determine and certify	Independent verification

The Remuneration Committee exercises the following main responsibilities:
• Formulates recommendations to the Board of Directors regarding remuneration levels;
• Proposes annual KPIs and related targets, prior to approval by the OGMS;
• Independently verifies the degree of achievement of KPIs at the end of the financial year;
• Monitors the implementation of the remuneration policy and reports any dysfunction.

4. Remuneration structure

The remuneration of the members of the Board of Directors consists of fixed remuneration.

The remuneration of the executive directors consists of two main components: fixed remuneration and variable remuneration, with clearly differentiated weights and mechanisms.

A. Fixed (base) remuneration

The fixed component is not conditional on the fulfillment of performance criteria. It is based on pre-established and transparent criteria, is not discretionary and is irrevocable for the duration of the contract (it can be modified exclusively by renegotiation and annual review).

The members of the Board of Directors benefit from a fixed monthly allowance established by the OGMS decision for each financial year. Members who participate in advisory committees receive an additional allowance according to the legal provisions and the Articles of Association.

The fixed monthly remuneration of the executive directors falls between 5 and 11 average gross salaries earned by the company in the previous financial year and is established by the mandate contract.

B. Variable remuneration — balanced scorecard model with financial gateway

> *Fundamental principle: the variable component rewards only real and verifiable performance. It is not an automatic bonus and is not paid in the absence of minimum profitability of the Company.*

B.1 Maximum amount and bonus structure

The maximum aggregate amount for the variable remuneration of all executive directors is approved annually by the OGMS and cannot exceed 10% of the gross profit of the financial year under review.
At individual level, the annual variable component cannot exceed 100% of the total fixed annual remuneration of the respective director.

Parameter	Value
Parameter Value	100% of the gross annual fixed remuneration
Target bonus (upon 100% KPI achievement)	100% of the gross annual fixed remuneration
Absolute maximum bonus	Max. 10% of the gross profit of the assessed year
Aggregate ceiling (all directors)	Annually, after the closing and auditing of the financial statements
Evaluation frequency	Board of Directors, with the verification of the Remuneration Committee

B.2 Gateway condition — minimum profitability threshold

This is the most important provision of the variable section. The full payment of the variable component is conditional on the achievement of 100% or more of the budgeted gross profit, approved annually by the OGOA. If the gross profit achieved is below this target, the variable component is not granted.

Realized vs. budgeted gross profit Consequence on bonus	Realized vs. budgeted gross profit Consequence on bonus
100% or more of the budgeted profit Full bonus, conditional on achieving individual KPIs	100% or more of the budgeted profit Full bonus, conditional on achieving individual KPIs

> *Gateway rationale: a director who has achieved operational objectives, but the Company is not profitable, cannot be rewarded with a bonus. Profitability is the collective result and primary responsibility of the management team.*

B.3 KPI structure for executive directors

Within the OGMS approving the previous financial year, KPI targets for the current year are established. KPIs are structured in two categories. The quantitative KPI detail is established separately for the General Manager and for the Agigea Branch Manager, reflecting the specifics of each role. Qualitative KPIs are common to both directors. The category weights are:

Category	Weigth
Quantitative criteria (financial and operational)	75%
Qualitative criteria (strategy execution and management)	25%

Quantitative KPI Detail — General Manager (75% of total score):

Quantitative KPI indicator	Weight in total score	Measurement method	Data source
EBITDA Margin Realized vs. Budgeted	30%	Absolute value in RON, compared to the target approved by the OGMS	Audited Financial Statements
Gross Profit Realized vs. Budgeted	25%	Absolute value in RON, compared to the target approved by the OGMS	Audited Financial Statements
Value of new signed contracts (backlog)	10%	RON, compared to the target set by the Board of Directors and approved by the OGMS	Contract register + CA confirmation
Operational efficiency (production cost / unit delivered)	10%	RON/unit or RON/ton	Audited internal reporting

Quantitative KPI detail — Agigea Branch Manager (75% of the total score):

Quantitative KPI indicator	Weight in total score	Measurement method	Data source
Realized vs. budgeted EBITDA margin	30%	Absolute RON value, compared to the target approved by the OGMS	Audited financial statements
Profit brut realizat vs. bugetat	30%	Absolute RON value, compared to the target approved by the OGMS	Audited financial statements
Cashflow — receivables with a collection term of more than 60 days not to represent more than 5% of the branch's turnover	15%	Receivables report > 60 days / branch turnover; target: below 5%;	Analytical balance + audited financial statements

Qualitative KPIs (25% of the total score) — valid for both CEOs:

Quantitative KPI indicator	Weight in total score	Evaluation mode
Quality and on-time delivery (delivery rate according to contracts, without penalties)	15%	Production register + customer confirmation; Contractual penalty rate
Compliance and audit — existence and implementation of quality standards, quality management, ESG reporting, occupational safety, ISU, environment, financial and external audit, internal procedures	10%	Annual compliance report + internal/external audit findings + degree of implementation of procedures

Note: The list of KPIs mentioned is not exhaustive and can be completed with indicators relevant to the current economic cycle, at the proposal of the Board of Directors and with the approval of the OGMS. Annually, the OGMS explicitly approves the complete list of KPIs and the associated quantitative targets for the current year.

B.4 Calculation of the performance score

The total performance score of an executive director is calculated as the weighted sum of the individual achievement rates of each KPI:

Step	Action	Responsible
1	At the beginning of the year: OGMS approves the KPI targets for the current year	OGMS, at the proposal of the Board of Directors
2	During the year: the director reports quarterly to the Board of Directors the estimated degree of achievement	Executive Director
3	After the end of the financial year: the Board of Directors verifies and certifies the degree of achievement based on the audited financial statements	Board of Directors + External Auditor
4	The Remuneration Committee independently verifies the calculation and issues the payment recommendation	Remuneration Committee
5	The OGMS approves the total amount to be paid. The Board of Directors approves the individual amounts within this ceiling	OGMS, then CA

The total score (S) is calculated as follows:

S (General Manager) = (EBITDA achievement degree x 30%) + (Net profit achievement degree x 25%) + (Backlog achievement degree x 10%) + (Operational Efficiency achievement degree x 10%) + (Quality and Delivery KPI achievement degree x 15%) + (Compliance and audit qualitative KPI achievement degree x 10%)

S (Agigea Branch Manager) = (EBITDA achievement degree x 30%) + (net profit achievement degree x 30%) + (Cashflow/receivables achievement degree >60 days vs. branch turnover x 15%) + (Quality Quality and Delivery KPI achievement degree x 15%) + (Compliance and audit qualitative KPI achievement degree x 10%)

Individual bonus = Gross annual fixed remuneration x min(S, 100%)
If S exceeds 100%, the bonus is capped at 100% of the fixed annual remuneration. Exceeding the objectives does not generate an additional bonus in this policy option, but it can be taken into account when negotiating the fixed component for the next year.

B.5 Payment mechanism

The variable remuneration is paid in full, in a single installment, after the end of the financial year, after the approval of the audited financial statements and the ascertainment of the degree of achievement of the KPI by the Board of Directors, and after the approval of the OGMS.

The bonus is paid 100% within 30 days from the date of approval by the OGMS of the financial statements, subject to the absence of any active malus or clawback situation on the date of payment.

B.6 Adjustment mechanisms — Malus and Clawback

Any variable component — whether paid or not — is subject to the following adjustment mechanisms:

Mechanism	Definition	Application situations
Malus (pre-payment adjustment)	Reduction or cancellation of the bonus before it is paid out	Performance significantly below expectations found late; Conduct contrary to the interests of the Company; Handling of reporting data; Significant breach of the code of conduct
Clawback (recovery after payment)	Full or partial recovery of the bonus already paid	Restitution of financial statements due to errors or frauds attributable to the director; Serious conduct that harms the Company, found after payment; Violation of labor or criminal legislation

The statute of limitations for initiating the clawback procedure is 3 years from the date of payment of the bonus. The procedure is initiated by the Board of Directors, with the information of the OGMS, and can be challenged in court by the director.

C. Ratio between fixed and variable remuneration

The fixed component represents a sufficiently large share of the total remuneration, providing the Company with full flexibility in granting the variable component. Under the conditions of full achievement of the KPI, the target report is:

Component	Target weight (upon achievement of 100% KPI)	Observations
Fixed annual remuneration	50%	Guaranteed for the duration of the mandate
Variable remuneration (bonus)	50%	Conditioned by gateway and KPI; 100% payment within 30 days from the approval of the OGMS
Total Potential Package	100%	Full payment within 30 days from the approval of the OGMS

5. Share-based remuneration

In strictly determined cases and in compliance with the applicable legal framework (including BVB and ASF regulations), the Company may grant a share-based remuneration, with the establishment of vesting periods, freezing periods after award and applicable performance conditions.

Such a plan aims to align the long-term interests of directors with those of shareholders and to strengthen the retention of the management team. The introduction of an action plan requires the separate approval of the OGMS and the corresponding amendment of this policy.

6. Managers' contracts

The duration of the management and mandate contracts is a maximum of 4 years, with the corresponding application of the provisions of the Articles of Incorporation. The contracts establish:

• Duration, notice periods and termination conditions (resignation, justified revocation, unjustified revocation);

• Payments related to the termination of the mandate;

• Non-compete and post-mandate confidentiality clauses (if applicable);

• Explicit reference to this remuneration policy and to the malus and clawback mechanisms.

The remuneration and benefits granted will be recorded in the audited annual financial statements, in the Board Report and in the Remuneration Report.

7. Implementation of the KPI system — action plan

As the Company does not yet have a formal KPI system for executives, the implementation of this policy will be carried out in the following stages:

Step	Action	Term	Responsible
1	The Board proposes the initial list of KPIs and targets for the first application exercise	No later than 30 days before the OGMS	Board + Remuneration Committee
2	OGMS approves the list of KPIs, quantitative targets and profitability gateway threshold	At the OGMS approving the budget	AGOA
3	The directors' mandate contracts are completed with the bilaterally signed KPI Annex	Within 15 days of the OGMS	CA + Directory
4	Quarterly reporting of the estimated degree of achievement to the Board of Directors	Quarterly	Executive Directors
5	Final finding and calculation of the bonus, after auditing the financial statements	Q1 of next year	Board + Remuneration Committee

We recommend that in the first year of application, the KPI targets be calibrated conservatively, to allow the system to mature and to avoid unexpected effects. The adjustment of the targets can be made annually by OGMS decision.

8. Benefits

The benefits of executive directors and members of the Board of Directors can be granted according to the contracts and include facilities for the execution of the mandate:

• Bearing the costs of mobile communications and means of remote communication;

• Means of transport for professional activity;

• Private health insurance (optional, if provided for in the mandate contract).

The payment of professional liability insurance (D&O) is borne by the Company and is not part of the remuneration.

9. Review of the remuneration policy

P The remuneration policy is subject to review at least once every 4 years or whenever significant changes are required. The review process will take into account: significant changes in shareholder views, developments in market and sector conditions, legislative changes and results of policy implementation in previous years.

10. Repeal of the remuneration policy

In exceptional circumstances, the Company may temporarily derogate from the remuneration policy. Derogation is permitted only when it is necessary to serve the interests and sustainability of the Company in the long term. The objective reasons for the derogation and the elements concerned shall be made known to all interested parties.

11. Remuneration ratio

The company prepares a clear and easy-to-understand remuneration report annually, which provides a comprehensive picture of the remuneration granted to individual managers, including benefits. The report is subject to the advisory vote of the OGMS once the financial statements are approved and is available on the issuer's website for 10 years.