

No. CNR_CA-26-01075-17-03-2026



THE REMUNERATION POLICY OF SOCIETATEA NATIONALA NUCLEARELECTRICA S.A.

Updated 2026

TABLE OF CONTENTS

1. Presentation of Societatea Nationala Nuclearelectrica S.A.	2
2. Definition of terms and expressions.....	2
3. General principles of the remuneration policy	4
4. Decision-making process in relation to the remuneration policy	6
5. Remuneration structure	8
6. Change of the key performance indicators and of the variable component	13
7. Elements regarding the mandate contract	13
8. Reports regarding the remuneration of executives and directors with mandate contract..	16
9. Measures to avoid conflicts of interest in making remuneration-related decisions.....	17
10. Final provisions	18

1. Presentation of Societatea Nationala Nuclearelectrica S.A.

Societatea Nationala Nuclearelectrica S.A., hereinafter referred to as S.N. Nuclearelectrica S.A., or SNN is a Romanian legal entity, having the legal form of a joint-stock company, established under the Government Decision no. 365/1998 as a result of the reorganization of Regia Autonoma de Electricitate „RENEL”.

The registered office of S.N. Nuclearelectrica S.A. is in Romania, Bucharest municipality, Bdul Iancu de Hunedoara nr. 48, sector 1.

S.N. Nuclearelectrica S.A. is registered with the Trade Register under no. J1998007403409, with the aim of producing and selling electricity, by making, in compliance with the legislation in force, trade acts corresponding to the object of activity “Production of electricity from non-renewable resources” - CAEN Code 3511.

According to the Articles of Association, the company is managed under single-tier system. The governance body of the company is the Board of Directors, consisting of 7 (seven) members of which at least 4 (four) members must be independent directors. The members of the Board of Directors are elected for a 4-year term of office, which may be renewed in accordance with the law. The members of the Board of Directors are elected by the Ordinary General Meeting of Shareholders, according to the legal provisions.

The Board of Directors is in charge of carrying out all the necessary and useful acts for the realization of the Company's business objective, except those reserved by law for the general meeting of shareholders.

The duties of the Board of Directors are provided for in the Articles of Association of the company and in the mandate contracts concluded by the company with the members of the Board of Directors.

2. Definition of terms and expressions

Articles of Association	Company’s Articles of Association, approved by the General Meeting of Shareholders of the Company
Manager	Member of the Board of Directors, Chief Executive Officer, Chief Executive Officer
Board of Directors (BoD)	The corporate body formed by the company’s directors in the single-tier management system
Director	Member of the Board of Directors, including the Chairman of the Board of Directors
Manager	The person who concluded a mandate contract with the company for the fulfilment of the company management duties in the single-tier management system, as provided for in article 143, para. (1) and (5) of

	the Law no. 31/1990
Applicable legal framework	The set of Romanian legal norms contained in the Government Emergency Ordinance no. 109/2011 on the corporate governance of State-owned enterprises (with the clarifications provided at Article VIII(1) of Law no. 187/2023, as amended), the Law of Companies no. 31/1990, the Government Decision no. 722/2016, the Government Decision no. 639/2023, the Law on the issuers of financial instruments and market operations no. 24/2017, the Fundamental Nuclear Safety Rules for Nuclear Installations (NSN21), as approved by the CNCAN Order no. 86/2020, as well as any other regulatory acts applicable to this policy.
Remuneration	Consists of a fixed gross monthly allowance and a variable component, in compliance with the provisions of Law no. 31/1990 and Government Emergency Ordinance no. 109/2011
Conflict of interests	Any situations or circumstances determined/determinable pursuant to the applicable legal framework where the direct or indirect personal interest of the Manager comes against the interests of the Company and, therefore, affects or is liable to affect their decision-making independence and impartiality or timely and objective performance of their duties attached to the exercise of the office, or of the <i>Company</i>
Performance measurement	The methodology the supervisory public authority relies on to assess the results of its public enterprises against the objectives, targets and mission that the supervisory public authority has set for them
Key Performance Indicators (KPIs)	The mandatory performance indicators listed in the annex to the contract of mandate; for a balanced approach to performance appraisal and the variable component, the weights of the KPIs, which together amount to a percentage share of 100%, shall be set as follows: 50–75% shall be financial KPIs, and 25–50% shall be non-financial&operating KPIs specific to the State-owned enterprise, including indicators measuring the degree to which the Government’s public and economic policy objectives, the European policy objectives applicable to scope of business of the State-owned enterprise, and the sectoral objectives of the supervisory public authority are attained.
Financial performance indicators	Tools used to measure the financial performance of the State-owned enterprise, as adapted so as to reflect the specific characteristics of the sector which the State-owned enterprise belongs to, and to determine the efficiency of using resources committed to generating revenue, covering costs, earning a profit, and developing the State-owned enterprise
Non-financial performance	Tools used to assess the non-financial performance of the State-owned enterprise, as adapted so as to reflect the specific characteristics of the sector which the State-owned enterprise belongs to, and to determine

indicators	the efficiency of using the committed resources, as these are derived from the Company's policy with the aim of attaining the set strategic objectives and the integrity requirements
Results	The effects of the Company's business, which have an impact either on creation or delivery of value, or on reduction or diminution of value
Target	A numerical value of the performance indicator related to the time period for which the indicator was set, which attains a performance objective
Issuer	The entity, where duly incorporated or not, including the State, which has issued, is issuing, or intends to issue, financial instruments admitted or to be admitted to trading on a regulated market or traded on a multilateral trading facility or on an organized trading facility supervised by the Financial Supervisory Authority.

3. General principles of the remuneration policy

The purpose of the Remuneration Policy is to put in place a transparent framework under which the Company's executive officers are paid in accordance with clear principles, intended to prove an alignment with the Company's business strategy, and with the interests of the shareholders and other stakeholders, free of any conflicts of interest.

Remuneration policy and its application:

- ✓ shall aim at the consistency with the solid and efficient risk management, it promotes such management type, without encouraging risk-taking not complying with the risk profile, the rules or articles of association of the company;
- ✓ shall be compliant with the business strategy, objectives, values and interests of SNN, as well as of the other stakeholders, including measures to avoid the interest conflicts.

In this respect, the remuneration policy details the principles underlying the remuneration of executives, all the remuneration elements to which they are entitled, and the justification of granting these remunerations in relation to the company's short, medium and long-term objectives, in accordance with the provisions of the Government Emergency Ordinance no. 109/2011 on the corporate governance of State-owned enterprises, in conjunction with the provisions of Law no. 24/2017 on the issuers of financial instruments and market operations.

The remuneration policy is applicable to the members of the Board of Directors and to the Executives hired under a mandate contract of Societatea Nationala Nuclearelectrica S.A.

The objectives of such policy consist in:

- Establishing certain thresholds and clear directives in the matter of remuneration;
- Establishing the remuneration structure.

The principles governing this policy are in compliance with the provisions of Article 37, Article

38 and Article 39 of the Government Emergency Ordinance no. 109/2011 on the corporate governance of State-owned enterprises, in conjunction with the provisions of Law no. 24/2017 on the issuers of financial instruments and market operations, ensuring:

- A remuneration structure separated for the members of the Board of Directors and for the executives of the company hired under a mandate contract;
- Establishing the remuneration structure and the limits of the executives' remuneration, in accordance with the legal provisions applicable to State-owned enterprises¹, respectively: Law of Companies no. 31/1990, Emergency Ordinance no. 109/2011, as subsequently amended and supplemented;
- A remuneration system composed of a fixed monthly gross allowance and a variable component granted depending on the achievement of the performance indicators established in accordance with the strategic objectives of the company and its Management Plan.

The remuneration of the company executives requires a thorough substantiation, worked out based on a comparative study regarding the remuneration conditions for similar positions within majority-state owned companies in the same field of activity from Romania and other European countries, as the case may be, taking into consideration:

- The importance of the company on the energy market – as SNN is a strategic company in the field of electricity, the complexity and requirement of fulfilment of the operation requirements of the production facilities under safety and nuclear safety conditions to those standards required by the national and international regulation bodies;
- The need for hiring and keeping in the company Management any specialists and executives with relevant expertise and experience in the energy field, as well as in a wide variety of activities at the national and international level.

The Remuneration Policy contributes to the Company's business strategy, as well as to its sustainability and long-term interests.

The following features of the Policy ensure its consistency with the SNN's strategy, interests and sustainability, all focused on attaining long-term results:

- align the remuneration with the good governance recommendations;
- promote transparent remuneration and criteria used to set it;
- attract competent and experienced individuals to the Board of Directors and the executive management;
- provide the members of the Board of Directors and the executive management with a remuneration package that is competitive and performance-based, including, for executive officers holding a contract of mandate, an annual variable component conditional upon reaching the projected key performance indicators;
- maintain a market-competitive remuneration and align the remuneration scheme with the

¹ According to Article 2(2)(b) of the Government Emergency Ordinance no. 109/2011, S.N. Nuclearelectrica S.A. is a public company, being a national company, within which the State, through the Ministry of Energy, is a majority shareholder

international good governance recommendations and practices, bearing in mind the specific nature of SNN's business activity (the sole Romanian electricity producer that uses nuclear technology), while ensuring compliance with the provisions of Article 15(7) of the Fundamental Nuclear Safety Norms for Nuclear Installations (NSN-21), as approved by the CNCAN Order No. 86/2020, according to which: *“In order to ensure sufficient highly skilled staff for all functions material for nuclear safety, in accordance with the provisions of the Nuclear Safety Rules for training, qualification and authorization of the staff of organizations that operate nuclear installations, as approved by Order of the Chairman of the National Commission for Nuclear Activities Control no. 108/2017, **the authorization holder must put in place appropriate policies and measures for attraction, recruitment, selection, hiring, development and retention of staff, including through competitive remuneration at least equal to the average remuneration paid by similar organizations in the nuclear industry of the European Union, for equivalent positions and duties (...)**”*;

- ensure remuneration coherence for the members of the Board of Directors and the SNN’s executive officers holding contracts of mandate, by reference to the Company’s business strategy;
- ensure the long-term sustainability of SNN’s activities and profits;
- strike the right balance, in accordance with the good corporate governance practices, between the fixed and variable components of the remuneration; the executive officers acting under contracts of mandate benefit from a variable remuneration system, with risk measures in place to ensure that the variable component of remuneration is not paid if the minimum threshold for achieving the performance indicators is not met.

4. Decision-making process in relation to the remuneration policy

According to the provisions of the Law of Companies no. 31/1990, of the Government Emergency Ordinance no. 109/2011 and of the Articles of Association of SNN, decisions regarding the remuneration policy of the company executives shall be adopted as follows:

a) The supervisory public authority has the following powers:

- to monitor and assess attainment of the key performance indicators included in the contracts of mandate, and submit this information to the Agency Monitoring and Assessing the Performance of State-Owned Enterprises (AMEPIP);
- to set long-term objectives and negotiate the key performance indicators, both from among the categories of performance indicators listed in Annexes nos. 2a and 2b to Annex 2 to the Government Decision No. 639/2023, and from among the categories of additional performance indicators emerging from the specific nature and complexity of the State-owned enterprise, insofar as the limits set out in Article 17(2) of Annex 2 to the Government Decision no. 639/2023 are not exceeded;
- to submit the Key Performance Indicators to AMEPIP for prior clearance;

b) The General Meeting of Shareholders has the following powers:

- to approve the remuneration policy for the company executives, as well as in case of any material change and, in any case, at least once every 4 years;
- to establish the remuneration of the members of the Board of Directors, as well as the terms and conditions of the mandate contract concluded with the members of the Board of Directors;
- to establish the general limits of the remunerations of SNN Executives under mandate contract;
- to vote/approve the remuneration report for the latest financial year; the shareholder opinion from the vote is advisory in nature. The shareholders' feedback in relation to the Remuneration Policy shall be taken over either from the questions asked by them prior to the GMS, or from the actual debates within GMS, as it is acknowledged in the minutes and how it should be taken into consideration upon review of such Policy.

c) The Board of Directors has the following powers:

- to appoint and revoke the executive officers and determine their remuneration;
- to approve the mandate contracts of the Chief Executive Officer and of the Chief Officers appointed by mandate contract, establishing this way the organization modality of the managers' activity;
- to review the Remuneration Policy, as part of the package of documents to be subject to the approval of the shareholders.

d) The Nomination and Remuneration Committee has the following powers:

- To make recommendations in relation to the level of the variable component of the remuneration of the members of the Board of Directors;
- To formulate proposals regarding the remuneration of executives and of other management positions appointed by the Board of Directors;
- To make recommendations to the Board of Directors in relation to the remuneration policy and the amendments brought to it;
- To make recommendations as regards the verification of fulfilment of the conditions of derogation from the Remuneration Policy;
- To formulate proposals relating to the assessment of the achievement of the key performance indicators (KPI) and the calculation of the variable remuneration, including the impact of the potential malus and / or claw-back provisions;
- To submit for endorsement by the Board of Directors, for the purpose of approval by the General Meeting of Shareholders, the remuneration policy for the company's directors and executives;
- To submit to the Board of Directors an annual report regarding the total amount of the

directors' and executives' remuneration, separated by the fixed and variable component of these remunerations, as well as other benefits granted to them.

- To make recommendations related to the remuneration report.

e) Agency Monitoring and Assessing the Performance of State-Owned Enterprises (AMEPIP)

- to give clearance, in accordance with the provisions of the Government Emergency Ordinance no. 109/2011 on the corporate governance of State-owned enterprises and with the provisions of the Government Decision no. 639/2023 approving its Implementing Rules, on the Key Performance Indicators set by the supervisory public authority for the Company's directors and executive officers, as well as on the amount of the directors' remuneration;
- to give clearance, in accordance with the provisions of the Government Emergency Ordinance no. 109/2011 on the remuneration amount proposed by the Nomination and Remuneration Committee.

5. Remuneration structure

5.1. Board of Directors

According to Article 37 *et seq.* of the Government Emergency Ordinance no. 109/2011 on the corporate governance of State-owned enterprises, the remuneration payable to the members of the Board of Directors of SNN shall be proposed by the Nomination and Remuneration Committee operating under the Board of Directors, shall be cleared by AMEPIP, and shall be approved by the General Meeting of Shareholders within the structure and the limits set out herein.

The remuneration of the non-executive members of the Board of Directors consists of a fixed gross monthly allowance, which shall not exceed the limits set out in, and shall comply with, the provisions of the Government Emergency Ordinance no. 109/2011 on the corporate governance of State-owned enterprises.

The remuneration of the executive members of the Board of Directors consists of a fixed gross monthly allowance and a variable component, which shall not exceed the limits set out in, and shall comply with, the provisions of the Government Emergency Ordinance no. 109/2011 on the corporate governance of State-owned enterprises.

The level of the variable component is determined according to the well-grounded recommendations made according to a comparative study about the remuneration conditions for the similar positions within majority state-owned companies in the same field of activity from Romania and other European countries, by the nomination and remuneration committee.

The general meeting of shareholders shall ensure, upon determination of the monthly fixed allowance of each member of the Board of Directors, that it is justified in relation to the specific duties, the responsibilities within certain consultative committees, to the number of meetings,

objectives and performance criteria established in the mandate contract.

The variable component of the remuneration is granted depending on the cumulative achievement of the targets related to the key performance indicators set out in the mandate contract, as follows:

- a. The annual variable component is granted in a percentage of 100%, if the key performance indicators have a cumulative achievement rate equal to or greater than 100%;
- b. The annual variable component is granted in proportion to the calendar days of activity of the last year of the term of office;
- c. The annual variable component is granted in a reduced percentage, pro-rata with the degree of attainment of the key performance indicators, when these cumulatively report, for the entire financial year, an attainment rate lower than 100%, but not lower of 75%. If the key performance indicators report a cumulative attainment rate, for the entire financial year, below 75%, the annual variable component shall not be granted. The calculation formula is:

- $\text{PrICP} = 100\%$ results into $\text{PrCv} = 100\%$
- $75\% \leq \text{PrICP} < 100\%$ results into $\text{PrCv} = \text{actual PrICP} (\%)$
- $\text{PrICP} < 75\%$ results in $\text{PrCv} = 0\%$

where: PrICP – percentage of attaining the Key Performance Indicator
PrCv – percentage of granting the variable component

- d. The annual variable component shall be calculated and paid after approval of the annual financial statements and the activity reports of the directors and executive officers in accordance with the law.

Note: On a transitional basis, until the end of the mandate term (15 February 2023 – 15 February 2027), the provisions of the contracts of mandate concluded by the Company with its non-executive directors shall remain in force, as regards the medium and long-term variable component (year 2027) set out in their respective contracts of mandate, and applicable until 17 December 2025 (included), this being the date as of which the contracts of mandate of the non-executive directors shall have been amended so as not to include the annual variable component any longer.

When the office comes to an end before expiry of the term of office, for reasons beyond the control of the Director, the variable component shall be granted accordingly until the last full month of the term of office.

If the term of office is terminated before the end of the term of office, for reasons beyond the control of the Director, the latter shall not benefit in that year from any payment of the variable component corresponding to the year in which the term of office ended.

The key performance indicators and degree of achievement of indicators may be modified, as appropriate, in the following situations:

- a) Force majeure, as defined by the law;

- b) Other causes not attributable to the directors and which do not affect the achievement of the goals and targets set for the entire term of office.

Targets may be changed if the Income and Expenditure Budget approved according to the law and to the articles of association is amended.

The description, checking tool and target values of the key performance indicators are indicated in the mandate contract.

Financial performance indicators are checked by reference to the achieved values of these indicators as recorded in the company's financial accounting records.

The check method of the non-financial indicators is carried out by analysing the status of achievement of these indicators included in the Reports / Calculation formulas indicated in the mandate contract.

The variable component of the executive directors' remuneration shall be reviewed annually, depending on the extent to which the objectives set out in the management plan are achieved, and the degree to which of the key performance indicators approved by the General Meeting of Shareholders, as attached to the contract of mandate are attained.

The objectives and performance indicators of directors shall be determined depending on the shareholders' expectations and on the SNN development policy and shall be approved by the General Meeting of Shareholders.

5.2. Executives with mandate contract

According to Article 38 of the Government Emergency Ordinance no. 109/2011 on the corporate governance of State-owned enterprises, the remuneration of executives shall be determined by the board of directors and may not exceed the level of remuneration established for the executive members of the board of directors. It is the only form of remuneration for executives who are also directors.

The remuneration consists of a fixed gross monthly allowance and a variable component, which shall not exceed the limits set out in, and shall comply with, the provisions of the Government Emergency Ordinance no. 109/2011 on the corporate governance of State-owned enterprises.

The level of the variable component is determined according to the well-grounded recommendations made according to a comparative study about the remuneration conditions for the similar positions within majority state-owned companies in the same field of activity from other European countries, by the nomination and remuneration committee or, as the case may be, by the human resources recruitment experts whose services were contracted for the development of the procedure of selection of the members of the Board of Directors.

The variable component of the remuneration is granted depending on the cumulative achievement of the targets related to the key performance indicators set out in the mandate contract, as follows:

- a. The annual variable component is granted in a percentage of 100%, if the key performance indicators have a cumulative achievement rate equal to or greater than 100%;

- b. The annual variable component is granted in proportion to the calendar days of activity of the last year of the term of office;
- c. The annual variable component is granted in a reduced percentage, pro-rata with the degree of attainment of the key performance indicators, when these cumulatively report, for the entire financial year, an attainment rate lower than 100%, but not lower of 75%. If the key performance indicators report a cumulative attainment rate, for the entire financial year, below 75%, the annual variable component shall not be granted. The calculation formula is:

• PrICP = 100% results into PrCv = 100%

• $75\% \leq \text{PrICP} < 100\%$ results into PrCv = actual PrICP (%)

• PrICP < 75% results in PrCv = 0%

where: PrICP – percentage of attaining the Key Performance Indicator

PrCv – percentage of granting the variable component

- d. The annual variable component shall be calculated and paid after approval of the annual financial statements and the activity reports of the directors and executive officers in accordance with the law.

Note: On a transitional basis, until the end of the mandate term, namely 12 February 2027 for the CEO, and 15 February 2027 for the CFO, the provisions of the contracts of mandate concluded by the Company with its CEO and CFO shall remain in force, as regards the variable component due to be paid in the medium and long-run (year 2027), as set out in their respective contracts of mandate, and applicable until 16 December 2025 (included), this being the date as of which the contracts of mandate of the CEO and the CFO shall have been amended, and providing for payment of the annual variable component after approval of the annual financial statements according to the law.

If the term of office is terminated before the end of the term of office, for reasons beyond the control of the Manager, the variable component shall be granted pro-rata, accordingly until the last full month of the term of office.

If the term of office is terminated before the end of the term of office, for reasons beyond the control of the Manager hired under a mandate contract, the Manager shall not benefit in that year from any payment of the variable component corresponding to the year in which the term of office ended.

The key performance indicators and degree of achievement of indicators may be modified, as appropriate, in the following situations:

- a) Force majeure, as defined by the law;
- b) Other causes not attributable to the directors and which do not affect the achievement of the goals and targets set for the entire term of office.

Targets may be changed if the Income and Expenditure Budget approved according to the law and to the Articles of Association is rectified.

The description, checking tool and target values of the key performance indicators are indicated

in the mandate contract.

Financial performance indicators are checked by reference to the achieved values of these indicators as recorded in the company's financial accounting records.

The check method of the non-financial indicators is carried out by analysing the status of achievement of these indicators included in the Reports / Calculation formulas indicated in the mandate contract.

During the period in which the Manager acts as well, as executive director, as in the case of the Managing Director, he is only entitled to the payment of the remuneration according to the mandate contract, without receiving any remuneration for his capacity as member of the Board of Directors.

5.3.How account was taken of the employees' remuneration and employment conditions

People make a fundamental difference between competitive and non-performing companies, as well as between those that create sustainable value, and those that progressively lose their capacity to earn a profit.

In this regard, the SNN's management model promotes not only the physical and mental health of its professionals, but also an adequate, pleasant, rewarding and stimulating working environment that is a source of trust and motivation, while advancing the professional and personal development of the workforce, and thus leading to increased productivity and contributing to the attainment of the business objectives and long-term sustainability.

The system put in place for periodic individual appraisal of the SNN's employees, added to the staff development and promotion policies, favor the selection, hiring, promotion and retention of talents, and foster competitive remuneration for value creation and a working environment that respects the employees' rights and the work-life balance, thereby promoting the professional growth of the Company's employees.

This professional growth must be rooted in objective performance standards, equal opportunities and a commitment to the Purpose and Values of the Group.

The remuneration systems devised for the SNN's employees observe the principles of this Remuneration Policy, and their aim is to attract, retain and motivate the most qualified and high-performing professionals, thus enabling SNN and the other companies of the SNN Group to achieve their strategic objectives within a competitive environment, while maintaining their commitment to excellence in the nuclear energy sector, under a non-discriminatory framework.

The principles of conduct underlying the SNN's remuneration policy are:

- Foster the attraction, hiring and retention of the best professionals;
- Maintain alignment between the SNN's strategic positioning and its development, the Company's identity and its commitment to excellence;
- Recognize and reward the dedication, responsibility and performance of all employees;
- Position and maintain itself at the forefront of the market, in line with the position attained by the Company and/or the other companies in the SNN Group.

6. Change of the key performance indicators and of the variable component

According to the provisions of the Methodological Norms for determining the financial and non-financial performance indicators and the variable remuneration component for the members of the Board of Directors, as well as of executives, (Annex no. 2 to Government Decision no. 639/2023), the initiative of changing the performance indicators and the variable components may belong both to the board of directors, and to the public tutelary authority.

The board shall send the recommendations for the change of the performance indicators used as a basis for the determination of the variable component of the remuneration, to the state-shareholder, through the agency of the supervisory public authority, to other shareholders as well, if appropriate.

In case of initiating the change of the performance indicators and of the variable component by the supervisory public authority, it shall send its proposals to the board of directors and, as the case may be, to other shareholders.

Each stakeholder decides whether the changes recommended for the performance indicators used as a basis for the determination of the variable component of the directors' remuneration would improve efficacy and efficiency of SNN.

Where it is determined that these changes would improve the effectiveness and efficiency of the undertaking, the new levels of the indicators subject to changes shall be submitted for the prior clearance of AMEPIP, and the procedure for convening the general meeting of shareholders shall be initiated for their approval.

Indicators approved by the general meeting of shareholders or by the supervisory public authority, as the case may be, will materialize in an addendum to the mandate contract.

7. Elements regarding the mandate contract

7.1. The mandate contract concluded by the company with the members of the Board of Directors

The mandate contract of the member of the board of directors shall be concluded for a 4-year period, except the directors selected following the vacancy of a member position within the Board of Directors, and in this case they shall conclude the mandate contract with the company for the remaining duration of the predecessor's mandate.

The contract of mandate provides for the Director's right to withdraw from their office as Director, subject to giving written notice to the Company thereof at least 30 (thirty) calendar days before such withdrawal.

Should the Director be revoked ad-hoc or for no good reasons, they have the right to receive damages from the Company for the period not performed of the Mandate Contract, according to the provisions of the mandate contract.

Payment of damages shall be made within 60 calendar days from the date of termination of the Mandate Contract.

The damages due to the director according to the provisions above shall be their only compensation in case the unjustified revocation of directors occurs.

The Director has the right to be reimbursed all expenses related to the exercise of the office, based on the supporting documents and under the terms of the law and of the mandate contract. The reimbursement rates for expenses on travel, accommodation, and per diem shall be those determined for the CEO/Executive Officers holding contracts of mandate.

The Director has the right to use inventory items/plant, property and equipment, as needed to carry out the activity, access to computer equipment, including phones, means of transport, office space suitable for the exercise of their duties, even when not sitting in the board meetings.

The Director is insured against professional civil liability of directors and executive s (Directors and Officers Liability insurance) for their work in the Board of Directors, at the insured amount 3 million Euro. Payment of the premiums under this insurance shall be made by the Company and shall not be retained from the remuneration due to the director. The right to receive the reasonable court expenses in order to defend against a claim of a third party raised against the Director in connection with performance of their duties under the Mandate Contract, the Articles of Association , the Legal Framework, and Organization and Functioning Regulation of the Board of Directors is ensured, to the extent that these are not already covered by the insurance policy concluded for directors and officers (Directors and Officers Liability insurance), as then in force.

The Director benefits from the payment and withholding of any taxes owed by the Director in connection with the remuneration and benefits under the Mandate Contract by the Company, for and on behalf of the Director.

The Director benefits from the same package of medical services and/or medical insurance as contracted by the company for Executives.

Depending on the Company's policies, the industry practice and the applicable legislation, the Company may provide its directors, in addition to the fixed monthly remuneration, also with certain benefits which may include, for instance, periodic contributions to a private pension plan. These additional benefits are not tied to their performance and are intended to attract and retain qualified members to the SNN's Board of Directors, and to motivate the directors in performance of their respective role. The additional benefits shall be granted in compliance with the limits set out under the applicable legal provisions and in accordance with the requirements of the Government Emergency Ordinance no. 109/2011 on the corporate governance of State-owned enterprises.

7.2. The mandate contract concluded by the company with Executives

The mandate contract of the executive director /CEO, as well as of the other executives of the company, selected in accordance with the provisions of the Government Emergency Ordinance no. 109/2011, shall be concluded for a 4-year period.

The mandate contract concluded by the executive with the Company sets forth the right to withdraw from the position of Executive, subject to giving written notice to the Company least

90 (ninety) business days before such withdrawal; subject to the agreement of the Company under a resolution of the Board of Directors, this term of notice may be shorter.

Should an Executive Officer be revoked untimely or for no good reasons, they have the right to receive damages from the Company according to the provisions of the contract of mandate.

Payment of damages shall be made within 30 business days from the date of termination of the Mandate Contract concluded with the company.

Under the mandate contract concluded with the company, the executive may benefit as well, from the following rights:

- the reimbursement of all expenses related to the exercise of the office, based on the supporting documents and under the terms of the law. The rates for settlement of the transport, accommodation and per diem expenses shall be those set for employees hired under an employment agreement within the Company. Effective 17 December 2025, the expenses on annual representation, transport and per diem shall be reimbursed up to a maximum amount of two fixed gross monthly allowances, under the terms of the contract of mandate;
- the use of the inventory items/plant, property and equipment, as needed to carry out the activity, access to computer equipment, including phones, means of transport, office space suitable for the exercise of their duties, their costs being paid by the Company;
- the directors' and executives' professional civil liability (Directors and Officers Liability insurance) for their work in the Company, at the insured amount 3 million Euro. Payment of the premiums under this insurance shall be made by the Company and shall not be retained from the remuneration due to the director. The right to receive the reasonable court expenses in order to defend against a claim of a third party raised against the Executive in connection with performance of their duties under the Mandate Contract, the Articles of Association, the Legal Framework is ensured, to the extent that these are not already covered by the insurance policy concluded for directors and officers (Directors and Officers Liability insurance), as then in force;
- insurance against accidents at work and occupational illnesses;
- the payment and withholding of any taxes owed by the Executive in connection with the remuneration and benefits under the Mandate Contract by the Company, for and on behalf of the Executive;
- a package of medical services and/or medical insurance as contracted by the Company;
- annual paid leave (Annual Rest) of 34 business days, which shall be granted upon request, pro rata with the period of the year in which he carried on his work under the mandate contract; and the related allowance, which shall be calculated according to the same method as the remuneration for the business days (fixed allowance);
- sick leave according to law and paid days off for public holidays, specific festive days, birth/marriage of a child, or, in case of death of a family member, granted by similarity to those set forth in the collective bargaining agreement applicable to the company;

- the length of service during which he exercised the mandate contract, as Executive, shall be recognized as length of service and/or service in the electricity, heat and nuclear industry’;
- having at his disposal a business entertainment fund from the company's business entertainment fund approved by the Board of Directors;
- ensuring a job that matches their training and professional experience (under an individual employment agreement for an indefinite time period, concluded under the terms of the law), as well as all the rights related to this job, according to the legal provisions and/or of the collective bargaining agreement applicable to the company, after the termination for whatever reason of their mandate contract, and after their revocation from this office for reasons that are not their fault;
- participation in continuous professional development programmes, in order to pursue a smooth activity within the company.

Depending on the Company’s policies, the industry practice and the applicable legislation, the Company may provide its directors holding contracts of mandate, in addition to the fixed monthly or annual variable remuneration, also with certain benefits which may include, for instance, periodic contributions to a private pension plan. These additional benefits are not tied to their performance and are intended to attract and retain qualified members to the SNN’s management and governance bodies, and to motivate the executive officers in performance of their respective role. The additional benefits shall be granted in compliance with the limits set out under the applicable legal provisions and in accordance with the requirements of the Government Emergency Ordinance no. 109/2011 on the corporate governance of State-owned enterprises.

8. Reports regarding the remuneration of executives and directors with mandate contract

According to the provisions of Article 39 of the Government Emergency Ordinance no. 109/2011 the remuneration and other benefits paid to directors and executives, shall be recorded in the annual financial statements and in the annual report of the nomination and remuneration committee.

The remuneration policy and criteria for directors and executives are made public on the website of SNN, through the care of the board of directors. The annual reporting of information on remuneration shall be made by the Nomination and Remuneration Committee, by drafting a report which provides a comprehensive overview of the remunerations, including of all benefits, regardless of the form, granted or due during the latest financial year, to executives individually, including newly recruited and former executives, in accordance with the remuneration policy.

The annual remuneration report shall contain, as the case may be, the following information regarding the remuneration of each manager:

- The total remuneration broken down by components, the relative proportion of fixed and variable remuneration, an explanation of how the total remuneration complies with the

adopted remuneration policy, including how it contributes to the issuer's long-term performance, and information on how the performance criteria were applied;

- Considerations substantiating any scheme of annual bonuses or non-monetary benefits;
- Any potential additional or early retirement schemes;
- Information about the term of the contract, the negotiated prior notice period, and the amount of the damages for revocation without just cause
- Annual change of the remuneration and performance of the issuer;
- Information regarding the use of the possibility to recover the variable remuneration;
- Information regarding any deviation from the procedure for implementing the remuneration policy

Notwithstanding the longer periods provided for by sectoral laws of the European Union directly applicable within the Romanian territory or by national sectoral laws transposing European directives for a period of 10 years after the publication of the remuneration report, personal data of executives, included in the remuneration report, are no longer made available to public.

The remuneration report related to the latest financial year shall be subject to vote of the Ordinary General meeting of Shareholders, and shall be made available to the public on SNN website, free of charge, for a period of 10 years.

The indicators negotiated and approved by the general meeting of shareholders shall be communicated to AMEPIP within 15 days of their approval for their final clearance and inclusion in the dashboard, in accordance with the provisions of the Government Emergency Ordinance no. 109/2011.

The corporate governance structure of SNN shall prepare a quarterly report by the 20th of the month following the previous quarter, on the attainment of the Key Performance Indicators included in the contract of mandate, which shall submit it within 3 days of its preparation to the supervisory public authority and to AMEPIP, and shall publishes it on its own website.

9. Measures to avoid conflicts of interest in making remuneration-related decisions

SNN complies with the legal requirements applicable to conflicts of interest, as well as with the provisions of the Law of Companies no. 31/1990, the Government Emergency Ordinance no. 109/2011 on the corporate governance of State-owned enterprises, and Law no. 24/2017 on the issuers of financial instruments and market operations.

10. Final provisions

This update of the remuneration policy for the SNN executive officers is a recommendation of the SNN's Nomination and Remuneration Committee, shall be submitted for clearance by the Board of Directors and for approval by the General Meeting of Shareholders, and shall be supplemented by any relevant legislative amendments occurring after the approval of this policy.

Moreover, whenever is required, this policy shall be amended and supplemented in relation to the dynamics of the current activity of SNN, to the size and object of activity of the company, however, at least once every four years it is subject to the approval of the General Meeting of Shareholders, according to the provisions of Law no. 24/2017 on the issuers of financial instruments and market operations.