

REMUNERATION REPORT

2022



S N " N U C L E A R E L E C T R I C A " S . A .

Drafted according to the provisions of Article 107 of Law no. 24/2017 on issuers of financial instruments and market operations, republished

1. Presentation of the National Company Nuclearelectrica SA

The National Company Nuclearelectrica S.A., hereinafter referred to as “S.N. Nuclearelectrica S.A.”, “SNN” or the “Company”, is a Romanian legal person, 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, str. Polonă, nr. 65, Sector 1.

S.N. Nuclearelectrica S.A. is registered with the Trade Register under no. J/40/7403/1998, 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 “Electricity production” - CAEN Code 3511.

According to the Articles of Incorporation, the company is managed under single-tier system. The executive 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, and can be re-elected. 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 delegates the management of the company to one Chief Executive Officer. The Chief Executive Officer may be appointed from among the directors, who thus becomes executive directors, or from outside the Board of Directors. Within the Board of Directors only one director can be an executive director.

The CEO and the Chief Officers appointed by the Board of Directors shall have the duties set out in the mandate contracts approved by decision of the Board of Directors, the Chief Executive Officer coordinates and monitors the activity of the Chief Officers appointed by the Board of Directors.

For the purposes of the Articles of Incorporation of SNN, the term “Chief Executive Officer” shall mean the person to whom the powers of management of the company have been delegated by decision of the Board of Directors and who enters into a contract of mandate with the Company, in accordance with the applicable legal provisions.

In SN Nuclearelectrica SA, the remuneration and the other advantages offered to the Company’s directors and chief officers with a mandate contract are granted according to the Remuneration Policy, which details the principles underlying the remuneration of managers, 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 regarding the corporate governance of public companies (“*Government Emergency Ordinance no. 109/2011*”), in conjunction with the provisions of Law no. 24/2017 on the issuers of financial instruments and market operations, republished (“*Law no. 24/2017*”), as approved by the Company’s shareholders by the Decision of the Ordinary General Meeting of Shareholders no. 5 of 26 April 2021.

2. Definition of terms and expressions

Articles of Incorporation	Company's Articles of Incorporation, approved by the General Meeting of Shareholders of the Company
Manager	Member of the Board of Directors, Chief Executive Officer, Deputy Chief Executive Officer, Finance Director
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 included in the Government Emergency Ordinance no. 109/2011 regarding the corporate governance of public enterprises, the Company Law no. 31/1990, the Government Decision no. 722/2016, the Law regarding the issuers of financial instruments and market operations no. 24/2017, republished, as well as other regulatory acts applicable to this policy
Remuneration	Consists of a fixed 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 competent public authority relies on to assess the results of its public enterprises against the objectives, targets and mission that the tutelary public authority has set for them
Key Performance Indicators (KPI)	Instruments for quantitative and qualitative measurement of financial and non-financial performance, that indicate attainment of the quantifiable objectives against specific performance targets
Financial performance indicators	Administration measurement tools, used to determine the resource use efficiency in generation of income, coverage of costs and profit-making
Non-financial performance	Performance measurement tools which determine how well the Company

indicators	uses its resources
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
Remuneration policy	Details the principles underlying the remuneration of managers, 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 regarding the corporate governance of public companies, in conjunction with the provisions of Law no. 24/2017 on the issuers of financial instruments and market operations, republished.
Issuer	Entity with or without legal personality, including the State, which issued, issues or intends to issue financial instruments
Remuneration report	A report drawn up by the issuer, 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 managers individually, including newly recruited and former managers, in accordance with the Remuneration Policy;

According to the provisions of Article 107 of the Law regarding the issuers of financial instruments and market operations no. 24/2017, republished ("*Law no. 24/2017*"), SNN has the obligation to present to the General Meeting of Shareholders a **Remuneration Report** regarding including of all benefits, regardless of the form, granted or due during the latest financial year, to managers individually, including newly recruited and former managers, in accordance with the Remuneration Policy.

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

- a) 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;
- b) the annual change in the remuneration, in the issuer's performance and in the average remuneration based on the full-time equivalent of the issuer's employees who are not managers at least during the latest 5 financial years, presented together in a manner that allows comparison;
- c) any remuneration received from any entity belonging to the same group;
- d) the number of shares and share options granted or offered, as well as the main conditions for the exercise of the related rights, including the exercise price and the date, together with any changes thereof;

- e) information regarding the use of the possibility to recover the variable remuneration;
- f) information regarding any deviation from the procedure for implementing the remuneration policy provided by Article 106(8) - (12) and regarding any derogations applied according to Article 106(6), including explanations regarding the nature of the exceptional circumstances and the indication of the specific elements from which the derogation was made.

The remuneration report related to the latest financial year is subject to vote, in the annual Ordinary General Meeting of Shareholders provided for in Article 111 of the Company Law no. 31/1990 republished, as subsequently amended and supplemented (“*Law no. 31/1990*”), the opinion of the shareholders in the general meeting regarding the Remuneration Report, resulting from the vote, is advisory in nature.

3. Remuneration structure, including of all benefits, granted or due, with an explanation about the weight of the variable component and of the fixed component, granted in 2021

The Directors and Executive of SNN receive a fixed monthly allowance and a variable allowance for their work. The variable allowance is payable depending on fulfilment of the performance indicators and criteria set out in their respective mandate contracts. The fixed monthly allowance is set in accordance with the legal provisions, i.e., the Government Emergency Ordinance no. 109/2011. The fixed and variable compensation of the members of the Board of Directors is approved by the General Meeting of SNN Shareholders.

The general limits of the remuneration of executives with mandate contract are approved by the General Meeting of Shareholders; based on these general limits, the Board of Directors sets the amount of the executives' remuneration.

➤ Remuneration of executives with mandate contract

In January 2022, SNN had 4-year mandate contracts concluded with the SNN Executives, which provide for a monthly fixed gross allowance, as follows:

- I. Mandate contract concluded with Mr. Cosmin Ghita for the position of CEO of the Company - fixed gross allowance of RON 37,077;
- II. Mandate contract concluded with Mr. Laurentiu Dan Tudor for the position of Deputy CEO of the Company - fixed gross allowance of RON 35,727; Under the Decision of the Board of Directors no. 11/27.01.2022, the BoD approved the termination of the Mandate Contract concluded by SNN with Mr. Tudor Laurentiu Dan, as Deputy CEO, starting from 1 February 2022, as a result of the company reorganization, which included the reduction of this position and the consent of Mr. Laurentiu Dan Tudor;
- III. Mandate contract concluded with Mr. Paul Ichim for the position of Financial Director of the Company - fixed gross allowance of RON 37,077; Under the Decision of the Board of Directors no. 171/06.10.2021, the BoD took note of the waiver of mandate contract of Mr. Paul Ichim and approved termination of his mandate contract starting with 11 February 2022;

The variable component for the executives with mandate contract (with a term of office of 4 years) is as follows:

- The **annual variable component** is 36 times the average monthly gross salary earnings paid for the work rendered according to the main scope of the Company's business, registered according to CAEN, as communicated by the National Institute of Statistics before appointment, namely the **amount of RON 222,464** (36 x RON 6,179.58), pursuant to paragraph 3, Appendix no. 3 to the Addendum no. 1 to the Mandate Contracts, as amended by the Addendum no. 3 to the Mandate Contracts; three components are defined: on short-term, on medium-term and long-term.
- **The short-term variable component** shall be calculated and paid for a financial year, the amount shall be granted in quarterly instalments of 18% of the forecast annual amount for the current financial year corresponding to the achievement of the indicators for the elapsed period of the financial year, within 10 calendar days as of the closing date of the quarterly reports, and, within 15 days from the date of approval by the General Meeting of Shareholders of the audited annual financial statements, the amount due based on the cumulative achievement percentage of the key performance indicators shall be settled, according to item 4 of Appendix 3 to the Addendum no. 1 to the Mandate Contracts.
- **The medium-term variable component** shall be calculated and paid for a period of two financial years, based on the percentages set out under the mandate contract. The amount shall be granted in annual instalments of 50% of the forecast medium-term amount, within 15 calendar days as of the approval by the General Meeting of Shareholders of the audited annual financial statements, and the amount due based on the cumulative achievement percentage of the key performance indicators to be settled within 15 calendar days as of the approval by the General Meeting of Shareholders of the audited annual financial statements corresponding to that year of the term of office, which ends the medium-term objective review period, and the amount due depending on the aggregate percentage of attainment of the medium-term key performance indicators shall be reconciled.
- **The long-term variable component** shall be calculated and paid for the entire four-year term of office. The amount shall be granted in annual instalments of 25% of the forecast long-term amount, within 15 calendar days as of the approval by the General Meeting of Shareholders of the audited annual financial statements, and the amount due based on the cumulative achievement percentage of the key performance indicators to be settled within 15 calendar days as of the approval by the General Meeting of Shareholders of the audited annual financial statements, comprising the last months of the term of office.

According to the provisions of item 3, letter c of Appendix 3 to the Addendum no. 1 to the Mandate Contracts, the annual variable component is granted in a reduced percentage, proportional to the degree of achievement of key performance indicators if these ones have a cumulative achievement rate at the level of the financial year lower than 100%, but not lower than 75%.

In 2022, following the vacancy of the position of Chief Financial Officer, provisional mandate contracts were concluded to ensure the continuity of the duties, powers and responsibilities of the position of Chief Financial Officer of SNN, in accordance with the provisions of the Government Emergency Ordinance no. 109/2011, as follows:

- The Mandate Contract no. 72/11.02.2022 concluded with Mr. Niculaie Faranga Dan, for the period 11 February 2022 – 11 2022;
- The Mandate Contract no. 86/10.08.2022 concluded with Mr. Niculaie Faranga Dan, for the period 12 August 2022 – 12 February 2023.

According to the provisional mandate contract, the monthly fixed gross allowance of the Chief Financial Officer is RON 37,077, and the variable component is determined based on the short-term financial and non-financial performance indicators for 2022 - as these were negotiated with the current executives with mandate contract of the Company and approved by the Decision of the Ordinary General Meeting of Shareholders no. 3/10/04/2019.

➤ ***Remuneration of non-executive directors:***

In 2022, the following persons sat in the Board of Directors of SNN, as follows:

- **Minodor Teodor Chirica** - Chairman of the BoD, with an office valid between 27 July 2020 - 28 September 2022 in accordance with the Decision of the General Meeting of Shareholders no. 9/27.07.2020; under the Decision of the General Meeting of Shareholders no. 6/10.08.2022, appointment of Mr. Minodor Teodor Chirica as non-executive director, for a 4-year term of office, from 29 September 2022 and until 29 September 2026, was approved;
- **Popescu Elena**, with a 4-year term of office, by the cumulative vote method, in accordance with the Decision of the General Meeting of Shareholders no. 12/28.09.2018 during the period 28 September 2018 - 28 September 2022; under the Decision of the General Meeting of Shareholders no. 6/10.08.2022, appointment of Mrs. Elena Popescu as non-executive director, for a 4-year term of office, from 29 September 2022 and until 29 September 2026, was approved;
- **Vulpescu Dumitru Remus**, with a 4-year term of office, by the cumulative vote method, in accordance with the Decision of the General Meeting of Shareholders no. 12/28.09.2018, during the period 28 September 2018 - 28 September 2022; Effective 29 September 2022 and until the GMS meeting, Mr. Dumitru Remus Vulpescu is appointed by the BoD as temporary director, in accordance with the provisions of BoD Decision no. 186/27.09.2022; Under the Decision of the General Meeting of Shareholders no. 10/19.10.2022, Mr. Dumitru Remus Vulpescu is appointed as a temporary member of the Board of Directors, for a period of 4 months, in accordance with the provisions of Government Emergency Ordinance no. 109/2011, i.e., until 19 February 2023;
- **Ghita Cosmin** (executive director), with a 4-year term of office, by the cumulative vote method, in accordance with the Decision of the General Meeting of Shareholders no. 12/28.09.2018 during the period 28 September 2018 - 28 September 2022; under the Decision of the General Meeting of Shareholders no. 6/10.08.2022, appointment of Mr. Cosmin Ghita as executive director, for a 4-year term of office, from 29 September 2022 and until 29 September 2026, was approved;

- **Anitei Mihai Daniel**, with a 4-year term of office, by the cumulative vote method, in accordance with the Decision of the General Meeting of Shareholders no. 12/28.09.2018, during the period 28 September 2018 - 28 September 2022;
- **Valeca Serban Constantin**, effective 9 March 2022 and until the date of the General Meeting of Shareholders, is appointed as temporary director , in accordance with the BoD Decision no. 41/09.03.2022; In accordance with the Decision of the General Meeting of Shareholders no. 5/28.04.2022, Mr. Serban Constantin Valeca was elected as a temporary member of the SNN's Board of Directors, effective 28 April 2022, for a 4-month term of office, in accordance with the provisions of the Government Emergency Ordinance no. 109/2011; As at 20 May 2022, the SNN's Board of Directors takes note of the termination *de jure* of the mandate contract of Mr. Serban Constantin Valeca, further to the decease of Mr. Valeca on 15 May 2022;
- **Niculescu George Sergiu**, effective 9 March 2022 and until the date of the General Meeting of Shareholders, is appointed as temporary director, in accordance with the BoD Decision no. 41/09.03.2022; In accordance with the Decision of the General Meeting of Shareholders no. 5/28.04.2022, Mr. Niculescu George Sergiu was elected as a temporary member of the SNN's Board of Directors, effective 28 April 2022, for a 4-month term of office, in accordance with the provisions of the Government Emergency Ordinance no. 109/2011; In accordance with the Decision of the General Meeting of Shareholders no. 6/10.08.2022, renewal of the term of office of Mr. George Sergiu Niculescu, as temporary director, by a period of 2 months, starting on 29 August 2022, was approved; Pursuant to the provisions of Decision of the General Meeting of Shareholders no. 10/19.10.2022, appointment of Mr. George Sergiu Niculescu as a temporary member of the Board of Directors, for a period of 4 months, in accordance with the provisions of Government Emergency Ordinance no. 109/2011, i.e., during 19 October 2022 - 19 February 2023, was approved;
- **Dumitru Chirlesan** - in accordance with the Decision of the General Meeting of Shareholders no. 6/10.08.2022, Mr. Chirlesan Dumitru was elected as a temporary member of the Board of Directors, effective 10 August 2022, for a term of office of 4 months, until 10 December 2022; In accordance with BoD Decision no. 237/29.11.2022, Mr. Dumitru Chirlesan was appointed as temporary director by the BoD, effective 11 December 2022 and until the General Meeting of Shareholders;
- **Grajdan Vasilica** - effective 27 September 2022 and until the General Meeting of Shareholders, the Board of Directors of SNN approved appointment of Ms. Grajdan Vasilica as temporary director , in accordance with BoD Decision no. 186/27.09.2022; Under the Decision of the General Meeting of Shareholders no. 10/19.10.2022, Mrs. Grajdan Vasilica was appointed as a temporary member of the Board of Directors, for a period of 4 months, in accordance with the provisions of Government Emergency Ordinance no. 109/2011, i.e., between 19 October 2022 - 19 February 2023;

The mandate contracts concluded by the Company with the members of the Board of Directors for a 4-year term, valid between 28 September 2018 – 28 September 2022, stipulate that Directors receive a remuneration consisting of:

(i) a fixed gross allowance of RON 11,331, as approved under the Decision of the Ordinary General Meeting of Shareholders no. 12/28.09.2018, for performance of the mandate entrusted, equal to two times the average gross monthly salary for the last 12 months for the activity carried out according to the registered main scope of business of the company, at a class level according to the classification of activities in the national economy, as communicated by the National Institute of Statistics before appointment.

(ii) a variable component set based on financial and non-financial performance indicators, as negotiated and approved by the General Meeting of Shareholders in keeping with the methodology described in the Government Decision no. 722/2016, which concern the long-term sustainability of the Company and ensuring observance of the good governance principles.

a) **Annual variable component** of non-executive directors, according to the mandate contract, valid for the period 28 September 2018 - 28 September 2022: is 12 gross fixed monthly allowances, i.e., **the amount of RON 135,972** (12 x RON 11,331), according to paragraph 3(d) of Appendix no. 3 to Addendum no. 1 to the Mandate Contracts.

The **short-term variable component** shall be calculated and paid for a financial year, the amount shall be granted in quarterly instalments of 18% of the forecast annual amount for the current financial year corresponding to the achievement of the indicators for the elapsed period of the financial year, within 10 calendar days as of the closing date of the quarterly reports, and, within 15 days from the date of approval by the General Meeting of Shareholders of the audited annual financial statements, the amount due based on the cumulative achievement percentage of the key performance indicators shall be settled, according to item 4 of Appendix 3 to the Addendum no. 1 to the Mandate Contracts.

The medium-term variable component shall be calculated and paid for a period of two financial years, based on the percentages set out under the mandate contract. The amount shall be granted in annual instalments of 50% of the forecast medium-term amount, within 15 calendar days as of the approval by the General Meeting of Shareholders of the audited annual financial statements, and the amount due based on the cumulative achievement percentage of the key performance indicators to be settled within 15 calendar days as of the approval by the General Meeting of Shareholders of the audited annual financial statements corresponding to that year of the term of office, which ends the medium-term objective review period, and the amount due depending on the aggregate percentage of attainment of the medium-term key performance indicators shall be reconciled.

The long-term variable component shall be calculated and paid for the entire four-year term of office. The amount shall be granted in annual instalments of 25% of the forecast long-term amount, within 15 calendar days as of the approval by the General Meeting of Shareholders of the audited annual financial statements, and the amount due based on the cumulative achievement percentage of the key performance indicators to be settled within 15 calendar days as of the approval by the General Meeting of Shareholders of the audited annual financial statements, comprising the last months of the term of office.

b) **Annual variable component** of non-executive directors, according to the mandate contract, valid for the period 27 July 2020 - 28 September 2022: is 12 gross fixed monthly allowances, i.e., **the amount of RON 180,684** (12 x RON 15,057), according to paragraph 3(d) of Appendix no. 3 to the Mandate Contract

The **short-term variable component** shall be calculated and paid for a financial year, the amount shall be granted in quarterly instalments of 18% of the forecast annual amount for the current financial year corresponding to the achievement of the indicators for the elapsed period of the financial year, within 10 calendar days as of the closing date of the quarterly reports, and, within 15 days from the date of approval by the General Meeting of Shareholders of the audited annual financial statements, the amount due based on the cumulative achievement percentage of the key performance indicators shall be settled, according to item 4 of Appendix 3 to the Mandate Contracts.

The medium-term variable component shall be calculated and paid for a period of two financial years, based on the percentages set out under the mandate contract. The amount shall be granted in annual instalments of 50% of the forecast medium-term amount, within 15 calendar days as of the approval by the General Meeting of Shareholders of the audited annual financial statements, and the amount due based on the cumulative achievement percentage of the key performance indicators to be settled within 15 calendar days as of the approval by the General Meeting of Shareholders of the audited annual financial statements corresponding to that year of the term of office, which ends the medium-term objective review period, and the amount due depending on the aggregate percentage of attainment of the medium-term key performance indicators shall be reconciled.

The long-term variable component shall be calculated and paid for the entire four-year term of office. The amount shall be granted in annual instalments of 25% of the forecast long-term amount, within 15 calendar days as of the approval by the General Meeting of Shareholders of the audited annual financial statements, and the amount due based on the cumulative achievement percentage of the key performance indicators to be settled within 15 calendar days as of the approval by the General Meeting of Shareholders of the audited annual financial statements, comprising the last months of the term of office.

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%.

The variable component of the director's remuneration is reviewed annually, depending on the level of achievement of the objectives included in the management plan and the degree of fulfilment of the financial and non-financial performance indicators approved by the General Meeting of Shareholders.

For non-executive directors, with provisional mandate contract, the **variable component is the corresponding short-term variable component**, shall be calculated and paid for a financial year, the amount **shall be granted at completion of the provisional office** of the annual amount projected for the current financial year corresponding to attainment of the indicators for the elapsed period of the financial year, within 10 calendar days as of the closing date of the quarterly reports, and the amount due based on the cumulative attainment rate of the key performance indicators shall be reconciled within 15 days of the date of approval by the General Meeting of Shareholders of the audited annual financial statements, according to item 4 of Appendix 3 to the Mandate Contracts.

The mandate contracts concluded by the Company with the members of the Board of Directors for a 4-year term, valid between 29 September 2022 – 29 September 2026, stipulate that Directors receive a remuneration consisting of:

(i) a fixed gross allowance of RON 17,926, as approved under the Decision of the Ordinary General Meeting of Shareholders no. 6/10.08.2022, for performance of the mandate entrusted, equal to two times the average gross monthly salary for the last 12 months for the activity carried out according to the registered main scope of business of the company, at a class level according to the classification of activities in the national economy, as communicated by the National Institute of Statistics before appointment.

(ii) a variable component in the amount of 12 fixed monthly allowances, according to item 6 of OGMS Decision no. 6/10.08.2022.

The variable component of the director's remuneration is reviewed annually, depending on the level of achievement of the objectives included in the management plan and the degree of fulfilment of the financial and non-financial performance indicators approved by the general meeting of shareholders, an appendix to the mandate contract.

The mandate contracts entered into by the Company with the members of the Board of Directors, for a 4-year period and valid between 29 September 2022 - 29 September 2026, shall be supplemented by an addendum setting out their variable remuneration, objectives and financial and non-financial performance indicators defined by the general meeting of shareholders, as well as under the letter of expectations, in line with the provisions of the Government Emergency Ordinance no. 109/2011 on corporate governance of public enterprises.

The table below presents the structure of the remuneration of SNN managers for the year 2022:

Last name and first name	Capacity	Total gross remuneration 2022 [RON]	Gross fixed component 2022*[RON]	Gross variable component 2022 [RON]	Fixed remuneration relative proportion	Variable remuneration relative proportion
Cosmin Ghita	Chief Executive Officer / Executive Director	693,973	471.509*	222,464	68%	32%
Tudor Laurentiu Dan	Deputy CEO	56,329	37,435	18,894	66%	34%
Paul Ichim	Finance Director	70,802	51,908	18,894	73%	27%
Niculaie Faranga Dan	Finance Director	588,215	430.235**	157,980	73%	27%
Popescu Elena	Non-executive Director	257,312	156,357	100,955	61%	39%
Vulpescu Dumitru Remus	Non-executive Director	257,312	156,357	100,955	61%	39%
Anitei Mihai Daniel	Non-executive Director	201,904	100,949	100,955	50%	50%
Chirica Minodor Teodor	Non-executive Director	323,704	189,552	134,152	59%	41%
Valeca Serban Constantin	Non-executive Director	59,564	33,030	26,534	55%	45%
Niculescu Sergiu George	Non-executive Director	242,319	153,610	88,709	63%	37%
Chirlesan Dumitru	Non-executive Director	129,529	72,502	57,027	56%	44%
Grajdean Vasilica	Non-executive Director	57,037	57,037	0	100%	0%

*) of which RON 26,585 represents unused leave related to 2022, according to the mandate contract no. 64/11.02.2019.

***) of which RON 37,219 represents unused leave related to 2022, according to the mandate contract no. 86/12.08.2022.

4. Financial and non-financial indicators, variable component of directors' remuneration; ratio between actual performance and remuneration

1. The financial and non-financial indicators (operational and corporate governance), distributed in the short-, medium- and long-run with related weights and with indication of

the tools applied to measure them are listed in the appendix to the mandate contract, as follows:

- a. **Appendix 3.1** – Financial and non-financial indicators broken down by each year related to the term of office;
 - b. **Appendix 3.2** – Financial and non-financial indicators broken down by each quarter of the financial year.
2. The agent shall receive the variable component of the remuneration only conditional upon simultaneous attainment of the targets related to the key performance indicators set out in Appendix 3.1 and Appendix 3.2 to 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 months 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 $PrCv = 100\%$
- $75\% \leq PrICP < 100\%$ results into $PrCv = \text{actual } PrICP (\%)$
- $PrICP < 75\%$ 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 of the Director is equal to 12 gross monthly fixed allowances; the amount of the short, medium and long-term component is determined by applying the percentage rates set out in appendix 3.1 to the mandate contract, resulting in the payable amount of the variable component for each year of mandate, according to the following algorithm:

- **the 2019 variable component is calculated as follows:** 80% for attaining the objectives for 2019 (on short-term) + 10% for attaining the objectives for 2020 (on medium-term) + 10% for attaining the objectives for 2022 (long-term at end of mandate)

- **the 2020 variable component is calculated as follows:** 80% for attaining the objectives for 2020 (on short-term) + 10% for attaining the objectives for 2020 (on medium-term) + 10% for attaining the objectives for 2022 (long-term at end of mandate)

- **the 2021 variable component is calculated as follows:** 80% for attaining the objectives for 2021 (on short-term) + 10% for attaining the objectives for 2022 (on medium-term) + 10% for attaining the objectives for 2022 (long-term at end of mandate)

- **the 2022 variable component is calculated as follows:** 80% for attaining the objectives for 2022 (on short-term) + 10% for attaining the objectives for 2022 (on medium-term) + 10% for attaining the objectives for 2022 (long-term at end of mandate)

3. The short-term variable component shall be calculated and paid for a financial year, the amount shall be granted in quarterly instalments of 18% of the forecast annual amount for the current financial year corresponding to the achievement of the indicators for the time elapsed of the financial year, within 10 calendar days as of the closing date of the quarterly reports, and then, within 15 days of approval by the General Meeting of Shareholders of the audited annual financial statements, the amount due based on the aggregate percentage of attainment of the key performance indicators shall be reconciled.
4. When the cumulative percentage of attaining the key performance indicators determined for a quarter is below 75%, the granting of the annual variable component shall be suspended until the end of the financial year, and the difference shall be reconciled within 15 calendar days of approval by the General Meeting of Shareholders of the audited annual financial statements.
5. The medium-term variable component shall be calculated and paid for a period of two financial years, based on the percentages set out under Appendix 3.1. The amount shall be granted in annual instalments of 50% of the forecast medium-term amount, within 15 calendar days as of the approval by the General Meeting of Shareholders of the audited annual financial statements, and the amount due based on the cumulative achievement percentage of the key performance indicators to be settled within 15 calendar days as of the approval by the General Meeting of Shareholders of the audited annual financial statements corresponding to the respective year of the term of office, as detailed in Appendix 3.1, that closes the medium-term objective review period, and the amount due based on the aggregate percentage of attainment of the key performance indicators shall be reconciled.
6. The long-term variable component shall be calculated and paid for the entire four-year term of office. The amount shall be granted in annual instalments of 25% of the forecast long-term amount, within 15 calendar days as of the approval by the General Meeting of Shareholders of the audited annual financial statements, and the amount due based on the cumulative achievement percentage of the key performance indicators to be settled within

15 calendar days as of the approval by the General Meeting of Shareholders of the audited annual financial statements, comprising the last months of the term of office.

7. If the cumulative percentage of achievement of the key performance indicators determined for a financial year is below 75% the grant of the quota of the medium-term and long-term variable component is suspended until the end of the financial year of the medium and long period respectively of the term of office, the difference to be settled within 15 calendar days as of date of approval by the General Meeting of Shareholders of the audited annual financial statements, for the medium and long period respectively of the term of office.
8. 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.
9. If the term of office is terminated before the end of the term of office, for reasons beyond the control of the Director, the company is entitled to claim and the Director is obliged to return the entire amount granted in that year representing the payment of the variable component corresponding to the year in which the term of office ended.
10. 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 Incorporation is rectified.

11. The description, checking tool and target values of the key performance indicators are indicated in Appendix 3.1 and Appendix 3.2 to the mandate contract.
12. Financial performance indicators are checked by reference to the achieved values of these indicators as recorded in the company's financial accounting records.
13. 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 column "Verification tools" of the Appendix 3.1, i.e., Appendix 3.2 to the mandate contract.

5. *Benefits granted by SNN to managers in 2022*

In accordance with the mandate contracts concluded by the Company with the Executives with mandate contract, these benefit of a fixed gross monthly allowance and a variable component set out on the basis of financial and non-financial performance indicators negotiated and approved by the Board of Directors, determined in compliance with the methodology provided under the Government Decision GD no. 722/2016, for performance of the entrusted mandate, as well with the following non-cash benefits:

1. Professional liability insurance, with an insured amount of EUR 3 million;
2. Right to refund of the business travel expenditure;
3. Right to have the entire time when they served as Executive in SNN recognized as length of service and/or service in the electricity, heat and nuclear industry’;
4. Right to company car at all times (the costs of which will be fully borne by SNN), company phone, notebook, desktop computer, office supplies, fax machines, logistics, stationery, etc. as well as any other type of equipment/facilities that are specific to the level of their Executive position;
5. Right to an office space, corresponding to their Executive position, with all the appropriate equipment and facilities;
6. Right to insurance against accidents at work and occupational illnesses paid by the Company;
7. Right to secretariat services, with the salary costs of this position borne in full by the Company;
8. Right to seek mediation, advice and/or other protective measures from the Board of Directors, the General Meeting of Shareholders, the employers’ confederation, federation or organization the Company is a part of, in solving conflicts with the trade unions and/or the employee representatives, as well as with other organization and, in such cases, the right also to the necessary legal assistance at the expense of SNN;
9. Right to a business entertainment fund from the Company's business entertainment fund approved by the Board of Directors;
10. Right to have a job that matches their training and professional experience in SNN (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.

According to Article 37 of the Government Emergency Ordinance no. 109/2011, the remuneration for the members of the Board of Directors of SNN is established by the General Meeting of Shareholders in the structure and within the limits provided by this ordinance, as well as by the following non-monetary advantages:

1. 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. The rates for settlement of the transport, accommodation and *per diem* expenses shall be those set for the General Director(s).
2. 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.

3. The Director is insured against professional civil liability (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 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 Incorporation, 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, as then in force.
4. 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;
5. The Director benefits from the same package of medical services and/or medical insurance as contracted by the company for Executives.
6. *Any remuneration received from any entity belonging to the same SNN group;*
Not applicable.
7. *The number of shares and share options granted or offered, as well as the main conditions for the exercise of the related rights, including the exercise price and the date, together with any changes thereof*
SNN does not grant such bonuses to Directors and Executives with mandate contract.
8. *Information regarding the use of the possibility to recover the variable remuneration*
If the term of office is terminated before the end of the term of office, for reasons beyond the control of the **Director**, the company is entitled to claim and the Director is obliged to return the entire amount granted in that year representing the payment of the variable component corresponding to the year in which the term of office ended.

If the term of office is terminated before the completion of the term of office, for reasons related to the **Manager**, the company is entitled to claim and the Manager has undertaken to return the entire amount granted in that year representing the payment of the variable component related to the year in which the term of office was terminated.
9. *Information regarding any deviation from the procedure for implementing the remuneration policy provided by Article 106(8) - (12) and regarding any derogations applied according to Article 106(6), including explanations regarding the nature of the exceptional circumstances and the indication of the specific elements from which the derogation was made.*
Not applicable.
10. *The annual change in the remuneration, in the SNN's performance and in the average remuneration based on the full-time equivalent of the SNN's employees who are not managers during the latest 5 financial years*

Last name and first name	Remuneration* / Change / Degree of achievement	2022	2021	2020	2019	2018
Ghita Cosmin , Executive Director and Chief Executive Officer	fixed remuneration	471,509	444,924	444,924	441,917	148,108
	variable remuneration	222,464	222,464	221,797	199,417	N/A
	annual change	not changed	not changed	not changed	not changed	N/A
	degree of KPI achievement	100%	100%	99.7%	100%	N/A
Tudor Dan Laurentiu , Deputy Chief Executive Officer	fixed remuneration	37,435	428,724	428,724	425,829	92,755
	variable remuneration	18,894	222,464	221,797	199,417	N/A
	annual change	not changed	not changed	not changed	not changed	N/A
	degree of KPI achievement	100%	100%	99.7%	100%	N/A
Ichim Paul Finance Director	fixed remuneration	51,908	444,924	328,293	N/A	N/A
	variable remuneration	18,894	222,464	92,718	N/A	N/A
	annual change	not changed	not changed	not changed	N/A	N/A
	degree of KPI achievement	100%	100%	99.7%	N/A	N/A
Niculaie Dan Faranga Finance Director	fixed remuneration	430,235	N/A	N/A	N/A	N/A
	variable remuneration	157,980	N/A	N/A	N/A	N/A
	annual change	not changed	N/A	N/A	N/A	N/A
	degree of KPI achievement	100%	N/A	N/A	N/A	N/A
Chirica Minodor Teodor Non-executive Director	fixed remuneration	189,552	180,684	155,412	3,966	N/A
	variable remuneration	134,152	180,684	78,001	N/A	N/A
	annual change	changed by OGMS Decision no. 6/10.08.2022	not changed	not changed	N/A	N/A
	degree of KPI achievement	100%	100%	99.7%	N/A	N/A
Anitei Mihai Daniel Non-executive Director	fixed remuneration	100,949	135,972	135,972	135,972	44,715
	variable remuneration	100,955	135,972	135,564	135,972	N/A
	annual change	not changed	not changed	not changed	not changed	N/A

Last name and first name	Remuneration* / Change / Degree of achievement	2022	2021	2020	2019	2018
	degree of KPI achievement	100%	100%	99.7%	100%	N/A
Vulpescu Dumitru Remus Non-executive Director	fixed remuneration	156,357	135,972	135,972	135,972	11,331
	variable remuneration	100,955	135,972	135,564	135,972	N/A
	annual change	not changed	not changed	not changed	not changed	N/A
	degree of KPI achievement	100%	100%	99.7%	100%	N/A
Popescu Elena Non-executive Director	fixed remuneration	156,357	135,972	135,972	135,972	44,715
	variable remuneration	100,955	135,972	135,564	135,972	N/A
	annual change	changed by OGMS Decision no. 6/10.08.2022	not changed	not changed	not changed	N/A
	degree of KPI achievement	100%	100%	99.7%	100%	N/A
Dumitriu Adrian Gabriel Finance Director	fixed remuneration	N/A	N/A	105,557	425,829	100,009
	variable remuneration	N/A	N/A	36,360	199,417	N/A
	annual change	N/A	N/A	not changed	not changed	N/A
	degree of KPI achievement	N/A	N/A	99.7%	100%	N/A
Gentea Cristian, Non-executive Director	fixed remuneration	N/A	N/A	120,675	135,972	44,715
	variable remuneration	N/A	N/A	112,965	135,972	N/A
	annual change	N/A	N/A	not changed	not changed	N/A
	degree of KPI achievement	N/A	N/A	99.7%	100%	N/A
Tudorache Iulian Robert Non-executive Director	fixed remuneration	N/A	N/A	87,411	135,972	44,715
	variable remuneration	N/A	N/A	78,898	135,972	N/A
	annual change	N/A	N/A	not changed	not changed	N/A
	degree of KPI achievement	N/A	N/A	99.7%	100%	N/A
Toni Viorel Lary Deputy Chief Executive Officer	fixed remuneration	N/A	N/A	N/A	66,761	92,755
	variable remuneration	N/A	N/A	N/A	N/A	N/A
	annual change	N/A	N/A	N/A	N/A	N/A

Last name and first name	Remuneration* / Change / Degree of achievement	2022	2021	2020	2019	2018
	degree of KPI achievement	N/A	N/A	N/A	N/A	N/A
Dima Cristian, Non-executive Director	fixed remuneration	N/A	N/A	N/A	101,979	44,715
	variable remuneration	N/A	N/A	N/A	N/A	N/A
	annual change	N/A	N/A	N/A	N/A	N/A
	degree of KPI achievement	N/A	N/A	N/A	N/A	N/A
Marcu Mirel Alexandru, Non-executive Director	fixed remuneration	N/A	N/A	N/A	N/A	33,384
	variable remuneration	N/A	N/A	N/A	N/A	N/A
	annual change	N/A	N/A	N/A	N/A	N/A
	degree of KPI achievement	N/A	N/A	N/A	N/A	N/A
Banescu Dragos Ionut, Non-executive Director	fixed remuneration	N/A	N/A	N/A	N/A	33,384
	variable remuneration	N/A	N/A	N/A	N/A	N/A
	annual change	N/A	N/A	N/A	N/A	N/A
	degree of KPI achievement	N/A	N/A	N/A	N/A	N/A
Valeca Serban Constantin, Non-executive Director	fixed remuneration	33030	N/A	N/A	N/A	N/A
	variable remuneration	26534	N/A	N/A	N/A	N/A
	annual change	not changed	N/A	N/A	N/A	N/A
	degree of KPI achievement	100%	N/A	N/A	N/A	N/A
Niculescu Sergiu George, Non-executive Director	fixed remuneration	153,610	N/A	N/A	N/A	N/A
	variable remuneration	88709	N/A	N/A	N/A	N/A
	annual change	not changed	N/A	N/A	N/A	N/A
	degree of KPI achievement	100%	N/A	N/A	N/A	N/A
Chirlesan Dumitru, Non-executive Director	fixed remuneration	72,502	N/A	N/A	N/A	N/A
	variable remuneration	57,027	N/A	N/A	N/A	N/A
	annual change	not changed	N/A	N/A	N/A	N/A
	degree of KPI achievement	100%	N/A	N/A	N/A	N/A

Last name and first name	Remuneration* / Change / Degree of achievement	2022	2021	2020	2019	2018
Grajdán Vasilica , Non-executive Director	fixed remuneration	57,037	N/A	N/A	N/A	N/A
	variable remuneration	0	N/A	N/A	N/A	N/A
	annual change	not changed	N/A	N/A	N/A	N/A
	degree of KPI achievement	100%	N/A	N/A	N/A	N/A

**)all remunerations included in the table are gross amounts*

The remuneration granted to the company's employees during each year of the Report period, 2018-2022, reflects the conditions of the Collective Employment Agreements, applicable during this period, which are presented in the following table:

Ratio	2022	2021	2020	2019	2018
Labour productivity (thousand RON/person)	2,901	1,589	1,233	1,186	1,089
Average monthly gross income per SNN employee (RON/pers)	19,157	16.18	15,879	16,094	14,166

11. SNN Performance

According to the legal requirement, the remuneration report presents the evolution of the managers' remuneration in relation to the evolution of the company's performance and the evolution of the average salary of the employees (non-managers), thus for the 2018 - 2022 period, the situation is presented in the following table:

Ratio (thousand RON)	2022	2021	2020	2019	2018
EBITDA	3,591,412	1,742,336	1,316,143	1,184,978	1,089,505
Net profit	2,764,423	1,036,262	699,322	535,667	410,611

12. Conclusion

We mention that during 2022, there were no derogations from the Remuneration Policy of SNN, both for directors and for chief officers with a mandate.

Following the approval in the meeting of the Ordinary General Meeting of Shareholders of 28 April 2022 of the Remuneration Report of SNN drawn up for the financial year 2021, no opinions were submitted by the company's shareholders.

This Remuneration Report was drawn up in accordance with the requirements of Law 24/2017, is subject to the advisory vote in the Annual Ordinary General Meeting of Shareholders provided

for in Article 111 of Law no. 31/1990. SNN will explain in the following Remuneration Report the manner in which the vote of the General Meeting was taken into account.

This Report will be published on the website of SNN, www.nuclearelectrica.ro and will remain available to the public, free of charge, for a period of 10 years after its publication, according to the provisions of Law no. 24/2017.