

REMUNERATION REPORT

2023



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 Societatea Nationala Nuclearelectrica SA

Societatea Nationala 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, Bdul Iancu de Hunedoara nr. 48.

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 Chief Executive Officer 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 Resolution 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 indicators	Performance measurement tools which determine how well the Company 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** 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 Art. 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 2023*

The Directors and Executive Officers 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; they were updated in 2023 by point 7 of the OGMS no. 5/05.07.2023. Based on these general limits, the Board of Directors sets the amount of the executives' remuneration.

➤ ***Remuneration of executive officers with a contract of mandate***

In 2023, according to the mandate contracts concluded by the company with the SNN executives, the situation of the gross fixed monthly remuneration of the SNN executives with mandate contracts is summarized as follows:

No.	Last name and first name	Capacity	Number/date of the contract of mandate	Term of office	Amount of the monthly gross fixed allowance
1.	Cosmin Ghita	Chief Executive Officer	64/11.02.2019	11.02.2019 – 11.02.2023	RON 37,077
2.	Cosmin Ghita	Chief Executive Officer	85/10.08.2022	12.02.2023 – 12.02.2027	RON 53,778

3.	Dan Niculaie Faranga	Chief Financial Officer	86/10.08.2022 (interim)	12.08.2022 – 13.02.2023	RON 37,077
4.	Dan Niculaie Faranga	Chief Financial Officer	94/14.12.2022	14.02.2023 – 02.05.2023	RON 37,077
5.	Dan Niculaie Faranga	Chief Financial Officer	96/03.05.2023	03.05.2023 – 03.05.2027	RON 51,000

In 2023, the **variable component** of the remuneration of Executive Officers with a contract of mandate was granted from the start of their offices under the contract of mandate no. 85/10.08.2022 for the Chief Executive Officer, and under the contract of mandate no. 96/03.05.2023 for the Chief Financial Officer, after approval of the general limits of the remuneration of the Company's Executive Officers with contract of mandate under the Resolution of the General Meeting of the Company's Shareholders no. 5/05.07.2023, as well as after approval of the Company's 2023 - 2027 Management Plan, as approved under the Resolution of the Company's Board of Directors no. 90/27.04.2023. The gross annual variable component of the Chief Executive Officer will shall be 2.5 times the amount of the annual gross fixed allowance for the entire financial year payable to the Chief Executive Officer, and the gross annual variable component of the Chief Financial Officer shall be 2.4 times the amount of the annual gross fixed allowance for the entire financial year payable to the Chief Financial Officer, and is broken down on three components: on short-term, on medium-term, and on 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 Annex 5 to the Addendum no. 1 to the Mandate Contract.

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 Annex 5 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%.

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

Under the Resolution of the Ordinary General Meeting of Shareholders no. 6/10.08.2022, renewal of the offices, and appointment of three members to the Board of Directors, for a four-year term, was approved in keeping with the provisions of the Government Emergency Ordinance no. 109/2011, as follows:

- **Mr. Minodor Teodor Chirica - Non-Executive Director**, with conclusion of the contract of mandate no. 77/10.08.2022, for the term of office between 29 September 2022 - 29 September 2026, which provides for a remuneration consisting of: a gross monthly fixed allowance of RON 17,926, and a gross annual variable component of equal to 12 gross monthly fixed allowances;

- **Mr. Cosmin Ghita - Executive Director**, with conclusion of the contract of mandate no. 79/10.08.2022 for the term of office between 29 September 2022 - 29 September 2026, under the Resolution of the Board of Directors no. 154/12.10.2022, Mr. Cosmin Ghita was reappointed as SNN Chief Executive Officer, for a term of office of 4 (four) years, in accordance with the provisions of the Government Emergency Ordinance no. 109/2011. According to the Company's remuneration policy approved with the OGMS Resolution no. 5/26.04.2021, during the time period when the Chief Executive Officer acts also as executive director, he is only entitled to payment of the remuneration according to the contract of mandate concluded for his capacity of Chief Executive Officer, without receiving also any remuneration for his capacity as member of the Board of Directors.

- **Mrs. Elena Popescu - Non-Executive Director**, with conclusion of the contract of mandate no. 77/10.08.2022, for the term of office between 29 September 2022 - 29 September 2026, which provides for a remuneration consisting of: a gross monthly fixed allowance of RON 17,926, and a gross annual variable component of equal to 12 gross monthly fixed allowances;

Under the Resolution of the Ordinary General Meeting of Shareholders no. 2/15.02.2023, four non-executive members of the Board of Directors of Societatea Nationala Nuclearelectrica S.A. (SNN), vacant positions, were appointed for a term of office of 4 (four) years further to the selection procedure performed under the terms of the Government Emergency Ordinance no. 109/2011 on the corporate governance of public enterprises, as approved with amendments and additions by Law no. 111/2016, as amended (Government Emergency Ordinance no. 109/2011); thus, the following were appointed:

- **Mr. Vulpescu Dumitru Remus - Non-Executive Director**, with conclusion of the contract of mandate no. 91/15.02.2023, for the term of office between 15 February 2023 - 15 February 2027, which provides for a remuneration consisting of: a gross monthly fixed allowance of RON 17,926, and a gross annual variable component of equal to 12 gross monthly fixed allowances;

- **Mr. Dumitru Chirlesan - Non-Executive Director**, with conclusion of the contract of mandate no. 93/15.02.2023, for the term of office between 15 February 2023 - 15 February 2027, which provides for a remuneration consisting of: a gross monthly fixed allowance of RON 17,926, and a gross annual variable component of equal to 12 gross monthly fixed allowances;

- **Mrs. Grajdan Vasilica - Non-Executive Director**, with conclusion of the contract of mandate no. 92/15.02.2023, for the term of office between 15 February 2023 - 15 February 2027, which provides for a remuneration consisting of: a gross monthly fixed allowance of RON 17,926, and a gross annual variable component of equal to 12 gross monthly fixed allowances;

- **Mr. Niculescu George Sergiu - Non-Executive Director**, with conclusion of the contract of mandate no. 92/15.02.2023, for the term of office between 15 February 2023 - 15 February 2027, which provides for a remuneration consisting of: a gross monthly fixed allowance of RON 17,926, and a gross annual variable component of equal to 12 gross monthly fixed allowances; Effective 29 March 2023, the office of Mr. Niculescu George Sergiu ceased further to this notice registered with the Company under no. 4069/28.03.2023;

During the period 1 January 2023 - 15 February 2023, the provisional office of non-executive director in the Board of Directors of Societatea Nationala Nuclearelectrica S.A. was exercised by: **Mr. Vulpescu Dumitru Remus, Mr. Niculescu George Sergiu, Mr. Dumitru Chirlesan and Mrs. Grajdan Vasilica**; during this period, the provisional non-executive directors were remunerated with a fixed gross monthly allowance of RON 17,926.

Under the Resolution of the Board of Directors no. 90/27.04.2023, the SNN 2023 - 2027 Administration Plan was approved, containing the Performance Indicators for the Company's non-executive directors, executive director and executive officers with contract of mandate.

The variable component for the non-executive directors is determined according to the Company's Remuneration Policy, as approved under the OGMS Resolution no. 5/26.04.2021, and the contract of mandate concluded by the directors with the Company, broken down on three components: short term, medium term and long term and was granted in 2023 only to directors with a 4-year term of office, in accordance with the Addendum concluded to the mandate contract of each director according to the form approved by the OGMS Resolution no. 5/05.07.2023 which also included the attachment to each SNN directors' mandate contract of financial and non-financial performance indicators.

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 Annex 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 Annex 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%.

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.

The table below presents the structure of the remuneration of SNN managers for the year 2023:

Last name and first name	Capacity	Total gross remuneration 2023	Gross fixed component 2023	Gross variable component 2023	Fixed remuneration relative proportion	Variable remuneration relative proportion
Cosmin Ghita	Chief Executive Officer / Executive Director	2,065,741	637,934*	1,427,807	31%	69%
Niculaie Faranga Dan	Chief Financial Officer	1,588,178	609,957**	978,221	38%	62%
Popescu Elena	Non-executive Director	430,224	215,112	215,112	50%	50%
Vulpescu Dumitru Remus	Non-executive Director	408,713	215,112	193,601	53%	47%
Chirica Minodor Teodor	Non-executive Director	430,224	215,112	215,112	50%	50%
Niculescu Sergiu George	Non-executive Director	51,440	51,440	0	100%	0%
Chirlesan Dumitru	Non-executive Director	408,713	215,112	193,601	53%	47%
Grajdán Vasilica	Non-executive Director	408,713	215,112	193,601	53%	47%

*) of which RON 39,026 represents unused leave related to 2023, according to the mandate contract no. 85/10.08.2022.

**) of which RON 54,282 represents unused leave related to 2023, according to the mandate contract no. 96/03.05.2023.

4. Financial and non-financial indicators, variable component of the remuneration of directors and executives with mandate contract, the ratio between actual performance and remuneration

1. The financial and non-financial indicators (operational and corporate governance, and public services oriented), with target values for each year of office and with the indication of the tools applied to measure them are listed in the appendix to the mandate contract, as follows:
 - a. **Appendix 3.1** - Performance indicators for the non-executive directors of SNN during the term of their contracts of mandate;
 - b. **Appendix 5.1** - Performance indicators for the Chief Executive Officer / Chief Financial Officer of SNN during the term of their contracts of mandate.
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, related to the office term, 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:

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| <ul style="list-style-type: none">• $PrICP = 100\%$ results into $PrCv = 100\%$• $75\% \leq PrICP < 100\%$ results into $PrCv = \text{actual } PrICP (\%)$• $PrICP < 75\%$ results in $PrCv = 0\%$ |
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where: PrICP – percentage of attaining the Key Performance Indicator

PrCv – percentage of granting the variable component

- d. The annual variable component, and the short-, medium- and long-term component shall be determined by applying the percentage rates set out in Annex 3.1 to the contract of mandate for directors, and in Annex 5.1 to the contract of mandate for executive officers, resulting into the payable amount of the variable component for each year of office, according to the following algorithm:

- **the 2023 variable component is calculated as follows:** 80% for attaining the objectives for 2023 (on short-term) + 10% for attaining the objectives for 2024 (on medium-term) + 10% for attaining the objectives for 2026 (long-term at end of mandate)
- **the 2024 variable component is calculated as follows:** 80% for attaining the objectives for 2024 (on short-term) + 10% for attaining the objectives for 2024 (on medium-term) + 10% for attaining the objectives for 2026 (long-term at end of mandate)
- **the 2025 variable component is calculated as follows:** 80% for attaining the objectives for 2025 (on short-term) + 10% for attaining the objectives for 2026 (on medium-term) + 10% for attaining the objectives for 2026 (long-term at end of mandate)
- **the 2026 variable component is calculated as follows:** 80% for attaining the objectives for 2026 (on short-term) + 10% for attaining the objectives for 2026 (on medium-term) + 10% for attaining the objectives for 2026 (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 Annex 3.1 to the contract of mandate of directors and Annex 5.1 to the contract of mandate of executive officers. 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 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 Annex 3.1 to the contract of mandate for directors and Annex 5.1 of the contract of mandate for executive officers, which conclude the period of medium-term targets review period.
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. If the term of office is terminated before the end of the term of office, for reasons beyond the control of the Director / Manager, the variable component shall be granted pro-rata, 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 / Manager, the company is entitled to claim and the Director / Manager 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 / managers 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 Annex 3.1 to the contract of mandate of directors, and in Annex 5.1 to the contract of mandate of executive officers
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 non-financial indicators are checked by analysing the attainment status of these indicators included in the Reports/Calculation formulas indicated in the column "Checking tools" of Annex 3.1, to the contract of mandate of directors, and in Annex 5.1 to the contract of mandate of executive officers.

5. *Benefits granted by SNN to managers in 2023*

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 Officer in SNN recognized as length of service and/or service in the electricity, heat and nuclear industry’;
4. Right to a 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 Officer position;
5. Right to benefit of 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;
6. Right to an office space, corresponding to their Executive Officer position, with all the appropriate equipment and facilities;
7. Right to insurance against accidents at work and occupational illnesses paid by the Company;
8. Right to secretariat services, with the salary costs of this position borne in full by the Company;
9. Right to ask the Company to contract specialized assistance for substantiation of the decisions made (including, but not limited to audits, anti-fraud investigations, market analyses, consultancy and others);
10. Right to benefit from a package of medical services and/or medical insurance as contracted by the Company
11. 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;
12. Right to a business entertainment fund from the Company's business entertainment fund approved by the Board of Directors;
13. 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.
14. The right to annual rest (as annual leave) and the corresponding remuneration, sick leave according to law and paid days off for public holidays, specific festive days, birth 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.
15. Right to have the entire time for which the mandate contract was concluded recognized as length of service and/or service in the electricity, heat and nuclear industry, in accordance

with the applicable laws and with the Collective Bargaining Agreement concluded within the company.

16. Right to participate in continuous professional development programmes, in order to pursue a smooth activity within the company.

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 Chief Executive Officer/Executives.
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	2023	2022	2021	2020	2019
Ghita Cosmin Executive Director and Chief Executive Officer	fixed remuneration	637,934	471,509	444,924	444,924	441,917
	variable remuneration	1,427,807	222,464	222,464	221,797	199,417
	annual change	changed by OGMS Resolution no. 6/10.08.2022 and OGMS Resolution no. 5/05.07.2023 BoD Resolution no. 154 dated 10.08.2022	not changed	not changed	not changed	not changed
	degree of KPI achievement	100%	100%	100%	99.7%	100%
Tudor Dan Laurentiu Deputy Chief Executive Officer	fixed remuneration	N/A	37,435	428,724	428,724	425,829
	variable remuneration	N/A	18,894	222,464	221,797	199,417
	annual change	N/A	not changed	not changed	not changed	not changed
	degree of KPI achievement	N/A	100%	100%	99.7%	100%
Ichim Paul Chief Financial Officer	fixed remuneration	N/A	51,908	444,924	328,293	N/A
	variable remuneration	N/A	18,894	222,464	92,718	N/A
	annual change	N/A	not changed	not changed	not changed	N/A
	degree of KPI achievement	N/A	100%	100%	99.7%	N/A

Last name and first name	Remuneration / change / degree of achievement	2023	2022	2021	2020	2019
Niculaie Dan Faranga Chief Financial Officer	fixed remuneration	609,957	430,235	N/A	N/A	N/A
	variable remuneration	978,221	157,980	N/A	N/A	N/A
	annual change	changed by OGMS Resolution no. 5/05.07.2023 and BoD Resolution no. 103 dated 03.05.2023	not changed	N/A	N/A	N/A
	degree of KPI achievement	100%	100%	N/A	N/A	N/A
Chirica Minodor Teodor Non-executive Director	fixed remuneration	215,112	189,552	180,684	155,412	3,966
	variable remuneration	215,112	134,152	180,684	78,001	N/A
	annual change	not changed	changed by OGMS Resolution no. 6/10.08.2022	not changed	not changed	N/A
	degree of KPI achievement	100%	100%	100%	99.7%	N/A
Anitei Mihai Daniel Non-executive Director	fixed remuneration	N/A	100,949	135,972	135,972	135,972
	variable remuneration	N/A	100,955	135,972	135,564	135,972
	annual change	N/A	not changed	not changed	not changed	not changed
	degree of KPI achievement	N/A	100%	100%	99.7%	100%
Vulpescu Dumitru Remus Non-executive Director	fixed remuneration	215,112	156,357	135,972	135,972	135,972
	variable remuneration	193,601	100,955	135,972	135,564	135,972
	annual change	decided by OGMS Resolution no. 1/15.02.2023	not changed	not changed	not changed	not changed
	degree of KPI achievement	100%	100%	100%	99.7%	100%
Popescu Elena Non-executive Director	fixed remuneration	215,112	156,357	135,972	135,972	135,972
	variable remuneration	215,112	100,955	135,972	135,564	135,972
	annual change	not changed	changed by OGMS Resolution no. 6/10.08.2022	not changed	not changed	not changed
	degree of KPI achievement	100%	100%	100%	99.7%	100%
Dumitriu Adrian Gabriel	fixed remuneration	N/A	N/A	N/A	105,557	425,829
	variable remuneration	N/A	N/A	N/A	36,360	199,417

Last name and first name	Remuneration / change / degree of achievement	2023	2022	2021	2020	2019
Chief Financial Officer	annual change	N/A	N/A	N/A	not changed	not changed
	degree of KPI achievement	N/A	N/A	N/A	99.7%	100%
Gentea Cristian Non-executive Director	fixed remuneration	N/A	N/A	N/A	120,675	135,972
	variable remuneration	N/A	N/A	N/A	112,965	135,972
	annual change	N/A	N/A	N/A	not changed	not changed
	degree of KPI achievement	N/A	N/A	N/A	99.7%	100%
Tudorache Iulian Robert Non-executive Director	fixed remuneration	N/A	N/A	N/A	87,411	135,972
	variable remuneration	N/A	N/A	N/A	78,898	135,972
	annual change	N/A	N/A	N/A	not changed	not changed
	degree of KPI achievement	N/A	N/A	N/A	99.7%	100%
Toni Viorel Lary Deputy Chief Executive Officer	fixed remuneration	N/A	N/A	N/A	N/A	66,761
	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
Dima Cristian Non-executive Director	fixed remuneration	N/A	N/A	N/A	N/A	101,979
	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 Mirela Alexandru Non-executive Director	fixed remuneration	N/A	N/A	N/A	N/A	N/A
	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	N/A
	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	N/A	33,030	N/A	N/A	N/A
	variable remuneration	N/A	26,534	N/A	N/A	N/A
	annual change	N/A	not changed	N/A	N/A	N/A
	degree of KPI achievement	N/A	100%	N/A	N/A	N/A

Last name and first name	Remuneration / change / degree of achievement	2023	2022	2021	2020	2019
Niculescu Sergiu George Non-executive Director	fixed remuneration	51,440	153,610	N/A	N/A	N/A
	variable remuneration	0	88,709	N/A	N/A	N/A
	annual change	decided by OGMS Resolution no. 1/15.02.2023	not changed	N/A	N/A	N/A
	degree of KPI achievement	N/A	100%	N/A	N/A	N/A
Chirlesan Dumitru Non-executive Director	fixed remuneration	215,112	72,502	N/A	N/A	N/A
	variable remuneration	193,601	57,027	N/A	N/A	N/A
	annual change	decided by OGMS Resolution no. 1/15.02.2023	not changed	N/A	N/A	N/A
	degree of KPI achievement	100%	100%	N/A	N/A	N/A
Grajdan Vasilica Non-executive Director	fixed remuneration	215,112	57,037	N/A	N/A	N/A
	variable remuneration	193,601	0	N/A	N/A	N/A
	annual change	decided by OGMS Resolution no. 1/15.02.2023	not changed	N/A	N/A	N/A
	degree of KPI achievement	100%	100%	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, 2019-2023, reflects the conditions of the Collective Employment Agreements, applicable during this period, which are presented in the following table:

Ratio	2023	2022	2021	2020	2019
Labor productivity (thousand lei/person)	3,339	2,901	1,589	1,233	1,186
Average gross monthly income per SNN employee (lei/person)	24,788	19,157	16,180	15,879	16,094

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 2019 - 2023 period, the situation is presented in the following table:

Ratio (thousand RON)	2023	2022	2021	2020	2019
EBITDA	3,112,574	3,591,412	1,742,336	1,316,143	1,184,978
Net profit	2,506,519	2,764,423	1,036,262	699,322	535,667

12. Conclusion

We mention that during 2023, 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 26 April 2023 of the Remuneration Report of SNN drawn up for the financial year 2023, 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.