



Annual Remuneration Report for Directors of Rompetrol Rafinare S.A.

The Board of Directors of Rompetrol Rafinare S.A. ("**Company**") approved in the Ordinary General Meeting of Shareholders (OGMS) held on April 28, 2021 with a number of 99.99544% cast votes, the **Remuneration Policy**, a document that can be consulted on the Internet, on the official website of the Company here: [https://rompetrol-rafinare.kmginternational.com/upload/files/politica de remunerare rrc ro 2434.pdf](https://rompetrol-rafinare.kmginternational.com/upload/files/politica_de_remunerare_rrc_ro_2434.pdf).

This **Remuneration Report** is prepared for the financial year ended on December 31, 2021, in accordance with the **Remuneration Policy** mentioned above.

The Remuneration Report will be submitted to the advisory vote of the Ordinary General Meeting of Shareholders of the Company ("**OGMS**") on April 28/29, 2022, and will be published on the official website of the Company on <https://rompetrol-rafinare.kmginternational.com/relatia-cu-investitorii/guvernanta-corporativa> and will remain available to the public for 10 years from the date of publication, in accordance with the applicable legal provisions.

The Remuneration Report provides an overview of the remuneration, including all benefits, regardless of form, granted or due during the last financial year, to the Company's individual Directors, including newly appointed and former executives in accordance with the Remuneration Policy.

The Directors of the Company are only those who hold following positions: (i) members of the Board of Directors, and (ii) executive directors, as they are defined by the provisions of the Companies' Law no. 31/1990.



The main features of the remuneration system can be summarized as follows:

Remuneration element	The purpose and connection with the strategy
Fixed remuneration	Fixed level of earnings that reflects the scale and complexity of the business, the roles and responsibilities of each Director, ensuring competitiveness with the market.
Variable remuneration	Compensation provided in the Collective Labor Agreement at the Company level, as well as variable compensation based on annual financial and non-financial performance criteria that are relevant to the Company's strategy.

The basic principles of the Remuneration Policy are: pay for performance, maintaining competitiveness in the labor market and internal equity. They align the interests of decision-makers in the Company with the interests of shareholders and other stakeholders (e.g., employees or the general public).

The Remuneration Policy creates an appropriate framework for attracting talent and cultivating the skills needed to achieve the company's objectives, helping to increase the level of talent retention. It also contributes to the successful implementation of the company's short-, medium- and long-term strategy, providing the necessary and flexible tools to remunerate the Company's Directors, including for exceptional situations and achievements.

The total remuneration contributes to the long-term development of the Company by maintaining a high level of motivation of the Company's Directors and their retention, as well as by attracting talents within the Company. The equitable reward of the performance in activity in accordance with the added value created for the shareholders thus supports the level of profitability of the Company.

By offering a competitive fixed remuneration in the market, by rewarding the technical knowledge and managerial skills of the Company's Directors, their degree of satisfaction, commitment and perseverance is kept to a high level.

The variable remuneration is determined, and it is granted according to the fulfillment of the strategic performance objectives and indicators at Company level. The payment of a variable remuneration stimulates the delivery of the maximum results for the Company, ensuring operational continuity at a maximum level of performance.

As per the Remuneration Policy, the remuneration elements are: fixed remuneration (salaries and indemnities/ allowances) and variable remuneration (bonuses, aids, benefits).



During 2021, in accordance with the employment and / or mandate contracts and the Collective Labor Agreement in force, the Company's Directors on positions during 2021 received fixed and variable remuneration for their activity in line with the Remuneration Policy, as well as labor market.

Due to the general economic evolution of the market, affected by the COVID-19 pandemic, in 2021 the members of the Board of Directors have voluntarily given up part of the gross allowance for the financial year 2021.

A. Members of Board of Directors during 2021:

1. Utekov Yedil, President of Board of Directors, received fixed remuneration as a monthly gross allowance.
2. Golovin Alexey, member of Board of Directors, received fixed remuneration as a monthly gross allowance.
3. Stănescu Bogdan Nicolae Codruț, member of Board of Directors, received fixed remuneration as a monthly gross allowance.
4. Steriopol Bogdan-Cătălin, member of Board of Directors, received fixed remuneration as a monthly gross allowance.
5. Crudu-Tesloveanu Felix, member of Board of Directors, totally waived the monthly fixed remuneration.

B. Executive Directors during 2021:

1. Crudu-Tesloveanu Felix, General Manager, received fixed monthly gross remuneration and variable remuneration consisting in bonuses as per Collective Labor Agreement in place (vacation bonus) and other benefits in kind (life and health insurance, medical subscription, private pension).
2. Gălățeanu Ramona Georgiana, Chief Financial Officer, received fixed monthly gross remuneration and variable remuneration consisting in bonuses as per Collective Labor Agreement in place (vacation bonus) and other benefits in kind (life and health insurance, medical subscription, rent, private pension).

Directors of the Company are not part of any scheme of options on shares granted or offered by the Company.



For a clear picture of the positions held by the Company's Directors, the table below highlights the positions they held within Rompetrol Rafinare during 2021.

Company's Directors	Member of Board of Directors	General Manager	Chief Financial Officer	Member of Audit Committee	Member of Strategy Committee
Utekov Yedil	*				*
Golovin Alexey	*			*	*
Stănescu Bogdan Nicolae Codruț	*			*	*
Steriopol Bogdan-Cătălin	*				
Crudu-Tesloveanu Felix	*	*			
Gălățeanu Ramona Georgiana			*		



A. The gross remuneration structure of the Company's Directors during 2021

		Utekov Yedil
		President of Board of Directors ^{*)}
FIX	Fixed remuneration (salaries and fixed allowances)	123.084 ^{**)}
	Variable remuneration (payments and bonuses as per CLA) ¹⁾	N/A
VAR	Variable remuneration (performance bonus)	N/A
	Other benefits ²⁾	N/A
	Total remuneration	123.084
	Weight fixed remuneration	100%
	Weight variable remuneration	0%
	Remuneration received from any entity in Romania that belongs to the same group and that is controlled by the Company / is affiliated to the Company	105.204 ^{***)}

^{*)} given the waiver of part of the gross remuneration due

^{**)} remuneration for cumulation of managerial positions (President of Board of Directors, President of Strategy Committee)

¹⁾ vacation bonus, special events bonus

²⁾ life insurance, health insurance, medical subscription, gift for children on occasion of June 1 and Christmas

^{***)} remuneration for cumulation of managerial positions (member of the Boards of Directors of other entities belonging to the same group)

Note: the presented values are annual, gross in RON



Golovin Alexey
Member of Board of Directors ^{*)}

FIX	Fixed remuneration (salaries and fixed allowances)	153.840 ^{**)}
VAR	Variable remuneration (payments and bonuses as per CLA) ¹⁾	N/A
	Variable remuneration (performance bonus)	N/A
	Other benefits ²⁾	N/A
	Total remuneration	153.840
	Weight fixed remuneration	100%
	Weight variable remuneration	0%
	Remuneration received from any entity in Romania that belongs to the same group and that is controlled by the Company / is affiliated to the Company	119.777 ^{***)}

^{*)} given the waiver of part of the gross remuneration due

^{**)} remuneration for cumulation of managerial positions (member of the Boards of Directors, member of Audit Committee, member of Strategy Committee)

¹⁾ vacation bonus, special events bonus

²⁾ life insurance, health insurance, medical subscription, gift for children on occasion of June 1 and Christmas

^{***)} remuneration for cumulation of managerial positions (member of the Boards of Directors of other entities belonging to the same group)

Note: the presented values are annual, gross in RON



Stănescu Bogdan Nicolae Codruț
Member of Board of Directors

FIX	Fixed remuneration (salaries and fixed allowances)	307.692 ^{*)}
VAR	Variable remuneration (payments and bonuses as per CLA) ¹⁾	N/A
	Variable remuneration (performance bonus)	N/A
	Other benefits ²⁾	N/A
	Total remuneration	307.692
	Weight fixed remuneration	100%
	Weight variable remuneration	0%
	Remuneration received from any entity in Romania that belongs to the same group and that is controlled by the Company / is affiliated to the Company	0

**) total monthly remuneration is composed of: remuneration for activity as a Board of Directors member, remuneration for activity as an Audit Committee member and remuneration for activity as a Strategic Committee member*

¹⁾ vacation bonus, special events bonus

²⁾ life insurance, health insurance, medical subscription, gift for children on occasion of June 1 and Christmas

Note: the presented values are annual, gross in RON



Steriopol Bogdan Cătălin
Member of Board of Directors

FIX	Fixed remuneration (salaries and fixed allowances)	184.620
VAR	Variable remuneration (payments and bonuses as per CLA) ¹⁾	N/A
	Variable remuneration (performance bonus)	N/A
	Other benefits ²⁾	N/A
	Total remuneration	184.620
	Weight fixed remuneration	100%
	Weight variable remuneration	0%
	Remuneration received from any entity in Romania that belongs to the same group and that is controlled by the Company / is affiliated to the Company	0

¹⁾ vacation bonus, special events bonus

²⁾ life insurance, health insurance, medical subscription, gift for children on occasion of June 1 and Christmas

Note: the presented values are annual, gross in RON



Crudu-Tesloveanu Felix
Executive Member of Board of Directors /
General Manager ^{*)}

FIX	Fixed remuneration (salaries and fixed allowances)	837.912
	Variable remuneration (payments and bonuses as per CLA) ¹⁾	102.817
VAR	Variable remuneration (performance bonus)	0
	Other benefits ²⁾	87.560
	Total remuneration	1.028.289
	Weight fixed remuneration	81%
	Weight variable remuneration	19%
	Remuneration received from any entity in Romania that belongs to the same group and that is controlled by the Company / is affiliated to the Company	0

^{*)} given the waiver of the gross remuneration due as an executive member of Board of Directors

¹⁾ vacation bonus, special events bonus

²⁾ life insurance, health insurance, medical subscription, gift for children on occasion of June 1 and Christmas, private pension

Note: the presented values are annual, gross in RON



Gălățeanu Ramona Georgiana
Chief Financial Officer

FIX	Fixed remuneration (salaries and fixed allowances)	470.351
VAR	Variable remuneration (payments and bonuses as per CLA) ¹⁾	16.629
	Variable remuneration (performance bonus)	0
	Other benefits ²⁾	140.333
	Total remuneration	627.493
	Weight fixed remuneration	75%
	Weight variable remuneration	25%
	Remuneration received from any entity in Romania that belongs to the same group and that is controlled by the Company / is affiliated to the Company	0

¹⁾ vacation bonus, special events bonus

²⁾ life insurance, health insurance, medical subscription, gift for children on occasion of June 1 and Christmas, rent, private pension

Note: the presented values are annual, gross in RON

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

Annual change in the remuneration of Directors in 2021	Financial year 2021 reported to financial year 2020	Financial year 2020 reported to financial year 2019	Financial year 2019 reported to financial year 2018	Financial year 2018 reported to financial year 2017	Financial year 2017 reported to financial year 2016
Remuneration of Board of Directors ^{*)}					
Utekov Yedil ¹⁾	-18%	-19%	0%	21%	0%
Golovin Alexey ²⁾	-35%	-19%	30%	52%	n/a
Stănescu Bogdan Nicolae Codruț ³⁾	15%	-9%	19%	n/a	n/a
Steriopol Bogdan Cătălin ⁴⁾	0%	n/a	n/a	n/a	0%
Crudu-Tesloveanu Felix ⁵⁾	n/a	n/a	n/a	n/a	n/a
Remuneration of Executive Directors					
Crudu-Tesloveanu Felix ⁶⁾	-13%	n/a	n/a	n/a	n/a
Gălățeanu Ramona Georgiana ⁷⁾	n/a	n/a	n/a	n/a	n/a
Performance of the Company					
Net profit	-5%	-254%	47%	N/A ^{**)}	498%
EBITDA	-92%	N/A ^{**)}	-28%	-7%	-6%
Average remuneration based on the full-time equivalent of the Company's employees					
Company's employees	-5%	15%	8%	34% ^{**)}	3%

Note: The percentages included in the comparative analysis are calculated based on the annualized total remuneration. For the period 2017-2019, the non-taxable benefits (health insurance, medical subscription, gifts for children, death/ birth allowance, etc.) are estimated.



Other notes:

**) Due to the general economic evolution of the market, affected by the COVID-19 pandemic, in 2021 the members of the Board of Directors have voluntarily given up part of the gross allowance for the financial year 2021.*

****) In the current year the value is negative and in the previous year the value is positive.*

****) Following the legislative changes from January 1, 2018, through which the payment of social contributions moved from employers to employees' task, the Company's decision was to increase the gross base salaries of all employees, so that their net income remains unchanged.*

1) starting March 4, 2015

2) starting April 14, 2017

3) starting April 27, 2018

4) starting June 4, 2020

5) starting October 1, 2020

6) starting September 1, 2020

7) starting January 1, 2021



C. Key financial and non-financial performance indicators (KPIs) underpinning the variable component of remuneration

The key performance indicators of the Company's Directors for 2021, together with their targets, thresholds and weights, were approved in May 2021.

The results of the performance indicators for 2021 are under evaluation at the date of this report.

The current market conditions, influenced by the financial crisis in the oil and gas industry, as well as the unfavorable economic situation of the Company, did not allow the granting of performance bonuses during the year 2021, related to year 2020.

Main KPIs at Company level were presented as follows:

Objectives	Key performance indicators (KPIs)
Improve company's financial results	CAPEX Execution Index OPEX & CAPEX control Processing budget costs execution
Implement development projects	Production and yield structure execution
Increase HSE compliance	Reduction of occupational injuries rate
Decrease overdues	Evaluation report of Company's financial performance 2017-2020 BI and financial data reconciliation
Improve the accuracy and timeliness of processes	Efficiency of Credit & Collection process

The performance, but not limited to, criteria for Executive Directors are as follows:

1. Risk-adjusted financial performance
 - a) Strategic progress
 - b) Results and financial performance
2. Effectiveness
 - a) Process efficiency
 - b) Business development projects
 - c) Cost control
3. Involvement of stakeholders
 - a) Commitment to customers
 - b) Employees management
 - c) Involvement in community



The individual performance of the executive directors was analyzed and quantified in 2021 for 2020. The average level of KPIs fulfillment for 2020 was 107,42%.

During 2021, on the oil and gas market, in the crude oil refining sector, there was a decrease of activity. Also, in order for the long-term interests of the Company to be sustained, the granting of performance bonuses could not be considered. Thus, the option to recover variable remuneration was not used in the 2021 financial year.

During 2021, there were no deviations or derogations from the approved Remuneration Policy.

Pursuant to the provisions of art. 107 of Law no. 24/2017, regarding the issuers of financial instruments and market operations, republished in the Official Gazette, Part I no. 772 of August 10, 2021, the Board of Directors submits this Report to the Ordinary General Meeting of Shareholders of Rompetrol Rafinare S.A.

Yedil Utekov
President of Board of Directors

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Yedil Utekov

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Felix Crudu-Tesloveanu
General Manager

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Felix Crudu-Tesloveanu

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Ramona Gălățeanu
Chief Financial Officer

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Ramona Galateanu

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Gina Cruceru
Group Human Resources Director

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Gina Cruceru

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Moby Henke
Lawyer

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Moby Henke

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