



*translation for information purposes only*

# REMUNERATION REPORT

## FOR DIRECTORS AND MANAGERS OF VRANCART

### FOR THE YEAR 2022

#### 1. INTRODUCTION

The present Remuneration Report (hereinafter referred to as the "Report") for the senior executives (directors and managers) and the Company VRANCART (hereinafter referred to as the "Company"), prepared in accordance with the Company's Remuneration Policy, is intended to present a clear and objective picture of the remuneration and/or benefits granted by the Company to its senior executives during the financial year 2022.

The Remuneration Report is prepared by the Company in accordance with the provisions of Law no. 24/2017 on issuers of financial instruments and market operations, republished, as amended and supplemented, and will be submitted to a vote at the Ordinary General Meeting of Shareholders of the Company on April 27th/28th, 2023, the opinion of the shareholders having an advisory role.

Subsequently, the Report will be published and made publicly available for 10 years on the Company's website - [www.vrancart.ro](http://www.vrancart.ro).

#### 2. REMUNERATION REPORT AND REMUNERATION POLICY

The Remuneration Policy of the Company was approved by the Board of Directors on March 26th, 2021 and by the Ordinary General Meeting of Shareholders on April 27th, 2021 and entered into force on May 1st, 2021.

It describes the general framework for setting remuneration in the Company's management and sets out clear principles designed to demonstrate alignment of the interests of the Company's decision-makers with the interests of shareholders and other stakeholders (e.g. employees or the general public).



Through the application of the Remuneration Policy, the Company aims to ensure consistency between the remuneration offered and its business strategy, risk policies, values and objectives of the different time scales, the complexity of the operations carried out, the size and the internal organisational structures or of the Group of affiliates it controls.

The Remuneration Report highlights the applicability during the 2022 financial year of the guidelines of the Remuneration Policy.

### 3. COMPANY MANAGERS

The Company is managed in a unitary sistem by a Board of Directors consisting of 5 (five) members, appointed for a period of 4 (four) years, the ratio of executive to non-executive directors being 1/4. The Chairman of the Board of Directors is also appointed as the Chief Executive Officer of the Company, on the basis of a mandate contract.

The powers of the Board of Directors and of the General Manager are set out in the Company's Articles of Association, as well as in the applicable general and special legal provisions.

During 2022, the Company's Directors were:

No. crt.	First name/Name	Position	Previous mandate	Present mandate
1.	Ionel – Marian CIUCIOI	President, Executiv Director	April 27th, 2018 – April 27th, 2022	April 27th, 2022 - April 27th, 2026
2.	Bogdan – Alexandru DRĂGOI	Non-Executive Director	April 27th, 2018 – April 27th, 2022	April 27th, 2022 - April 27th, 2026
3.	Sergiu MIHAILOV	Non-Executive Director	April 27th, 2018 – April 27th, 2022	April 27th, 2022 - April 27th, 2026
4.	Adrian FERCU	Non-Executive Director	April 27th, 2020 – April 27th, 2022	April 27th, 2022 - April 27th, 2026
5.	Rachid EL LAKIS	Non-Executive Director	April 27th, 2021 – April 27th, 2022	April 27th, 2022 - April 27th, 2026

Mr. Ionel - Marian CIUCIOI is General Manager of the Company, with executive powers, being the only Director with executive powers delegated by mandate contract.

### 4. REMUNERATION OF MANAGERS

In 2022, the Company's executive compensation was fixed, variable and non-financial as follows:



- 4.1. Members of the Board of Directors benefit from:
- 4.1.1. a fixed monthly remuneration determined by the Ordinary General Meeting of Shareholders,
  - 4.1.2. variable remuneration within the maximum limit set by the Ordinary General Meeting of Shareholders,
  - 4.1.3. do not receive non-financial benefits,
- 4.2. The General Manager benefits from:
- 4.2.1. a fixed monthly remuneration under a mandate contract,
  - 4.2.2. an annual variable remuneration, approved by the Board of Directors, depending on the performance of the Company in the respective financial year, and within the maximum limit set by the Ordinary General Meeting of Shareholders,
  - 4.2.3. non-financial benefits, as follows: company car, computer equipment, telephone, medical insurance.

No. crt.	First name/Name	Position	Fixed annual net remuneration	Variable annual remuneration
1.	Ionel – Marian CIUCIOI	General Manager	576 thousand lei	89 thousand lei
		President, Executiv Director	144 thousand lei	120 thousand lei
2.	Bogdan – Alexandru DRĂGOI	Non-Executive Director	144 thousand lei	120 thousand lei
3.	Sergiu MIHAILOV	Non-Executive Director	144 thousand lei	120 thousand lei
4.	Adrian FERCU	Non-Executive Director	144 thousand lei	120 thousand lei
5.	Rachid EL LAKIS	Non-Executive Director	144 thousand lei	120 thousand lei

In 2022, Mr. Ionel-Marian CIUCIOI received net remuneration in the amount of 54 thousand lei from three other subsidiaries of VRANCART. In 2022, Mr. Sergiu MIHAILOV received net remuneration in the amount of 18 thousand lei from another subsidiary of VRANCART.

In 2022, there were no increases in the fixed remuneration of the members of the Board of Directors of the Company. The fixed remuneration of the General Manager increased in 2022 by 18.5% compared to 2021, from 486 thousand lei annually to 576 thousand lei annually.

Regarding other remuneration received by the Directors from Group companies, these are detailed in the Report issued by the majority shareholder SIF BANAT - CRIȘANA, a



Romanian legal entity, with registered office in Arad, 35A Calea Victoriei, Arad County, registered at the Trade Register Office of the Court of Arad under number Jo2 / 1898 / 1992, unique registration code 2761040.

The Company's policy in relation to all its executives does not provide for benefits in relation to supplementary pension or early retirement schemes, in relation to the recovery of variable remuneration or in relation to shares or the grant of share options.

With reference to the remuneration of managers over the last 5 years, the following can be observed:

- In the period 2018 - 2022, the fixed remuneration of the members of the Board of Directors did not change.
- During the period 2018 - 2021, the fixed remuneration of the General Manager did not change. In 2022 the fixed remuneration of the General Manager increased by 18.5% compared to the previous year.
- In 2022, versus 2018, the General Manager's variable remuneration decreased by 23%.

During the same period, the remuneration of the Company's employees, i.e. the average gross salary per Company increased as shown in the table below:

Indicator	2018	2019	2020	2021	2022
Average gross salary (Lei)	4,069	4,231	4,414	4,958	5,666
Evolution of average gross salary ("% vs. previous year)	+7%	+4%	+4%	+12%	+14%

As presented in the Report, there were no derogations or deviations from the Remuneration Policy in its implementation.

## 1. COMPANY PERFORMANCE

During the period under review, the Company recorded a good and very good performance in terms of economic and financial indicators, but also in terms of market share growth in the segments in which it operates, modernization of production facilities and development of new business lines.

The downward curve in profits for 2020 and 2021 is also due to the negative effects of the Covid-19 pandemic, felt by the Company at all levels, from production staff to sales and collections, and the spiralling acceleration of raw material, electricity and natural gas costs (in 2021).



Centralisation with changes in net profit are shown in the table below:

Indicator	2018	2019	2020	2021	2022
Turnover (thousand lei)	295,295	300,788	286,477	387,018	526,032
Evolution of turnover (%)	+14%	+2%	-5%	+35%	+36%
EBITDA (thousand lei)	45,713*	57,389	57,592	47,813	66,707
EBITDA evolution (%)	-2%	+26%	+0.4%	-17%	+40%
Net profit (thousand lei)	17,772*	22,328	18,534	9,869	23,689
Net profit evolution (%)	-20%	+26%	-17%	-44%	+140%

\* In 2018 the result was affected by the scrapping of a historical, high value fixed asset (6 million lei).

## 2. FINAL PROVISIONS

The present Remuneration Report has been prepared by the Company in accordance with the provisions of Law no. 24/2017 on issuers of financial instruments and market operations, republished, as amended and supplemented, and will be submitted to a vote at the Ordinary General Meeting of Shareholders of the Company on April 27th/28th, 2023, the opinion of the shareholders having an advisory role.

In its next Remuneration Report for 2023, the Company will detail how the shareholders' vote was expressed and implemented.

The Remuneration Report for 2022 was approved by the shareholders at the Ordinary General Meeting of Shareholders of the Company on April 27th, 2022.

This Remuneration Report was approved by the Board of Directors of the Company at its meeting of March 27th, 2023.

**Ciucioi Ionel-Marian**

Chairman of the Board of Directors

**Arsene Vasilica-Monica**

Financial Director