



translation for information purposes only

REMUNERATION REPORT

FOR DIRECTORS AND MANAGERS OF VRANCART

FOR THE YEAR 2023

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 2023.

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 29th/30th, 2024, 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.

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 2023 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 General Manager of the Company is appointed 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 2023, the Company's Directors were:

No. crt.	First name/Name	Position	Previous mandate	Present mandate
1.	Ionel – Marian CIUCIOI	President, Executiv Director - General Manager (January 1 st , 2023 – September 18 th , 2023) Non-executive Director (September 19 th , 2023 – December 31 st , 2023)	April 27 th , 2018 – April 27 th , 2022	April 27 th , 2022 - April 27 th , 2026
2.	Bogdan – Alexandru DRAGOI	Non-Executive Director	April 27 th , 2018 – April 27 th , 2022	April 27 th , 2022 - April 27 th , 2026
3.	Sergiu MIHAILOV	Non-Executive Director	April 27 th , 2018 – April 27 th , 2022	April 27 th , 2022 - April 27 th , 2026
4.	Adrian FERCU	Non-Executive Director	April 27 th , 2020 – April 27 th , 2022	April 27 th , 2022 - April 27 th , 2026
5.	Rachid EL LAKIS	Non-Executive Director	April 27 th , 2021 – April 27 th , 2022	April 27 th , 2022 - April 27 th , 2026



Mr. Ionel - Marian CIUCIOI was General Manager of the Company, with executive powers delegated by mandate contract in the period January 1st, 2023 – September 18th, 2023.

Mr. Nicolae – Paul DUMITRESCU was General Manager of the Company, with executive powers delegated by mandate contract in the period September 19th, 2023 - December 31st, 2023.

Mr. Nicu – Ciprian FEDOR was Deputy General Manager of the Company, with executive powers delegated by mandate contract in the period September 19th, 2023 - December 31st, 2023.

4. REMUNERATION OF MANAGERS

In 2023, 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.
- 4.3. The Deputy General Manager benefits from:
 - 4.3.1. a fixed monthly remuneration under a mandate contract,
 - 4.3.2. an annual variable remuneration, approved by the Board of Directors, depending on the performance of the Company in the respective financial year,
 - 4.3.3. 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	421 thousand lei	284 thousand lei
		President of the Board	144 thousand lei	120 thousand lei
2.	Bogdan – Alexandru DRAGOI	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
6.	Nicolae – Paul DUMITRESCU	General Manager	128 thousand lei	42 thousand lei
7.	Nicu – Ciprian FEDOR	Deputy General Manager	85 thousand lei	30 thousand lei

In 2023, some of the managers received additional remunerations for administrating subsidiary companies of the Group, as follows:

- Mr. Ionel-Marian CIUCIOI received net remuneration in the amount of 70 thousand lei from three other subsidiaries of VRANCART.
- Mr. Sergiu MIHAILOV received net remuneration in the amount of 26 thousand lei from two other subsidiaries of VRANCART.
- Mr. Adrian FERCU received net remuneration in the amount of 8 thousand lei from another subsidiary of VRANCART.
- Mr. Nicolae – Paul DUMITRESCU received net remuneration in the amount of 8 thousand lei from another subsidiary of VRANCART.
- Mr. Nicu – Ciprian FEDOR received net remuneration in the amount of 5 thousand lei from another subsidiary of VRANCART.

In 2023, there were no increases in the fixed remuneration of the members of the Board of Directors of the Company.

Regarding other remuneration received by the Directors from Group companies, these are detailed in the Report issued by the majority shareholder LION CAPITAL, 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 J02 / 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 2019 - 2023, the fixed remuneration of the members of the Board of Directors did not change.
- During the period 2019 - 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 and in 2023 did not change.

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	2019	2020	2021	2022	2023
Average gross salary (Lei)	4,231	4,414	4,958	5,666	6,383
Evolution of average gross salary ("% vs. previous year)	+4%	+4%	+12%	+14%	+13%

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

5. COMPANY PERFORMANCE

During 2023, the Company's development was influenced by the decreasing demand for packaging, generated by the contraction of consumption at macroeconomic level, due to the still high level of annual inflation, as well as record high interest rates. Rising labour costs and pressure on selling prices also posed particular challenges to the Company's revenues and profitability.

The profitability curve for the period under review faithfully reflects the general macroeconomic situation, which was impacted by the health, geo-political, energy, inflationary and supply chain crises, which were felt by the Company across all business and functional-administrative levels.

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

Indicator	2019	2020	2021	2022	2023
Turnover (thousand lei)	300,788	286,477	387,018	526,032	412,683
Evolution of turnover (%)	+2%	-5%	+35%	+36%	-22%
EBITDA (thousand lei)	57,389	57,592	47,813	66,707	56,829



EBITDA evolution (%)	+26%	+0.4%	-17%	+40%	-15%
Net profit (thousand lei)	22,328	18,534	9,869	23,689	5,629
Net profit evolution (%)	+26%	-17%	-44%	+140%	-76%

6. 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 29th/30th, 2024, the opinion of the shareholders having an advisory role.

In its next Remuneration Report for 2024, 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, 2023.

This Remuneration Report was endorsed by the Board of Directors of the Company in its meeting of March 29th, 2024.

Ionel-Marian CIUCIOI

Chairman of the Board of Directors

Vasilica-Monica ARSENE

Financial Director