REMUNERATION POLICY
ROMPETROL WELL SERVICES S.A.

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1. GENERAL PROVISIONS

1.1. SCOPE AND OBJECTIVES

The purpose of the Remuneration Policy is to provide a transparent framework for the Rompetrol Well Services Managers to receive remuneration in accordance with clear principles designed to demonstrate that the interests of decision makers in the company are aligned with those of shareholders and other parties involved (such as employees or the public).

The Remuneration Policy clearly and understandably details the principles underlying the Managers' remuneration, the set of remuneration elements to which the Managers are entitled, and the rationale for the provision of those remunerations in relation to the Company's long-term goals.

The Remuneration Policy provides an adequate framework for attracting talents and developing the skills needed to achieve company goals, contributing to increasing the level of talent retention.

The Policy also contributes to the successful implementation of the company's strategy in the short, medium, and long term and provides the necessary and flexible tools to reward management, including exceptional situations and achievements.

1.2. APPLICABILITY

The Remuneration Policy is addressed to both members of the Board of Directors and Executive Officers of the Company as defined in Article 143 of the Companies Act No. 31/1990, reissued and subsequently amended, as well as Article 91^2 b) of Law 24/2017. The Company Directors shall mean: General Manager, Deputy General Manager, and Finance Manager

The provisions of the Rompetrol Well Services S.A. Remuneration Policy is supplemented by the provisions of the Compensation and Benefits Policy of KMG International.

1.3. DEFINITIONS AND ABBREVIATIONS

Manager = member of the Board of Directors, and respectively Executive Officer of the Company (i.e. General Manager, Deputy General Manager and Finance Manager)
Director = the person who performs the company management duties
Executive Manager = a company manager with decision-making powers, i.e. the Managing Director, the Deputy Managing Director, and Finance Manager
Non-Executive Manager = member of the Board of Directors who does not simultaneously hold the position of Executive Officer within the company
Company = Romanian legal entity with the office registered in Romania and whose shares are admitted to trading on a regulated market located or operating in an EU member state, in this case Rompetrol Well Services S.A.

Ordinary General Meeting of Shareholders (OGMS) = ordinary general meeting of shareholders of Rompetrol Well Services S.A.
Board of Directors (BoD) = the corporate body formed by the company's administrators with a supervisory and control duties within the company
Remuneration Committee = an advisory body consisting of members of the Board of Directors (of which at least one is independent) and the Company's designated Human Resources Manager.
Agreement/mandate contract = any agreement to provide personal services in exchange for remuneration that is not an employment contract, service contract, or mandate contract.
Group = the parent company together with its subsidiaries
Remuneration = the payment received by the Manager for the services provided to the company
Fixed remuneration = the part of the total remuneration that is not directly related to the Company's performance
Variable remuneration = the part of the total remuneration that depends on the company's performance and/or is discretionary
Compensatory Payment = payments related to the early termination of a contract at the initiative of the Company for cases not related to the wrongful non-execution of the obligations of the Manager
Remuneration report = document that shows the implementation of the remuneration policy for the year ended, and shows the current remuneration received by Managers.
KPI = key performance indicators
Threshold = minimum performance threshold
Target = target value of performance
Challenge = exceptional level of performance

2. REMUNERATION PRINCIPLES

The basic principles that Rompetrol Well Services S.A. transfers are:

- Payment for performance
- Maintaining competitiveness in the labor market
- Internal equity

3. REMUNERATION

To establish the level of fixed remuneration for the Company's managers, the salary scales developed at the Group level will be taken into account. The salary scales are references, not mandatory and they shall be calculated based on market salary data, following the principle of competitiveness and with an interval between the minimum and maximum level of +/-20% compared to the average value of each level. The level of fixed remuneration for company managers shall also take into account the level of average gross remuneration of employees at the company level.
Because the reference markets (general market, oil and gas market) may evolve over time at a different pace, the values of the salary scales may vary from one year to another depending on the movement of the selected markets and the budget available at company level.

3.1. REMUNERATION ELEMENTS

Remuneration for Non-Executive Managers

Non-Executive Managers are provided with a fixed remuneration consisting of a monthly remuneration, which may vary depending on the Manager's role (e.g., Chairman or member of the Board of Directors, member of the advisory committees of the Board of Directors).

The maximum amount of all remunerations shall be recommended by the Remuneration Committee, if any, proposed by the Board of Directors, and approved by the General Meeting of Shareholders. If no Remuneration Committee is established, its powers shall be adopted by the Board of Directors.

Remuneration for Executive Managers

Rompetrol Well Services S.A. rewards executive officers using the following payment elements:

- **Fixed Remuneration** – governed by the provisions of the present Policy and in accordance with the provisions of the Compensation and Benefits Policy at Group level.

- **Variable remuneration:**
  - The performance bonus, which depends on the fulfillment of strategic objectives at company level and of the individual objectives, established annually and approved by the Group's Board of Directors, including its granting or not granting.
  - The Collective Labor Agreement at company level regulates the method of calculation and payment rules for the following elements:
    - Holiday bonus
    - Social benefits
    - Compensatory payments
    - Supplementary pension
    - Overtime
- **Benefits** - presented in the present policy, the vast majority being managed based on the provisions of the Collective Labor Agreement applicable at Company level.

In the case of variable payments, the recommended percentage for Executive Officers, in accordance with specific reference markets and based on best practices, is 90/10 (fixed remuneration/variable remuneration).

3.2. PERFORMANCE MEASUREMENT

Performance objectives shall be set in accordance with the provisions of the Group Performance Evaluation Policy, taking into account the Company's strategy and medium- and long-term objectives.

The development and approval of performance plans shall take into account the definition of Corporate and Individual key performance indicators, the establishment of Threshold, Target,

and Challenge, as well as the weight of performance levels. Corporate and individual KPIs for executive directors shall be elaborated by cascading the Group's strategic goals, which include financial and non-financial indicators specific to the Company.

According to the schedule approved at the Group level, the following actions shall be carried out as follows:

- performance planning: until March 31
- half-yearly performance evaluation: July 15 - August 15
- annual performance evaluation: January 15 - February 15

The final evaluation of the executive officers is validated by the Board of Directors at the beginning of the following year, and if the payment of a performance bonus is decided, it can be paid during the year following the achievement of the objectives, but only in the context of the successful completion of annual evaluation.

For each KPI, the achievement level shall be calculated and expressed as a percentage of achievement.
The following basic rules shall be used to calculate the achievement level for each KPI:

Actual KPI value	**KPI performance level (%)**
Less than Threshold	0
Equal to Threshold	50
Between Threshold and Target	For KPIs that follow "the more the better" rule: (Actual-Threshold/ Target-Threshold)*50 + 50 For KPIs that follow "the fewer the better" rule: (Threshold-Actual /Threshold-Target)*50 + 50
Equal to Target level	100
Between Target and Challenge	For KPIs that follow "the more the better" rule: (Actual -Target/ Challenge -Target)*25+100 For KPIs that follow "the fewer the better" rule: (Target – Actual / Target - Challenge)*25+100
Equal to or more than the Challenge	125

The final result of the performance evaluation will be calculated based on the formula:

$$\textbf{KPI performance level} = \sum_{i=1}^{n} Performanc\,e_on_KPI_{i} * Weight_KPI_{i}$$

Where: n= KPI number;
i= KPI period number;

For each KPI, the achievement level shall be calculated and expressed as % of achievement.

The level of performance completion (%) shall be calculated taking into account the weight of KPIs at the Company level and individual ones as a result of the final performance.

The weight of corporate and individual KPIs in the final performance of executives is 50% - 50%.

For each evaluation, a completion level is assigned as described below.

Evaluation	Completion level	Evaluation definition
Exceptional	116%-125%	Constantly and clearly exceeds expectations regarding the achievement of objectives
Exceeds expectations	101%-115%	Constantly achieves and sometimes exceeds expectations regarding the achievement of objectives
Meets expectations	50%-100%	Always achieves expected goals
Below expectations	Below 50%	Some goals / expectations are met, but overall performance is not up to standard

The performance bonus value (PBV) for each executive for the period under review shall be calculated as follows:

PBV = PBC* AMR *performance plan completion level (%)

Where: PBC– Performance Bonus Coefficient
AMR – Average monthly remuneration / total gross remuneration calculated for the examined period (monthly average weighted by the number of months in which the officer received the respective remuneration).

The performance bonus shall be paid based on the performance of the Company and the individual and is designed to encourage the achievement of the set objectives and to increase the effectiveness of the activity. It does not have a regular and mandatory nature.

3.3. CONTRACTS/AGREEMENTS WITH MANAGERS

3.3.1. Contracts duration

If the parties have not set an explicit term by contract, the mandate agreement is valid for no more than four (4) years from the date of its conclusion (if the mandate is established together with the mandate of the members of the Board of Directors), the mandate of the Executive Officers not exceeding the mandate of the administrators who approved the appointment of the respective directors.

3.3.2. Conditions for termination of the contracts with executive officers

The mandate may be terminated by any of the following ways:

- Upon expiration of the contractual term
- By agreement of the parties
- Waiver of mandate
- Revocation from office by the Board of Directors
- Unilateral denunciation by the executive director, notified in writing to the Board of Directors, in the person of the President or
- Initiation of a procedure for dissolution, liquidation or bankruptcy of the Company
- Death or inability of the executive officer to fulfill his obligations

3.3.3. Applicable notice periods

- In case of unilateral termination by the executive officer, the contract and its function shall terminate within 30 days from the date of receipt of the notification by the Chairman of the Board of Directors.

- In case of dissolution, liquidation or bankruptcy, the contract terminates after sending a 30-day prior notice to the other party.

3.3.4. Payments related to the termination of contracts

If Rompetrol Well Services terminates directors' mandate agreements without making them liable for termination, the mandate agreements may include clauses on the clauses regarding the granting of gross compensation not exceeding the gross value of all fixed fees remunerations for a maximum period of 6 months.

The situations of termination by the Company that are not attributed to the Directors may also include cases of termination of the mandate as a result of a legal obstacles, of a definitive impossibility to exercise the mandate, change of control, merger, and retirement. The Board of Directors may establish different values of the gross remuneration for different denunciation cases, respecting in all cases the maximum limit specified in 3.3.4 paragraph 1.

In case the mandate of the Director is revoked with cause (violation of the obligations assumed by the Director), the mandate agreement terminates without payment of damages / compensations to the Director.

4. BENEFITS

The benefits offered by Rompetrol Well Services S.A. to its executive officers are classified into two main categories:

- Financial benefits - benefits paid directly in cash, such as:
  - ✓ vacation bonus *
  - ✓ reimbursement of treatment and rest tickets
  - ✓ child bonus
  - ✓ marriage allowance*
  - ✓ birth allowance*
  - ✓ pregnancy and postpartum allowance*
  - ✓ allowance for kindergarten*
  - ✓ retirement allowance*
  - ✓ death benefit *
  - ✓ funeral aid*

- Non-financial / in-kind benefits - the benefits provided as services or products, such as:
  - ✓ Meal tickets *
  - ✓ gift vouchers for children*
  - ✓ life, illness, and disability insurance *
  - ✓ health and medical care
  - ✓ days off for various occasions (birth, marriage, death, housing change) *
  - ✓ additional days of rest leave, depending on length of service *
  - ✓ transport and shuttle expenses *
  - ✓ discounts on company products
  - ✓ corporate discounts for various services / products, based on agreements with third party service / product providers

Most of the benefits provided (marked with *) are included in the Collective Labor Agreement at company level, which also stipulates payment rules and eligibility criteria.

Subscriptions for medical services are classified into three types: Standard, Business, and Executive, which include various free medical services and/or discounts, offered by the selected medical service provider for Romania. The services included in each type of subscription are negotiated under the contract with the supplier at the Group level.

5. REMUNERATION POLICY APPROVAL AND REVIEW

The Remuneration Committee, if established and existing, makes recommendations to the Board of Directors regarding the Remuneration Policy. The policy is then reviewed by the Board of Directors, as part of the set of documents to be submitted to shareholders for approval. In case a Remuneration Committee is not set up, its powers shall be performed by the Board of Directors. The recommendations regarding the Remuneration Policy shall be made by the Board of Directors to the General Meeting of Shareholders.

If the Remuneration Policy is not approved by the GMS, it is mandatory to return with a revised version for approval at the subsequent GMS meeting, taking into account the feedback of shareholders and the debates within the GMS, recorded in the minutes.

The policy is presented to the General Meeting of Shareholders for review at least once every 4 years. However, in the event of significant changes in the structure of the company, its overall financial and/or operational performance, the sector or industry in which it operates, the revision of the Remuneration Policy may be taken into account at less than 4 years. Any significant changes to the Policy must be approved by the GMS.

In order to avoid or manage the conflict of interests, it is mentioned that a shareholder is not in a conflict of interests in connection with the aspects related to remuneration, if he also acts as Manager. However, a Manager should abstain from voting on his/her own remuneration package and/or management contract.

6. REMUNERATION POLICY COMMUNICATION

Following the vote at the Annual General Meeting of Shareholders, the Remuneration Policy and the result of the vote is published on the Company's website.

7. WAIVERS

Waivers from the Remuneration Policy may occur only in exceptional cases and only if they are necessary to support the long-term interests of the company.

The elements of remuneration that may be subject to a temporary waiver are :

- Fixed remuneration;
- Performance bonus

The exceptional circumstances under which waivers are permitted may be, but are not limited to, the following:

- Changes in the composition of the Board of Directors or Executive Officers
- Significant change in organizational structure, such as a change in business or Group level, or a significant change in the company's ownership structure
- An exceptional and unforeseen event or situation, unusual material circumstances in the operating mode, or a change in the company's strategy
- Exceptional performance of a manager, with an unprecedented positive impact on the company's performance, despite unfavourable market or economic conditions
- Amendment of legislation or change in taxation

The maximum period during which waivers may apply is usually 12 months, unless otherwise approved by the OGMS, depending on the specifics of the situations.

The reasons for temporary waivers will be carefully considered, but are not limited to the long-term interests of the company, such as the long-term financial success of the company, the competitiveness of the company, and the continuity of its management.

The waivers are recommended by the Remuneration Committee, if any, proposed for aprroval by the Board of Directors, and approved by the General Meeting of Shareholders. n case a Remuneration Committee is not set up, its attributions are taken over by the Board of Directors.

8. FINAL PROVISIONS

The Remuneration Policy was approved at the Ordinary General Meeting of Shareholders on ……...