

Annual Remuneration Report for Directors of Rompetro Well Services S.A.

Rompetro Well Services S.A. ("**Company**"), a 70-year-old company specialized in technical support services for crude oil and gas wells provided to oil and gas operators and contractors, with a focus on cementation, demonstrated in 2021, despite the extreme volatile and uncertain business environment during the COVID-19 pandemic, professionalism in delivering projects with high-performance equipment and experienced staff.

The Board of Directors of Rompetrol Well Services S.A. ("**Board of Directors**") approved in the Ordinary General Meeting of Shareholders (OGMS) held on April 26, 2021 with a number of 87.2366% cast votes, the **Remuneration Policy**, a document that can be consulted on the Internet, on the official website of the Company here: https://rompetrolwellservices.kmginternational.com/upload/files/politica_de_remunerare_2555.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 27, 2022, and will be published on the official website of the Company on <https://rompetrolwellservices.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 gross 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 allowance.
2. Doszhanov Abzal, member of Board of Directors during January 1 – October 17, totally waived the monthly fixed remuneration.
3. Florea Georgian Ștefan, member of Board of Directors during October 18 – December 31, totally waived the monthly fixed remuneration.
4. Colțănel Laurențiu-Mădălin, member of Board of Directors, received fixed remuneration as a monthly allowance.
5. Henke Eugeniu-Moby, member of Board of Directors, received fixed remuneration as a monthly allowance.
6. Țurcanu Olga, member of Board of Directors, received fixed remuneration as a monthly allowance.

B. Executive Directors during 2021:

1. Doszhanov Abzal, General Manager during January 1 – October 17, received fixed remuneration as monthly salary and variable remuneration consisting in bonuses as per Collective Labor Agreement in place (vacation bonus) and other benefits in kind (rent, school/kindergarten, life and health insurance, medical subscription, meal tickets, gift for children on the occasion of June 1 and Christmas).
2. Florea Georgian Ștefan, General Manager during October 18 – December 31, received fixed monthly 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, gift for children on the occasion of June 1 and Christmas).
3. Moise Luiza-Roxana, Finance Manager, received fixed monthly 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, gift for children on the occasion of June 1 and Christmas).

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

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

		Yedil Utekov President of Board of Directors ^{*)}
FIX	Fixed remuneration (salaries and fixed allowances)	74.436
	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	74.436
	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	153.852

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

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

Georgian Ștefan Florea
Executive Member of Board of Directors /
General Manager starting 18.10.2021 ^{*)}

FIX	Fixed remuneration (salaries and fixed allowances)	79.908
	Variable remuneration (payments and bonuses as per CLA) ¹⁾	0
VAR	Variable remuneration (performance bonus)	0
	Other benefits ²⁾	1284
	Total remuneration	81.192
	Weight fixed remuneration	98%
	Weight variable remuneration	2%
	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

Note: the presented values are annual, gross in RON

Colțănel Laurențiu Mădălin
Member of Board of Directors ^{*)}

FIX	Fixed remuneration (salaries and fixed allowances)	42.785
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	42.785
	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	34.873

**) given the waiver of part of the gross remuneration due*

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

Henke Eugeniu Moby
Member of Board of Directors ^{*)}

FIX	Fixed remuneration (salaries and fixed allowances)	42.785
	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	42.785
	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

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

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

Țurcanu Olga
Member of Board of Directors ^{*)}

FIX	Fixed remuneration (salaries and fixed allowances)	53.043
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	53.043
	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

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

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

Doszhanov Abzal
Executive Member of Board of Directors /
General Manager by 18.10.2021 ^{*)}

FIX	Fixed remuneration (salaries and fixed allowances)	487.480 ^{**)}
VAR	Variable remuneration (payments and bonuses as per CLA) ¹⁾	238.758
	Variable remuneration (performance bonus)	0
	Other benefits ²⁾	9665
	Total remuneration	735.903
	Weight fixed remuneration	66%
	Weight variable remuneration	34%
	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

^{**)} the remuneration for the position of executive director was paid by another entity of the group but fully re-invoiced to Rompetrol Well Services S.A. according to the Services Contract between the two entities

¹⁾ vacation bonus, rent, school/kindergarten allowance, 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

Moise Luiza Roxana
Finance Manager

FIX	Fixed remuneration (salaries and fixed allowances)	294.178
	Variable remuneration (payments and bonuses as per CLA) ¹⁾	5.342
VAR	Variable remuneration (performance bonus)	0
	Other benefits ²⁾	2.741
	Total remuneration	302.261
	Weight fixed remuneration	97%
	Weight variable remuneration	3%
	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

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⁾	2%	n/a	n/a	n/a	n/a
Florea Georgian Ștefan ²⁾	n/a	n/a	n/a	n/a	n/a
Doszhanov Abzal ³⁾	n/a	n/a	n/a	n/a	n/a
Colțănel Laurențiu-Mădălin ⁴⁾	-34%	n/a	n/a	n/a	n/a
Henke Eugeniu Moby ⁵⁾	-36%	-23%	7%	21%	n/a
Țurcanu Olga ⁶⁾	-36%	-23%	4%	n/a	n/a

Remuneration of Executive Directors					
Florea Georgian Ștefan ²⁾	n/a	n/a	n/a	n/a	n/a
Doszhanov Abzal ³⁾	-26%	n/a	n/a	n/a	n/a
Moise Luiza-Roxana ⁷⁾	11%	12%	52%	n/a	n/a

Performance of the Company					
Net profit	-63%	-64%	-28%	591%	142%
EBITDA	-73%	-88%	11%	5726%	102%

Average remuneration based on the full-time equivalent of the Company's employees					
Company's employees	3%	-5%	6%	56% ^{**)}	-7% ^{***)}

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:

**¹) 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. The indemnities of the members of the Board of Directors were established by the OGMS in USD, being paid in RON at the National Bank of Romania exchange rate from the date of the obligation.*

***²) 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.*

****³) 2017 was impacted by the reduction of the working week to 4 working days.*

¹) starting October 1, 2020

²) starting October 18, 2021

³) starting September 9, 2020 to October 18, 2021

⁴) starting February 1, 2020

⁵) starting May 1, 2017

⁶) starting April 29, 2018

⁷) starting October 1, 2018

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 decrease of the activity in the crude oil extraction area, 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	Net Profit adjusted OPEX control in Well Services revenues EBITDA adjusted
Implement development projects	Launch near abroad activity – no of contracts
Increase market share	Casing cementing and stimulation services market share (Romania)
Increase HSE compliance	Reduction of occupational injuries rate
Decrease overdues	Delta overdue / gross turnover
Improve the accuracy and timeliness of processes	Financial Audit Process - material adjustments Avoid material errors (accounting and reporting)

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 84.75%.

During 2021, on the oil and gas market, in the crude oil extraction and exploitation 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 Well Services S.A.

Yedil Utekov
President of Board of Directors

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Georgian-Ştefan Florea
General Manager

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Luiza-Roxana Moise
Finance Manager

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