



Remuneration Report for 2022

1. Legal basis

This remuneration report is prepared in accordance with the provisions of Article 107 paragraph (1) of Law no. 24/2017 on issuers of financial instruments and market operations.

1.1 Regarding the obligation to draw up a Remuneration Report and to ensure transparency in relation to remuneration, Law no. 24/2017 establishes the following:

Article 107

(1) The issuer shall prepare a clear and easy-to-understand remuneration report, which shall provide a comprehensive overview of remuneration, including all benefits, regardless of form, granted or due during the last financial year, to individual managers, including those newly recruited and former managers in accordance with the remuneration policy provided in art. 106.

(2) The remuneration report shall contain, as appropriate, the following information on the remuneration of each manager: *“a) the total remuneration broken down by components, the relative proportion of fixed and variable remuneration, an explanation of how the total remuneration complies with the remuneration policy adopted , including how it contributes to the issuer 's long - term performance, and information on how performance criteria have been applied; b) the annual change in the remuneration, the issuer's performance and the average remuneration based on the full-time equivalent of the issuer's employees who are not managers at least during the last 5 financial years, presented together in a manner that allows comparison; c) any remuneration received from any entity belonging to the same group; d) the number of shares and options on shares granted or offered, as well as the main conditions for the exercise of the related rights, including the exercise price and the date, together with any modifications thereof; e) information on the use of the possibility of recovering variable remuneration; f) information regarding any deviation from the procedure for the implementation of the remuneration policy provided in art. 106 para. (8) - (12) and regarding any derogations applied in accordance with art. 106 para. (6), including explanations regarding the nature of the exceptional circumstances and the indication of the specific elements from which the derogation was made. (3) The issuers do not include in the remuneration report special categories of personal data of the managers within the meaning of art. 9 para. (1) of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data and repealing Directive 95/46 / EC (General Data Protection Regulation) or personal data relating to the family situation of each driver. (4). Issuers shall process personal data of managers included in the remuneration report under this Article in order to increase*



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transparency regarding the remuneration of managers, in order to increase the responsibility of managers and the supervision by shareholders of their remuneration. Without prejudice to the longer periods provided for by sectoral legislation of the European Union directly applicable in Romania or by national sectoral legislation transposing European directives, after 10 years from the publication of the remuneration report, the issuers shall no longer make it available to the public. the basis of par. (7), the personal data of the managers included in the remuneration report in accordance with this article. (5) The provisions of par. (4) shall apply without prejudice to the possibility of processing, by the issuers, of the personal data of the managers, for other purposes, according to the regulations in force. (6) The remuneration report related to the most recent financial year is subject to voting at the annual ordinary general meeting of shareholders provided in art. 111 of Law no. 31/1990, the opinion of the shareholders of the general meeting regarding the remuneration report, resulting from the vote, having an advisory character. The issuer explains in the next remuneration report how the vote of the general meeting was taken into account. (7) Without prejudice to art. 105 para. (22), after the ordinary general meeting of shareholders, the issuers make the remuneration report available to the public on their websites, free of charge, for a period of 10 years, and may choose to keep it available for a longer period, with provided that it no longer contains the personal data of the leaders. The financial auditor / audit firm performing the statutory audit verifies that the information provided in this article has been provided. The managers of the issuer, who act within the limits of their area of competence conferred by the applicable rules, have the collective responsibility to ensure that the remuneration report is prepared and published in accordance with the requirements of this law. The issuer's managers are liable for breach of the issuer's responsibilities under this paragraph. "

2 The applicability of the legal provisions regarding the Remuneration Report within the company

UZTEL S.A. is a joint stock company, organized according to Law no. 31/1990 regarding the companies, the shareholding structure being the following:

- UZTEL Association, majority shareholder holds 83,8381 % of the share capital;
- other shareholders, natural and legal persons, together hold 16,1619 % of the share capital;

The company is managed in a unitary system by a board of directors consisting of 5 directors appointed by the General Meeting of Shareholders for terms of 4 years.

During 2022, the composition of the board of directors was as follows:

- Hagi Neculai, President of the Board of Directors
- Grigore Victor, member of the Board of Directors
- Popescu Ileana, member of the Board of Directors
- Serbaniuc Tudor, member the Board of Directors
- Stan Vasile Armis, member of the Board of Directors



The management of the company is delegated by the Board of Directors to the General Manager for a term of 4 years (2022-2025), according to art. 143 of Law no. 31/1990 regarding the companies. During 01.01-31.12.2022 the position of General Manager was exercised by Mr. Anghel George Marinelo.

3. Remuneration of the members of the Board of Directors and of the Executive Management.

3.1 The remuneration of the administrators is fixed by the general meeting of the shareholders of UZTEL S.A., in accordance with the provisions of Law no. 31/1990 and of the constitutive act of the company. The remuneration structure of the members of the board of directors consists of fixed remuneration, whose net value in 2022 was 292.000 lei.

Remuneration is fixed and is based solely on factors such as time spent in office, participation in board meetings, responsibilities on the board, participation in the activities of special committees set up at the board level, and other such factors. which do not depend on and do not take into account the results and performances of the company.

The expenses settled by the company and made by the administrators in the interest and for the purpose of exercising the administrator mandate are not considered remuneration.

3.2 Remuneration granted to the Executive Management complied with the Remuneration Policy approved by the General Meeting of Shareholders dated 27.04.2021.

The directors' remuneration is approved by the company's board of directors. The general limits of the remuneration of the directors to whom a part of its powers has been delegated by the Board of Directors, in accordance with the provisions of Law no. 31/1990, are approved by the Board of Directors.

The Board of Directors ensures the proportionality of the remunerations granted with the specific responsibilities of the management functions, so as to grant an adequate and responsible remuneration, in order to increase the performances and the value of the company, for the benefit of its shareholders.



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At the same time, the level of remuneration must promote the long-term sustainability of the company, in accordance with the business strategy, objectives, values and long-term interests of the company. When establishing the remunerations, the level of the remunerations practiced in the similar field of activity is also taken into account, in order to ensure the competitiveness on the labour market and to be able to attract and maintain a highly professional training staff.

The remuneration of the directors consists of the fixed component and registered in 2022 a net value of 987.897 lei.

The fixed component of the remuneration is established taking into account solid economic principles, taking into account the nature and complexity of the activities carried out by the respective persons, as well as the competencies and responsibilities assumed by occupying the respective management positions.

The variable remuneration component may be based on an assessment that combines the assessment of individual performance with the overall results of UZTEL S.A.

The evaluation of individual performances is based on an analysis / examination of the fulfilment of the assumed performance objectives. The annual objectives are assumed based on the decisions of the board of directors and of the general meetings of shareholders.

The variable component can be paid in cash. All the remuneration of the directors must be within the general limits of the remuneration and of the budget approved by the ordinary general meeting of the shareholders of UZTEL S.A.

Expenses settled by the company and incurred by the directors in the interest and for the purpose of exercising their functions within the company are not considered remuneration for the purposes of this procedure.

4. Annual change in the remuneration, performance of the company and the average remuneration based on the full-time equivalent of the employees of the company who are not managers during at least the last 5 financial years, presented together in a manner that allows comparison



4.1 Remuneration of Administrators and Executive Management

Thousands of lei

Evolution of directors' remuneration and executive management	2018	2019	2020	2021	2022
Administrators	252	285	181	213	292
fixed component	252	285	181	213	292
variable component	-	-	-	-	-
Executive management	825	861	588	734	988
fixed component	825	861	588	734	988
variable component	-	-	-	-	-

4.2 Remuneration of employees

lei

year	2018	2019	2020	2021	2022
Evolution of average earnings of the company's employees who are not managers	3.972	4.324	4.680	5.153	6.211

5. Company Performance

Thousands of lei

Indicators	2018		Degree of achievement
	Planned	Achieved	
Sales revenue	53.000	59.215	1,12
Gross result	417	784	1,88
Total expenditure for 1000 lei revenue	993	990	1,00

Indicators	2019		Degree of achievement
	Planned	Achieved	
Sales revenue	70.000	63.507	0,91
Gross result	960	585	0,61
Total expenditure for 1000 lei revenue	989	992	1,00



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Indicators	2020		Degree of achievement
	Planned	Achieved	
Sales revenue	70.050	35.278	0,50
Gross result	1.523	(11.616)	-
Total expenditure for 1000 lei revenue	981	1.340	0,73

Indicators	2021		Degree of achievement
	Planned	Achieved	
Sales revenue	36.060	35.861	0,99
Gross result	89	330	3,71
Total expenditure for 1000 lei revenue	998	993	1,00

Indicators	2022		Degree of achievement
	Planned	Achieved	
Sales revenue	48.080	43.565	0,91
Gross result	531	(8.916)	-
Total expenditure for 1000 lei revenue	990	1.204	1,22

6. Conclusion

According to art. 107 paragraph 6 of Law no. 24/2017 regarding the issuers of financial instruments and market operations, this Remuneration Report is subject to the approval of the Annual Ordinary General Meeting of Shareholders, convened on 27 / 28.04.2023 pursuant to art. 111 of Law no. 31/1990 regarding the companies.

**Chairman of the Board of Directors,
Hagiu Neculai**