



## REMUNERATION REPORT

For the Year 2022

MED LIFE S.A

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## I. INTRODUCTION

In order to align to the dispositions of Law no. 158/2020 related to the provisions of Law no. 158/2020 on the amendment, completion and repealing of certain legislative acts, as well as for establishing certain measures for the application of the Regulation (EU) 2017/2.402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012, of Law no. 24/2017 on issuers of financial instruments and capital market operations (“**Law 24/2017**”) and of the Corporate Governance Code of the Bucharest Stock Exchange, the company Med Life S.A. (hereinafter referred to as “**MedLife**” or the “**Company**”) approved and published the remuneration policy of its’ members of the board and its’ directors (hereinafter the “**Remuneration Policy**”) in April 2021. The Remuneration Policy can be consulted at the following link: [https://www.medlifeinternational.com/public\\_files/documente\\_bursa/rv\\_clean\\_remuneration\\_policy\\_ogms\\_28.04.2021.pdf](https://www.medlifeinternational.com/public_files/documente_bursa/rv_clean_remuneration_policy_ogms_28.04.2021.pdf).

The purpose of the Remuneration Policy consisted of establishing a set of clear and transparent rules, which the Company shall abide by, regarding the means to remunerate the members of the Board of Directors of the Company and of the members of the Executive Committee.

Based on the afore mentioned legal dispositions, the Company has concluded the present Remuneration Report, for the 2022 financial year (hereinafter the “**Remuneration Report**”) that contains detailed information related to the total remuneration (including all benefits, regardless of its form) that was received by each member of the Board of Directors (hereinafter the “**Board of Directors**”) and each member of the Executive Committee (hereinafter the “**Executive Committee**”) during the 2022 financial year of owned to them.

The main objective of the Remuneration Policy is to attract, retain and motivate qualified members of the Board of Directors and of the executive management, in order to insure a harmonious and successful development.

The remuneration of the members of the Board of Directors and of the Executive Committee has been designed in order to sustain the strategic objectives of the Company and to promote the creation of added value in the benefit of the Company’s shareholders.

All sums included in the present Remuneration Report are presented as total salary cost for the Company.<sup>1</sup>

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<sup>1</sup> Total salary cost represents the net salary value to which the total amount of all taxes and duties paid by the employee and the Company is added, including Social Security taxes (CAS), Social Insurances (CASS), Income Tax, work insurance contribution.

## II. DEFINITIONS

Within the meaning of this Remuneration Policy, the terms and expressions below shall have the following meaning:

- *Articles of Association* – The articles of association of MedLife;
- *Director* – member in the Board of Directors of MedLife;
- *Executive director* – individual that holds, at the same time, the position of director and that of Manager of the Company;
- *Non-executive director* – individual that holds the position of director and does not hold, at the same time, the position of manager of the Company;
- *Board / BoD* – the Board of Directors of MedLife;
- *The Executive Committee / EC* – the corporate structure that comprises the Managers;
- *Manager* – individual to whom was delegated the management of the Company, by the Board of Directors and who has concluded with the Company a mandate agreement. The term “manager” also includes and refers to the term of General Manager;
- *MedLife or the Company* – the Company Med Life SA.
- *Remuneration Policy* – MedLife’s remuneration policy, approved by the Company’s Ordinary General Assembly of the Shareholders by Decision no. 1 dated 28 April 2021.

## III. THE BOARD OF DIRECTORS. THE REMUNERATION OF THE MEMBERS

The Ordinary General Shareholders' Meeting of MedLife approves the hereinafter the remuneration of the members of the Board of Directors. During the year 2022 there have been no amendments to the composition of Medlife’s Board of Directors.

According to the Remuneration Policy, the remuneration of the members of the Board of Directors is composed of a fixed monthly indemnification, in amount of Euro 5,000 net/month and in amount of Euro 7,000 net/month for the Chairman of the Board of Directors.

Besides the fixed component, the following benefits are granted to the members of the Board of Directors:

- *training courses/coverage of study expenses, rent, accommodation and medical subscription.*

During 2022 the members of the Board of Directors have not expense-accounted these benefits.

During the financial year 2022, the following remunerations and benefits have been paid to the members of the Board of Directors, according to the dispositions of the Remuneration Policy:



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**MedLife**

<u>Name - Position</u>	<u>Period</u>	<u>Annual income (Company total cost)</u>	<u>Total cost of benefits</u>	<u>TOTAL INCOME TOTAL COMPANY COST</u>
Mihail Marcu – Executive director – Chairman of the Board of Directors	Jan-Dec 2022	723,674	-	723,674
Nicolae Marcu- Executive director – Member of the Board of Directors	Jan-Dec 2022	517,392	-	517,392
Dorin Preda- Executive director – Member of the Board of Directors	Jan-Dec 2022	517,392	-	517,392
Ana Maria Mihăescu – Non-executive director– Member of the Board of Directors	Jan-Dec 2022	517,392	-	517,392
Dimitrie Pelinescu-Onciul – Non-executive director – Member of the Board of Directors	Jan-Dec 2022	517,392	-	517,392
Voicu Cheța – Non- executive director – Member of the Board of Directors	Jan-Dec 2022	517,392	-	517,392
Ovidiu Fer- Non- executive director – Member of the Board of Directors	Jan-Dec 2022	517,392	-	517,392

#### **IV. REMUNERATION OF THE MEMBERS OF THE EXECUTIVE COMMITTEE**

The remuneration of the Managers of the Company is established by the Company's Board of Directors, according to the dispositions of the Remuneration Policy.

The Managers' remuneration system includes a fixed component, the amount of which varies depending on each Manager in part. There is no variable component in the Remuneration Policy.

At the same time, the Managers also have a series of non-financial benefits, presented below.

##### **A. Fixed basis remuneration (salary)**

The level of fixed basis remuneration is determined taking into account the relevant professional experience and organizational experience for each management position within the Executive Committee.

For each position within the Executive Committee, clear roles and responsibilities are defined, as well as a set of necessary competencies and abilities.

##### **B. Extra-salary benefits**

Executive Managers with a mandate agreement have the following benefits:

- *training courses/coverage of study expenses, rent and accommodation, gym membership, and also medical subscription.*

During the 2022 financial year, the following remuneration and benefits were paid to members of the Executive Committee (the first three listed in the table below also being members of the Board of Directors):

<u>Name - Position</u>	<u>Period</u>	<u>Annual income (Company total cost)</u>	<u>Total cost of benefits</u>	<u>TOTAL INCOME TOTAL COMPANY COST</u>
Mihail Marcu – EC Member, BoD Member	Jan-Dec 2022	961,796	227,979	1,189,775
Nicolae Marcu - EC Member, BoD Member	Jan-Dec 2022	962,828	-	962,828
Dorin Preda - EC Member, BoD Member	Jan-Dec 2022	965,038	-	965,038
Vera Firu - EC Member	Jan-Dec 2022	510,858	27,071	537,929
Mirela Dogaru - EC Member	Jan-Dec 2022	1,282,953	38,063	1,321,016
Mariana Brateş - EC Member	Jan-Dec 2022	426,563	-	426,563
Radu Petrescu - EC Member	Jan-Dec 2022	515,498	34,183	549,681
Larisa Chiriac - EC Member	Jan-Dec 2022	408,115	-	408,115
Marius Petrilă - EC Member	Jan-Dec 2022	524,640	26,434	551,074
Alina-Oana Irinoiu - EC Member *	Oct-Dec 2022	233,580	-	233,580
<i>*Mandate agreement starting with 20.09.2022</i>				
Adrian-Paul Lungu - EC Member *	Jan – Sept 2022	784,473	23,480	807,953
<i>*Mandate agreement ended 30.09.2022</i>				

**The share of the average remuneration (calculated based on the full norm equivalent) of the Company's employees that do not hold a management position, related to the average remuneration of the directors and executive managers of the company – 5 past financial years' evolution:**

<u>Year</u>	<u>The share of the average remuneration of the Company's employees that do not hold a management position, related to the average remuneration of the directors and executive managers of the company</u>
2018	12%
2019	11%
2020	13%
2021	12%
2022	12%

- The Company's average salary constantly represented a percentage of 11-13% of the average salary of the directors and executive managers of the company, during the last 5 years;
- In 2020 the directors and executive managers of the company's salaries have been reduced by 25-50%, during 3 consecutive months, as a protective measure towards the effects of the epidemiological crisis.

**The annual evolution of the average remuneration (calculated based on the full norm equivalent) of the Company's employees that do not hold a management position, related to the average remuneration of the directors and executive managers of the company – 5 past financial years' evolution:**

	Average Remuneration Variation for Employees that do not hold a Management Position	Average Remuneration Variation of the Directors and Executive Managers of the Company	Company's Revenue from contracts with Customers Variation *	Company's EBITDA Variation*	Group's Turnover Variation**	Group's EBITDA Variation
2018 vs 2017	13%	0%	11%	16%	27%	22%
2019 vs 2018	6%	16%	9%	44%	22%	55%
2020 vs 2019	4%	-8%	12%	75%	11%	43%
2021 vs 2020	8%	16%	18%	18%	32%	35%
2022 vs 2021	3%	3%	-2%	-40%	26%	-14%

\*Source of information – Standalone Audited Financial Statements of Med Life SA

\*\* Source of information – Consolidated Audited Financial Statements of Med Life Group

- For 2022, the average remuneration of the company's non-leadership employees continued to increase in line with developments in the market. Regarding the average remuneration of the company's leaders, it increased similarly by a percentage of 3% compared to 2021.
- Regarding the annual evolution of the turnover (of the company and the MedLife Group) and EBITDA (of the company and the MedLife Group), in 2022, a normalization of activity after the pandemic period is observed, period that was marked by the intense activity of the network of COVID-19 laboratories and the focus on rapid intervention in the case of chronic and acute patients in the context of the limitation of activity in state hospitals. The turnover of the Company registered a decrease of 2%, respectively a drop of 40% in the Company's EBITDA, compared to 2021.
- As for the overall activity of MedLife Group, the expansion plan continued in 2022, supported by 13 significant acquisitions and 7 other projects developed organically. The group's turnover increased by 26% in 2022 compared to 2021, while the Group's EBITDA recorded an absolute decrease of 14% compared to 2021.
- Despite a year marked by unstable global and local context, the results for 2022 confirm the MedLife Group's efforts to consolidate medical services nationwide, with a focus on medical excellence and

improving patient satisfaction. Thirteen important transactions were concluded during 2022, and another 7 projects were developed organically, significantly consolidating the oncology area and strengthening expertise in integrated medical services.

- The priorities of the MedLife Group for 2023 include the integration of businesses acquired in 2022, the consolidation of post-acquisition profit margins, and on an operational level, the growth of the doctor portfolio and maintaining very high-quality medical services.

**The remuneration granted to the individuals that occupy both the position of Directors as well as the position of Manager is cumulative.**

The CEx members mentioned in the table below are remunerated by subsidiaries of the MedLife Group, as Administrators in their Boards of Directors:

<u>Name</u>	<u>Position / Group Subsidiary</u>	<u>Period</u>	<u>Annual income (Company total cost</u>	<u>Total cost of benefits</u>	<u>TOTAL INCOME TOTAL COMPANY COST</u>
Alina-Oana Irinoiu – EC Member	BoD Administrator – MNT Healthcare Europe	Mar-Dec 2022	81,023	-	81,023
Vera Firu – EC Member	BoD Administrator – Medici’s	Nov-Dec 2022	16,864	-	16,864
Larisa Chiriac – EC Member	BoD Administrator - Polisano	Oct-Dec 2022	54,581	-	54,581

## V. CONFORMITY WITH THE REMUNERATION POLICY

The remuneration of the members of the Board of Directors and the members of the Executive Committee for the financial year finalised on 31 December 2022 complies with the conditions set forth in the Remuneration Policy. There were no deviations or exemptions from the rules established in the Remuneration Policy.

## VI. CLOSING

The current Remuneration Report has been prepared in accordance with the requirements of Law 24/2017, republished, and is subject to the consultative vote within the Annual General Meeting of Shareholders referred to in Article 111 of Law no. 31/1990. MedLife will explain in the next Remuneration Report how the vote of the General Meeting of Shareholders from 27 April 2023 was taken into account. This report will be published on the MedLife website, under the Investor Relations – G.M.S. Documents section, or by accessing the following link:



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<https://www.medlifeinternational.com/investor-relations/gms-documents> and will remain available to the public, free of charge, for a period of 10 years from its publication, in accordance with the provisions of Law no. 24/2017, republished.

**MED LIFE S.A.**

President of the Board of Directors

**MIHAIL MARCU**