

REMUNERATION REPORT

For the Year 2023

COMPANY 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 the members of the Board and of the 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.

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 (“**Board of Directors**” or “**BoD**”) and of the members of the Executive Committee (“**Executive Committee**” or “**EC**”).

During the Ordinary General Meeting of Shareholders on April 27, 2023, the revised Remuneration Policy of the Company was approved (hereinafter the “**Revised Remuneration Policy**”). The Revised Remuneration Policy applies immediately from the date of approval by the General Meeting of Shareholders regarding any contract agreement concluded after this date with the persons who have the capacity of Managers of the Company. The mandate agreements in force will be executed according to the contractual provisions agreed by the parties, with the exception of the case where the Manager accepts the conclusion of an addendum to the mandate agreement for the implementation of all the provisions and principles of the revised Remuneration Policy. This can be consulted by accessing the link below:

https://www.medlifeinternational.com/public_files/documente_bursa/medlife_en_remuneration_policy_ogms_27.04.2023.pdf

In the course of 2023 addendums were concluded to the mandate agreements of the Company`s

Directors (members of the Board of Directors), so that their remuneration was made according to the provisions and principles of the Revised Remuneration Policy.

In the course of 2023 no addendum was concluded to the mandate agreements in force of the Company's Managers, so their remuneration continued to be made according to the contractual provisions of the mandate agreements in force at the time of approval by the GSM of the revised Remuneration policy.

Based on the previously mentioned legal provisions, the Company has prepared this Remuneration Report, related to the financial year 2023 ("**Remuneration Report**") which contains detailed information on the total remuneration (including all benefits, regardless of form) received by each member of the Board of Directors and each member of the Executive Committee, during the financial year 2023, or due 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 Committee, in order to insure a harmonious and successful development of the Company.

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 amounts included in this Remuneration Report are presented as *total salary cost for the Company*.¹

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;

¹ 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.

- *Board / BoD* - the Board of Directors of MedLife;
- *Executive Committee / EC* – the corporate structure that comprises the Company’s Managers;
- *Manager* - individual to whom it 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 – those are members of the Executive Committee;
- *MedLife / Company* - the Company Med Life S.A.
- *Remuneration Policy* – MedLife’s remuneration policy, approved by the Company’s Ordinary General Meeting of the Shareholders by Decision no. 1 dated 28 April 2021;
- *Revised Remuneration Policy* – the revised remuneration policy of MedLife, approved by the Ordinary General Meeting of the Company's shareholders by Resolution no. 1 of April 27, 2023;

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

The Directors' remuneration is set by MedLife’s General Meeting of Shareholders.

During 2023 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 Euro 7,000 net/month for the Chairman of the Board of Directors. There is no variable component applicable to the remuneration of the members of the Board of Directors.

Additionally to the fixed component mentioned above, the following benefits are granted to the members of the Board of Directors:

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

During 2023, the Board members did not settle any service that falls within the scope of these benefits.

According to the dispositions of the Remuneration Policy, during the financial year 2023, the following remunerations were paid to the members of the Board of Directors, in their capacity as members of the Board of Directors:

Tabel 1.

Name – Position	Period	Annual income (total Company cost) (RON)	Benefits (total Company cost) (RON)	Total income (total Company cost) (RON)
Mihail Marcu – Executive Manager – Chairman of the BoD	Jan-Dec 2023	724,692	-	724,692
Nicolae Marcu – Executive Manager – Member of the BoD	Jan-Dec 2023	519,317	-	519,317
Dorin Preda – Executive Manager – Member of the BoD	Jan-Dec 2023	519,317	-	519,317
Ana Maria Mihaescu – Non-executive Manager – Member of the BoD	Jan-Dec 2023	519,317	-	519,317
Dimitrie Pelinescu-Onciul – Non-executive Manager – Member of the BoD	Jan-Dec 2023	519,317	-	519,317
Voicu Cheta – Non-executive Manager – Member of the BoD	Jan-Dec 2023	519,317	-	519,317
Ovidiu Fer – Non-executive Manager – Member of the BoD	Jan-Dec 2023	519,317	-	519,317

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

There was no variable component applicable to the remuneration of the members of the Executive Committee in 2023.

A. Fixed basic remuneration (salary)

The level of the basic fixed remuneration is determined taking into account the relevant professional experience and organizational responsibility 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

The Executive Directors with a mandate agreement can have the following benefits:

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

During the 2023 financial year, the following remuneration and benefits were paid to the members of the EC (the first three listed in the table below also being members of the BoD), in their capacity as members of the Executive Committee:

Tabel 2.

Name – Position	Period	Annual income (total Company cost) (RON)	Benefits (total Company cost) (RON)	Total income (total Company cost) (RON)
Mihail Marcu – EC Member, Member of the BoD	Jan-Dec 2023	962,602	206,081	1,168,683
Nicolae Marcu - EC Member, Member of the BoD	Jan-Dec 2023	959,089	-	959,089
Dorin Preda - EC Member, Member of the BoD	Jan-Dec 2023	966,860	-	966,860
Alina-Oana Irinoiu - EC Member	Jan-Dec 2023	824,932	-	824,932
Vera Firu - EC Member	Jan-Dec 2023	510,154	12,489	522,643
Mirela Dogaru - EC Member	Jan-Dec 2023	1,285,886	16,703	1,302,589
Mariana Brateş - EC Member	Jan-Dec 2023	462,741	13,062	475,803
Larisa Chiriac - EC Member	Jan-Dec 2023	408,710	-	408,710
Radu Petrescu - EC Member	Jan-Dec 2023	515,113	40,134	555,247
Marius Petrilă - EC Member	Jan-Dec 2023	524,977	-	524,977

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

Tabel 3.

Year	The share of the average remuneration of the Company's employees that do not hold a management position compared to the average remuneration of the directors and executive managers
2018	12%
2019	11%
2020	13%
2021	12%
2022	12%
2023	13%

- The Company's average salary represented a percentage between 11-13% of the average salary of the directors and executive managers, in the last 5 years.
- In 2020, the directors and executive managers salaries' were reduced by 25-50%, for 3 consecutive months, as a response to the effects of the epidemiological crisis.

The annual evolution of the average remuneration (calculated based on a full-norm equivalent) of the Company's employees that do not hold a management position, of the average remuneration of the directors and executive managers, and of the performance of the issuer during the last 5 financial years:

Tabel 4.

	Average Remuneration variation of employees that do not hold a management position	Average Remuneration variation of Directors and Executive Managers	Company's Turnover 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%
2023 vs 2022	7%	0%	9%	32%	23%	17%

* Source: Audited Separate Financial Statements of MedLife SA

** Source: Audited Consolidated Financial Statements of MedLife Group

- For the year 2023, the average remuneration of the Company's employees that do not hold a management position continued to increase, in line with the developments recorded on the labor market. As for the average remuneration of the Company's Managers, it remained at the level of 2022.
- After an intense period of acquisitions and organic growth, in which 20 projects were finalized in 2022 alone, the Group's Managers focused in 2023 mainly on the consolidation and coagulation of the new companies under the MedLife umbrella. Thus, MedLife Group strengthened its expertise in integrated and niche medical services, consolidating the areas of oncology and radiotherapy. Moreover, the expansion of the oncological infrastructure is a priority for the Group, with the inauguration of two new radiotherapy centers in Braila and Valcea, under the Neolife umbrella and significant investments in state-of-the-art equipment in the country's hospitals, including the purchase of a radiotherapy equipment and the modernization of another equipment, in the existing centers in Brasov and Sibiu.
- Additionally, consistent investments in digitalization and technology, such as the use of drones for the transport of biological laboratory samples, or the acquisition of the third da Vinci robot, support

the progress of MedLife Group in providing the highest quality medical services, by facilitating advanced diagnosis and personalization of treatments for patients.

- At the same time, MedLife Group focused on increasing the portfolio of doctors and maintaining the high quality of medical services, investing in greenfield projects and opening new centers, such as: the Nord Pipera Hospital in Bucharest, the Hyperclinic in Bacau, two new Lifestyle Medicine Centers BetterMe in Cluj-Napoca and Timisoara and the Center of Excellence in Maternal-Fetal Medicine in Timisoara.
- In 2023, the Group completed the following acquisitions: the Muntenia Hospital, the majority stake in Nord-Grupul Medical Provita, 70% of the shares of Brol Medical Center SA from Timisoara, 100% of the share capital of Policlinica Sf. Ilie from Craiova and 51% of the share capital of Policlinica Union SRL (under the Sfanta Maria brand umbrella).
- The Group's turnover increased by 23% in 2023 compared to 2022, while the Group's EBITDA increased by 17% compared to 2022.

The remuneration granted to the persons having both the position of Manager, as well as Director is cumulative (respectively, the remunerations presented in Table 1 and Table 2 are to be accumulated).

The EC members mentioned in the table below are also remunerated by other MedLife Group companies, as Directors on their Boards of Directors:

Table 5.

Name	Position – Group Subsidiary	Period	Annual income (total Company cost) (RON)	Benefits (total Company cost) (RON)	Total income (total Company cost) (RON)
Alina-Oana Irinoiu – Membru CEx	BoD Director – MNT Healthcare Europe	Jan-Dec 2023	105,072	-	105,072
Alina-Oana Irinoiu – Membru CEx	BoD Director – Provita	Apr-Dec 2023	39,002	-	39,002
Vera Firu – Membru CEx	BoD Director – Medici's	Jan-Dec 2023	104,295	-	104,295
Larisa Chiriac – Membru CEx	BoD Director - Polisano	Jan-Dec 2023	156,065	-	156,065
Larisa Chiriac – Membru CEx	BoD Director – MNT Healthcare Europe	Jun-Dec 2023	59,650	-	59,650

Name	Position – Group Subsidiary	Period	Annual income (total Company cost) (RON)	Benefits (total Company cost) (RON)	Total income (total Company cost) (RON)
Marius Petrilă – Membru CEx	BoD Director – Provita	Apr-Dec 2023	39,002	-	39,002

V. COMPLIANCE WITH THE REMUNERATION POLICY

The remunerations of the Members of the Board of Directors for the financial year ended on December 31, 2023 comply with the conditions set out in the Revised Remuneration Policy. There were no deviations or derogations from the rules established in the revised Remuneration Policy.

The remunerations of the members of the Executive Committee for the financial year ended on December 31, 2023 comply with the conditions stipulated in the Remuneration Policy. According to the transitional provisions of the Revised Remuneration Policy, the Revised Remuneration Policy applies immediately from the date of approval by the GMS regarding any contract of mandate concluded after this date with the persons who have the capacity of Managers of the Company. During the year 2023, no new mandate contracts were concluded. Also, according to the transitional provisions of the Revised Remuneration Policy, the ongoing mandate contracts will be executed according to the contractual provisions agreed by the parties (which are in line with the Remuneration Policy), unless the Manager accepts the conclusion of an additional act to the mandate contract for the implementation of all the provisions and principles of the revised Remuneration Policy. Given that the current mandates of the members of the Executive Committee expire in October 2024, the mandate contracts that will be concluded with the members of the Executive Committee appointed in October 2024 will be drawn up in compliance with the requirements and principles of the Revised Remuneration Policy, ensuring the transition to the latter.

VI. CONSULTATIVE VOTE FOR THE 2022 REMUNERATION REPORT

During the Ordinary General Meeting of Shareholders of 27.04.2023, the item on the agenda regarding the approval of the Remuneration Report for 2022 received a number of 36,296,502 votes cast "against" representing 37.4704% of the total number of votes cast by the shareholders present in the meeting. The main comments expressed by the shareholders who voted against refer to the lack of a variable

component in the remuneration of the members of the Executive Committee, based on long-term performance and performance evaluation criteria, as well as the non-publication of some information considered to be relevant (e.g. severance payments upon termination of the contract mandate, and more detailed information on the remuneration package of the members of the Executive Committee).

The company continuously aims to improve the corporate governance framework and appreciates the suggestions and opinions coming from the shareholders to apply high standards in the matter of the remuneration of the members of the management bodies.

The company took into account the opinions of the shareholders expressed in relation to the Remuneration Report for 2022 by submitting the Revised Remuneration Policy to the general meeting of shareholders on 04/27/2023 for approval. The Revised Remuneration Policy, among other things, provides for the framework for granting variable remuneration in the short term (in the form of a fixed amount that can be awarded following the evaluation of predetermined performance objectives) and in the long term (through the grant of free MedLife shares, based on a plan approved by the Board of Directors). Also, the revised Remuneration Policy provides maximum compensatory payments for the revocation of a mandate without just cause, as follows: (a) 6 (six) fixed monthly remunerations in the case of directors and (b) 3 (three) fixed monthly remunerations in the case of administrators. The provisions of the Revised Remuneration Policy will be implemented starting with the appointment of the members of MedLife's management bodies after the expiration of the current mandates, in the fourth quarter of 2024.

VII. CLOSING

This Remuneration Report was drawn up in accordance with the requirements of Law 24/2017 republished and is subject to the consultative vote at the Ordinary Annual General Meeting of Shareholders provided for in art. 111 of Law no. 31/1990. This Report will be published on the MedLife website, in the Investor Relations - AGM Documents section, or by accessing the following link: <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.

Chairman of the Board of Directors

MIHAIL MARCU



