

REMUNERATION POLICY

AAGES SA

Date: March 2021

Art. 1 The normative framework and the purpose of implementing the remuneration policy

1.1. The remuneration policy, hereinafter referred to as “the Policy”, provides the framework for the remuneration of the directors (members of the board of directors, the general director and the commercial director who partially takes over the duties of the general director in his absence) of AAGES SA, hereinafter referred to as “AAGES”.

1.2. This procedure/ policy establishes the principles and practices to ensure compliance with applicable laws and regulations regarding the exercise of certain rights of shareholders and their long-term involvement in AAGES SA, as well as the implementation of transparency requirements regarding the remuneration of directors.

1.3. This policy was prepared by the Board of Directors to be presented and adopted at the Annual General Meeting of AAGES to be held on April 27, 2021.

1.4. The resolution on the Remuneration Policy of the Annual General Meeting of Shareholders is an advisory one but the remuneration of the directors will be aligned with this policy as long as it is in force.

1.5. This policy applies until the Annual General Meeting to be held in 2025, unless the Board of Directors determines that there should be a policy review as a result of significant changes in the life of AAGES.

1.6. The Management Board will review the adequacy of the policy at least annually.

1.7. The General Director and the Commercial Director shall not be involved in the preparation of the policy.

1.8. The level of the basic remuneration of the members of the Board of Directors of AAGES is established by the General Meeting of the Shareholders of the Company for each meeting.

1.9. The level of the basic remuneration of the Directors of AAGES is established by the Board of Directors, depending on the level of responsibility, qualification, experience, as well as the specialized reports on the labor market.

1.10. AAGES remuneration policy was prepared in accordance with the requirements of Law no. 24/2017 on issuers of financial instruments and market operations, of Law no. 158/2020 and Regulation (EU) 2402/2017 and complies with the provisions of the BVB Corporate Governance Code.

Art. 2 Terms

Director

any member of the board of directors, as well as any director, in the case of the unitary management system, respectively any member of the supervisory board, as well as of the directorate, in the case of the dualist management system, according to Law no. 31/1990, republished, with subsequent amendments and completions, including in all cases in which he was appointed, the General Director and, if such a function exists, the Deputy General Director;

Remuneration

total annual payment received by a director of AAGES as a sum of fixed and variable remuneration.

Fixed remuneration

payments or benefits granted without taking into account any performance criteria.

Variable remuneration

payments or benefits, in addition to fixed payments, which depend on individual performance measured by several criteria.

Art. 3 Scope and field of application

- 3.1. This policy sets out the applicable remuneration rules for the management of the company.
- 3.2. The general structure of AAGES total remuneration is strictly composed of fixed remuneration

Art. 4 Remuneration policy objectives

4.1. The remuneration policy aims at retaining and valuing the directors. Equally, the remuneration policy aims to motivate them, increase their confidence and commitment to achieving the objectives approved by the company's business plan and measured by individual and/ or collective performance.

Art. 5 General principles of remuneration

5.1. AAGES' remuneration principles observe the principles of corporate governance and align with a conservative and prudent organizational culture in risk-taking and contribute to the company's long-term strategy and performance.

5.2. AAGES' remuneration policy is based on the following principles:

-When assessing individual performance, both financial and non-financial criteria are taken into account. These are correlated with the provisions of the mandate contracts and with the other internal regulations of the company;

In this regard, the following criteria are taken into account when determining/ reviewing remuneration:

- The requirements of the position and the degree of responsibility and involvement related to the specific management position within the company;
 - Managerial skills and general professional attitude, level of commitment and contribution to the efficient administration of the company;
 - Training, skills, professional experience and performance obtained in the previous activity;
 - Fulfilling the tasks and responsibilities assigned to the position;
 - The level of knowledge acquired in the position they hold (internal procedures, work processes, applicable legislation);
 - Fulfilling the objectives/ tasks set and assumed;
 - Orientation towards reducing the risks to which the company is exposed;
 - Attitude towards performance, team, leadership
 - Duration of employment and seniority, including seniority in management positions
- Assessing individual management performance is a formal process that takes place at least once a year. Each director who has been active for at least one month of the reference year, is evaluated on the basis of both qualitative and quantitative criteria, as established by the Board of Directors.
- Basic fixed remuneration reflects relevant professional experience and organizational responsibility and is established in accordance with market roles, responsibilities and practices.
- Variable remuneration is not granted within AAGES.

-In order to ensure the independence and integrity of management, their remuneration is not related to the performance of the activities they monitor and control but to the achievement of the objectives related to the attributions of the respective functions.

-AAGES ensures that the management staff has the necessary qualification and experience to carry out their duties, and the remuneration policy applied to it is based on prudential principles, designed to avoid encouraging reckless risk-taking or maximizing short-term profits.

Art. 6 Specific remuneration principles

6.1. Fixed Remuneration

6.1.1. The fixed component of AAGES management remuneration may include:

- a) For the members of the Board of Directors, it includes a remuneration established in the General Meeting of the Shareholders of the Company for each of their meetings/ assemblies.
- b) For directors it includes the gross salary related to the mandate contract, allowances, bonuses and other additions;
- c) Extraordinary fixed component (clothes, fuel, inventory items whose necessity is justified and used in the interest of the service);

6.2. Variable Remuneration

6.2.1. At the date of updating this remuneration policy, the company does not grant variable remuneration to directors.

6.2.2. In the event that the company decides to grant variable remuneration to the executives, the following requirements or performance criteria will be considered:

- the variable remuneration has an exceptional character and is granted only to the persons who directly contribute to the special achievements of the company;
- the fixed and the variable component of total remuneration will be properly balanced so that the level of variable remuneration granted does not exceed 100% of the fixed component of total remuneration;
- the allocation of variable remuneration components also takes into account all types of current and future risks;
- variable remuneration contributes to the long-term sustainability of the company.

6.2.3. Variable remuneration is optional and may include:

- incentive rewards granted to executives if they have made a significant contribution in an atypical way to the usual way of conducting the company's current operating activities and which is visibly reflected in the increase in turnover or net profit of society;
- compensation in cash for the unpaid rest leave, in the amount of maximum 100% of the remuneration related to the mandate contract;
- payments related to the termination of the mandate contract, which must reflect the performance obtained during the director's time and not reward the failure or unprofessional conduct and which can be in the amount of maximum 10,000 lei;
- compensatory payments due to the fact that the person concerned retires by retirement, in the amount of a maximum of 12 monthly remunerations, depending on the seniority of the director and the economic situation of the company.

6.3. Cash Benefits

6.3.1. The company has not established a remuneration scheme in the form of cash bonuses allocated to its executives.

6.4. Benefits in kind

6.4.1. Benefits in kind represent benefits other than those of a salary nature and may be granted to executives in the following situations:

- the person holding the executive management position benefits from the use of a company car, laptop, mobile phone and all related expenses, corporate cards for the settlement of fuel related to the company car, corporate card for the settlement of protocol expenses occasioned by corporate business events and so on (events and professional liability policy);
- the company will pay directly or reimburse to the executive manager all expenses reasonably incurred in connection with transport, daily allowance, telephone calls or similar expenses incurred in fulfilling the mandate granted, within the limits of the expenses provided by the company's annual budget or other specific decisions of the General Meeting of the Shareholders of the Company;
- in the case of special family events (birth, marriage, death), the director is entitled to paid days off which are not included during the rest leave, according to the same provisions to which all employees of the company are subject and which are stipulated in the collective agreement work of the company's employees.
- the right to paid annual leave is guaranteed to all employees. For the period of rest leave, the director will receive the basic salary due for that period. The duration of the annual rest leave is 21 working days. Holidays that are not worked, as well as paid days off are not included in the duration of the annual leave.

6.5. Remuneration in the form of shares

6.5.1. The company has not established a remuneration scheme in the form of shares for the company's management, but granting this type of remuneration to its key employees in order to retain them, through the SOP program (Stock Option Plan).

Art. 7. Principles on the postponement or recovery of variable remuneration of the adjustment type

7.1. The company does not currently apply the principles of deferral (malus) or recovery of remuneration (claw-back) as it does not apply a variable remuneration to its directors.

Art. 8. Level of granted remuneration

- 8.1. Maximum annual amount of remunerations of the Chairman of the Board is 24,000 Ron/ net.
- 8.2. Maximum annual amount of remunerations of a board member is 24,000 Ron/ net.
- 8.3. Maximum annual amount of all remunerations of the general director is 80,000 Ron/ net.
- 8.4. Maximum annual amount of all remunerations of the commercial director is 60,000 Ron/ net.

Art. 9 Provisions regarding management contracts

9.1. Duration of contracts of mandate

- 9.1.1. AAGES has concluded contracts of mandate with the management, contracts that have an unlimited validity.
- 9.1.2. In accordance with the Articles of Association, the duration of a mandate is 4 years.

9.2. Applicable periods of notice

- 9.2.1. The notice periods applicable to Directors are those provided for in the specific legislation, respectively in the Labor Code, i.e. 45 working days.

9.3. Termination of contracts

- 9.3.1. Termination of contracts of mandate may be carried out under the following conditions without involving termination payments:
 - Failure to comply with the law applicable to companies;
 - Voluntary resignation of the mandate entrusted;
 - Agreement of the parties;
 - Occurrence of situations of incompatibility according to the legislation in force;
 - Death or judicial interdiction of management;
 - Insolvency or liquidation of the company.

Art. 10. Avoiding conflicts of interest

- 10.1. In order to avoid any conflict of interest:
 - if a shareholder is also in the position of director, he will abstain from voting on his own remuneration package and
 - at least two members of the Board of Directors must be independent of the Company.

Art. 11. Derogations from the remuneration policy

- 11.1. Derogations from the remuneration policy are possible only in exceptional circumstances and only temporarily, in order to serve the long-term interests of the company.
- 11.2. Fixed remuneration may be subject to a temporary derogation, the exceptional circumstances in which derogations from it might be allowed may be:
 - the exceptional performance of a director, with an unprecedented positive impact on the company's performance, despite unfavorable market or economic conditions; in this case, the upper limit of the additional remuneration payable in the event of the application of a derogation arising from exceptional circumstances shall be 50% of the remuneration established in the contract of mandate;
- 11.3. The period of time during which the derogations may apply is 6 calendar months.
- 11.4. The application of the derogations will be assessed by the Board of Directors, taking into account the particularities of each case of derogation.

Art. 12. Final provisions

- 12.1. The remuneration policy presented at the General Meeting of the Shareholders of the Company of April 27, 2021 will be published on the company's website and will remain available to the public, free of charge, for at least as long as it is applicable.
- 12.2. The Issuer has the obligation not to deviate from the remuneration policy voted by the shareholders during the General Meeting of the Shareholders of the Company and to present, at the end of each financial year, a Report on compliance with the approved Remuneration Policy.