Remuneration Policy for the Executive Management of Mecanica Ceahlău S.A. approved by the Ordinary General Meeting of Shareholders (OGMS) of 14 April 2025 (members of the Board of Directors and executive directors)

I. Purpose and applicable legal framework

1.1. Purpose

1.1.1. This Remuneration Policy sets out the principles governing the remuneration of the directors and executive directors of Mecanica Ceahlău S.A.

1.1.2. The Remuneration Policy is based on the following key principles:

(a) To contribute to the successful implementation of Mecanica Ceahlău's strategy, both in the short term and in the medium and long term;

(b) To ensure appropriate shareholder involvement in setting the remuneration policy and in monitoring its implementation;

(c) To contribute to promoting the mission and values of Mecanica Ceahlău S.A.;

(d) To prevent situations of conflict of interest;

(e) To provide the necessary and flexible tools to remunerate directors in line with their responsibilities, competencies, and performance;

(f) To ensure compliance with applicable legal requirements..

1.2. Applicable legal framework

This Policy was drafted taking into account the following legislation:

(a) Law no. 31/1990 on companies, as subsequently amended and supplemented;

(b) Law no. 24/2017 on issuers of financial instruments and market operations, as subsequently amended and supplemented

II. Scope of application

This Remuneration Policy applies to all directors and executive directors of the Company, regardless of the date of appointment or the date of termination of their mandate.

III. Remuneration principles

The general principles of the Company's remuneration policy are:

(i) the remuneration policy is compatible with the Company's activity;

(ii) the remuneration policy is aligned with the business strategy, values and long-term objectives, as well as with the interests of the Company's shareholders and does not generate conflicts of interest;

(iii) the remuneration of the Company's managers corresponds to their prerogatives, tasks, competence and responsibilities;

(iv) the remuneration of the Company's managers consists of a fixed component and a variable component.

The implementation of the remuneration policy ensures:

(i) long-term managerial performance;

(ii) alignment with shareholders' interests;

(iii) attraction of the best professionals;

(iv) reward levels correlated with responsibilities;

(v) transparency for shareholders.

IV. Remuneration of Board members and executive directors

The remuneration structure includes:

(i) a fixed component, determined by the level of legal responsibility and the responsibility delegated through the decision of the competent body;

(ii) a variable remuneration component, depending on the achievement of performance objectives.

4.1. Fixed fee of Board members

4.1.1. For the activity carried out within the Board of Directors, each Board member is entitled to a monthly fixed fee, the net amount of which is approved by the General Meeting of Shareholders upon appointment, reflecting the level of experience and the time dedicated to the responsibilities of this position.

4.2. Fixed remuneration of executive directors

4.2.1. For the activity performed by executive directors, the General Meeting of Shareholders sets the maximum cap of the monthly net fixed remuneration.

4.2.2. The actual monthly net fixed remuneration granted to each executive director is determined by the Board of Directors, subject to the maximum cap approved by the General Meeting of Shareholders.

4.2.3. If any of the Company's executive directors is also a member of the Board of Directors, the remunerations provided under items 4.1.1 and 4.2.1 are cumulative.

4.3. Variable fee of Board members

In addition to the fixed fee, subject to the approval of the Company's General Meeting of Shareholders, members of the Board of Directors may also benefit from a variable fee.

4.4. Variable remuneration of executive directors

Executive directors, subject to the approval of the Company's Board of Directors, within the limits of the revenue and expenditure budget (BVC) approved by the General Meeting of Shareholders and depending on the degree of fulfilment of performance indicators, may also benefit from variable remuneration.

The Company's policy is not to grant severance/compensatory payments in the event of termination of a contract before its term.

4.5. Pension plans

4.5.1. Mecanica Ceahlău makes payments on behalf of Board members and executive directors to the Romanian state pension system, in accordance with applicable legal provisions.

4.5.2. Board members and executive directors are members of, and also have a legal obligation to contribute (through social contributions) to, the Romanian state pension system (a state defined-contribution plan).

4.5.3. The Company has no other additional obligations. The Company is not involved in any independent pension scheme and, consequently, has no other obligations in this respect.

4.5.4. The Company is not involved in any other post-retirement benefit scheme.

4.6. Professional liability insurance

Mecanica Ceahlău has taken out, in the name of Board members and executive directors, a professional civil liability insurance policy.

4.7. Mandate agreements of Board members/executive directors

4.7.1. Mecanica Ceahlău S.A. concludes mandate agreements (directorship and/or management) with the Company's Board members and executive directors, drafted and approved in compliance with the applicable legal framework and the Articles of Association. The agreements are performed for the duration of the mandate of the incumbent Board of Directors (4 years).

4.7.2. If a Board member is appointed as a result of a vacant Board position, the newly elected Board member shall take over the mandate for the remaining term of the predecessor's mandate, which may not exceed the term of the other Board members.

4.7.3. Pursuant to the mandate agreements concluded, Board members and executive directors, in carrying out their duties, benefit, as applicable, from: access to all premises where the Company operates; unlimited information regarding the Company's production and financial-economic activity; use of a fully furnished and equipped office (computer, telephone, fax, office equipment, stationery and the like); a mobile phone; a company car with or without driver, with reimbursement of related costs; coverage by the Company of professional liability insurance and life insurance for foreign business trips; reimbursement of accommodation expenses, per diem, transport and other expenses supported by supporting documents for business travel in Romania and abroad; reimbursement of protocol/representation expenses.

V. Decision-making process

Two corporate bodies of the Company are involved in the drafting and approval of the Remuneration Policy, namely:

5.1. General Meeting of Shareholders (GMS)

5.1.1. The Remuneration Policy is submitted to the vote of Mecanica Ceahlău S.A. shareholders within the GMS.

5.1.2. The Remuneration Policy must be approved by the shareholders of Mecanica Ceahlău S.A. in order to enter into force and, consequently, to be applied.

5.1.3. The GMS also sets, upon appointment and subsequently on an annual basis, the remuneration of Board members, as well as the general limits of the remuneration granted to executive directors.

5.2. Board of Directors (BoD)

5.2.1. The BoD approves the proposal for the Remuneration Policy or its amendment, as applicable, which will be submitted to the shareholders of Mecanica Ceahlău S.A. for approval.

5.2.2. The BoD is responsible for implementing the Remuneration Policy.

VI. Review of the Remuneration Policy

6.1. Possible grounds for review

This Remuneration Policy may be reviewed if any circumstance arises that requires such review from the perspective of Mecanica Ceahlău's corporate bodies (such as a significant change in the overall financial and/or operational performance of Mecanica Ceahlău or of the sector in which the Company operates).

6.2. Review process

The initiative to review the Remuneration Policy shall belong to the Board of Directors. The draft review will include a description and an explanation of the changes made to the Remuneration Policy.

6.3. Mandatory review

The Remuneration Policy shall be submitted to the shareholders' vote within the GMS at least once every 4 years.

6.4. Updating the Remuneration Policy

The BoD may update the Remuneration Policy without it being necessary to follow the decision-making process described in Section 5, namely without shareholders' approval, in the cases expressly provided by this Remuneration Policy (such as updating the value of remuneration annually approved by the GMS for Board members and executive directors). Updating the Remuneration Policy does not constitute a review of the Remuneration Policy.

VII. Publication of the Remuneration Policy

Following approval of the Remuneration Policy within the OGMS, the Remuneration Policy shall be published on the website of Mecanica Ceahlău S.A. (www.mecanicaceahlau.ro) and shall remain available to the general public throughout the entire period of applicability of the Remuneration Policy.

BOARD OF DIRECTORS, CHAIRMAN

Aurelian-Mircea-Radu Trifa

