

Remuneration policy for managers Mecanica Ceahlau SA

(members of the Board of Directors and directors)

I. Purpose and applicable legal framework

1.1. The goal

1.1.1. This Remuneration Policy establishes the principles governing the remuneration of the directors and directors of Mecanica Ceahlau SA

1.1.2. The remuneration policy is based on the following key principles:

- (a) To contribute to the successful implementation of the Ceahlau Mechanics strategy, both in the short term and in the medium and long term;
- (b) To ensure the appropriate involvement of shareholders in establishing the remuneration policy and in monitoring its implementation;
- (c) To contribute to the promotion of the mission and values of Mecanica Ceahlau SA;
- (d) Prevent situations of conflict of interest;
- (e) Provide the necessary and flexible tools to remunerate directors in accordance with their responsibilities, competencies and performance;
- (f) Ensure compliance with applicable legal requirements.

1.2. Applicable legal framework

This Policy has been developed taking into account the following normative acts:

- (a) Law no. 31/1990 regarding the companies, with the subsequent modifications and completions;
- (b) Law no. 24/2017 regarding the issuers of financial instruments and market operations, with subsequent amendments and completions.

II. Scope of applicability

This Remuneration Policy applies to all Directors and Directors of the company, regardless of the date of appointment or termination date.

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 managers corresponds to their prerogatives, tasks, competence and responsibilities;
- (iv) the remuneration of the company's managers consists of a fixed and a variable component;

The implementation of the remuneration policy ensures:

- (i) the long-term performance of the managerial act;
- (ii) alignment with the interests of shareholders;
- (iii) attracting the best professionals;
- (iv) reward levels related to responsibilities;
- (v) transparency for shareholders.

IV. Remuneration of Board members and Directors

The remuneration structure includes:

- (i) the fixed component, determined by the level of legal responsibility and delegated by the decision of the competent body;
- (ii) variable remuneration, depending on the achievement of performance objectives.

4.1. Fixed allowance for administrators

4.1.1. For the activity carried out within the Board of Directors, each Administrator is entitled to a fixed monthly allowance whose net amount is approved by the GMS upon appointment, which will reflect the level of experience and time devoted to their responsibilities in this position.

4.2. Fixed compensation of directors

4.2.1. For the activity carried out by the directors, the General Meeting of Shareholders establishes the maximum ceiling of the fixed monthly net remuneration.

4.2.2. The effective net monthly fixed remuneration granted to each director will be established by the Board of Directors in compliance with the maximum ceiling approved by the General Meeting of Shareholders.

4.2.3. If any of the company's directors is also a member of the Board of Directors, the remuneration provided in point 4.1.1. and 4.2.1. it accumulates.

4.3. Variable indemnity of administrators

In addition to the fixed indemnity, with the approval of the Company's GMS, the members of the Board of Directors can also benefit from a variable indemnity.

4.4. Variable directors' allowance

The directors, with the approval of the Board of Directors of the Company, within the BVC approved by the GMS and of the degree of fulfillment of the performance indicators, may also benefit from a variable remuneration which is limited as follows:

a) Prizes - up to 5% of the salary or allowances made, within the Income and Expenditure Budget approved by the Ordinary General Meeting of Shareholders

b) Annual individual bonus located at a level of maximum 9 salaries, under the conditions of fulfilling the established performance indicators.

The Company's policy is not to grant compensatory payments in case of termination of a contract before the deadline.

4.5. Pension plans

4.5.1. Mecanica Ceahlau makes payments on behalf of the administrators and directors to the pension system of the Romanian state in accordance with the incident legal provisions.

4.5.2. The administrators and directors are members and also have the legal obligation to contribute (through social contributions) to the pension system of the Romanian state (a determined contribution plan of the state).

4.5.3. The company has no additional obligations. The company is not employed in any independent pension system and, consequently, has no other obligations in this regard.

4.5.4. The company is not employed in any other post-retirement benefit system.

4.6. Professional liability insurance

Mecanica Ceahlau contracted a professional civil insurance policy on behalf of the Administrators and Directors.

4.7. Mandate contracts of the Directors / Directors

4.7.1. Mecanica Ceahlau SA concludes with the administrators and directors of the company mandate contracts (administration and / or management), drawn up and approved in compliance with the applicable legal framework and the Articles of Incorporation. The contracts are carried out during the term of office of the Board of Directors (4 years).

4.7.2. In the event of the appointment of a Director as a result of a vacant director position, the newly elected Director shall take over the term remaining from the term of his predecessor and which may not exceed the term of office of the other Directors.

4.7.3. According to the concluded mandate contracts, the Directors and Directors of the company benefit from the execution of the established attributions, as the case may be, from access in all the spaces where the Company operates, and unlimited information regarding the production and economic-financial activity of the company. fully furnished and equipped with computer, telephone, fax, any other office items, school supplies and the like, mobile phone, car with or without driver with appropriate settlement of related costs, support by the Company of professional liability insurance and life insurance for the delegations made abroad, the settlement of the accommodation, daily allowance, transport and other expenses made with supporting documents for the trips in the interest of service in the country and abroad, the settlement of the protocol expenses.

V. The decision-making process

Two corporate structures of the Company are involved in the elaboration and approval of the Remuneration Policy, respectively:

5.1. General Meeting of Shareholders (GMS)

5.1.1. The Remuneration Policy is subject to the vote of the shareholders of Mecanica Ceahlau SA within the GMS.

5.1.2. The Remuneration Policy must be approved by the shareholders of Mecanica Ceahlau SA in order to enter into force and, implicitly, to be applied.

5.1.3. At the same time, the GMS fixes at the appointment and subsequently annually the remuneration of the Directors, as well as the general limits of the remunerations granted to the Directors.

5.2. Board of Directors (CA)

5.2.1. The Board of Directors approves the proposal for the Remuneration Policy or its modification, as the case may be, which will be submitted to the approval of the shareholders of Mecanica Ceahlau SA;

5.2.2. The Board of Directors is responsible for the implementation of the Remuneration Policy.

VI. Revision of the remuneration policy

6.1. Possible causes for review

This Remuneration Policy may be revised in the event of any circumstance requiring such a revision from the perspective of Mecanica Ceahlau's corporate bodies (such as the occurrence of a significant change in the overall financial and / or operational performance of Mecanica Ceahlau or the sector in which it operates. company).

6.2. The review process

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

6.3. Mandatory review

The Remuneration Policy will be subject to the vote of Mecanica Ceahlau shareholders within the GMS at least once every 4 years.

6.4. Updating the Remuneration Policy

The Board of Directors may update the Remuneration Policy without having to go through the decision process described in section 5, respectively the shareholders' approval, in the cases expressly provided by this Remuneration Policy (such as updating the remuneration value

approved annually by the GMS for Directors and Directors). The update of the Remuneration Policy does not represent a revision of the Remuneration Policy.

VII. Advertising the remuneration policy

Following the approval of the Remuneration Policy within the OGMS, the Remuneration Policy will be published on the website of Mecanica Ceahlau SA (www.mecanicaceahlau.ro) and will remain available to the general public for the entire duration of the Remuneration Policy.