



## **Remuneration Policy for Administrators and Executive Directors**

### **Preamble**

Based on the preparation of the proposals submitted for approval to the Board of Directors (CA) and approval by the General Meeting of Shareholders (AGM) were the best practices and benchmarks used at the national and international levels. Compliance with the principle of fairness will also be pursued, taking into account the business strategy, the culture and values of the organization, and the long-term interests of the company and its shareholders.

The remuneration policy is considered appropriate to the size and organization of the Company, as well as to the nature, specificity and complexity of the Company's business activities or risk profile.

By Chimcomplex's Corporate Governance Code, the Nomination and Remuneration Committee (CNR) Advisory Committee of the Board of Directors has the following responsibilities concerning remuneration:

1. To develop recommendations to the Board of Directors regarding the Company's policies on remuneration, incentives and compensatory payments;
2. To advise the BoD on the structure of the remuneration system for directors, executives and other categories of staff;
3. To make recommendations to the Board of Directors about the application of the remuneration system of the Director-General and the Executive Directors (the main components of remuneration and their limits, the objectives and performance indicators, the evaluation methodology, etc.);
4. To make recommendations to the Board of Directors for the application of the remuneration system to members of the Company's Board of Directors (general remuneration limits, non-financial activities, etc.)
5. To monitor remuneration trends in industries relevant to the Group.

### **1. Purpose and Object**

The purpose of this "Remuneration Policy for Directors and Executive Directors" is to define the principles and remuneration system of Chimcomplex directors and executives to be applied during the selection, recruitment and conduct of Chimcomplex work.



Regarding the remuneration,

## **2. Policy objectives**

The objectives of this policy are as follows:

1. setting clear remuneration thresholds and guidelines;
2. establishing the remuneration structure;
3. configuration of the correlation matrix between remuneration levels.

## **3. Principles of the Policy**

The principles governing this policy are as follows:

3.1. The remuneration structure shall be defined separately for the Board of Directors and the Executive Management.

3.2. The remuneration structure and remuneration thresholds have been established taking into account best practices and benchmarks used at the national and international levels, respectively, fixed remuneration and variable remuneration, as follows:

3.2.1 Fixed remuneration includes a performance-based fixed monthly allowance (salary) for executives by market practices and benchmarks; in addition, non-financial benefits could also be granted. The practice of most companies is to choose the range between the middle and upper level, based on being attractive in the competitive market, which nevertheless does not position itself towards the upper limit;

3.2.2. Variable remuneration includes for executive managers:

- in the short term, for one year, a variable allowance representing compensation for the collective and individual contribution of the executives to the achievement of the company's objectives, established for each year, based on performance criteria and MB and MBA objectives;
- long-term award of a motivational share package (SOP or VSO at the choice of each Executive Director);

3.2.3. For BoD Chimcomplex members, taking into account international rules and the fact that the company is listed on the Bucharest Stock Exchange (AERO), fixed remuneration is the monthly allowance and the participation allowance of members in BoD meetings and BoD committees, and variable remuneration is:

- compensation for the completion of financial/commercial transactions for the benefit of the company, as well as compensation for the achievement of non-financial objectives;
- a motivational share package (SOP or VSO at the choice of each administrator);



Remuneration may also include other types of bonuses, such as health care packages, tuition fees, etc.

3.3. Recommended levels of remuneration (both fixed and variable):

3.3.1. Lower quartet for the level of the Director-General's fixed remuneration and upper block for variable remuneration;

3.3.2. Lower quartet for the level of fixed remuneration of directors (BoD members) - by aligning with international best practices about the mechanism and level of the Romanian market; an increase of up to 8 times in fixed remuneration and meeting allowance for the Chairman of the BoD and a 3-fold increase in the participation allowance for the Chairs of the various committees of the Board of Directors (e.g. Audit Committee, etc.). The range of the reference value for the participation allowance is between EUR 1000 and EUR 3,000;

3.3.3. Median quartet for fixed remuneration of CEOs and managers to ensure alignment with average market levels;

3.4.4. Given the importance of Chimcomplex, which is a strategic chemical company, with the potential to become a regional player and the need to attract and retain senior specialists and managers with extensive experience in a wide range of activities at the national and international levels, variable remuneration for Chimcomplex EXECUTIVES is conditional on the achievement of key performance goals, set cascading from the CEO to every level of management; the level of key performance indicators will be approved by the Board of Directors at the beginning of each year, and at the end of the year, the BoD will consider the performance of the executives for that year and will decide on the granting of variable remuneration, in compliance with the provisions of this procedure.

## **4. Chimcomplex Policy**

### **4.1. Board of Directors**

The remuneration of BoD members shall have as main pillars a monthly fixed remuneration/indemnity and a fixed allowance for participation in meetings and a variable performance part:

a) Fixed monthly remuneration will be kept within the parameters of the lower, slightly increased block, differentiated between the President, Vice-President and BoD members, respectively EUR 3,000 net for BoD members, EUR 6,500 net for Vice-President and EUR 24,000 net for President;

(b) Fixed allowance for participation in BoD and BoD meetings, differentiated, i.e. EUR 1000 net for BoD members/committees and EUR 7,500 net for committee chairs. The annual number of meetings for which the allowance is to be granted is limited, in principle, to 18 in the case of BoD and 18 in the case of meetings for each committee. Additional meetings of the Council and



the Committees may be held in exceptional circumstances, by the decision of the Presidents who are responsible for the effective organization of the work agenda and the work with the approval of the BoD Chair.

c) Settlement of each reasonable expenditure incurred in connection with the performance of the mandate, including, but not limited to: transport, daily allowance, accommodation expenses, both at home and abroad, and medical insurance.

(d) A 'directors & officers' liability policy borne by the Company, the insured amount being EUR 3 million, by market terms;

e) Other types of benefits (monetary and non-monetary incentives) such as subscription medical services to a specialized provider, telephone subscription, car - for board members; subscription medical services to a specialized provider, medical expenses of any kind (including dentist and other treatments), specialization course fees (in areas of interest to the Company, such as risk management, public speaking, etc.); tuition fees for minor children, car - for the chairman of the board of directors; the concrete benefits granted to each administrator will be provided for and detailed in the management contracts;

f) Other legal expenses incurred by a member of the BoD to defend against a third party's claim against that member of the Board of Directors about the performance of his duties as a member, by the Constituent Act, the BoD Regulation, or the Legal Framework shall be borne by the Company, in so far as they are not already covered by the "directors & officers' liability" policy in force at the time.

(g) A variable remuneration consisting of:

- Remuneration for the activity and involvement in the completion, for the benefit of the company, of financial/commercial transactions (e.g. acquisitions, mergers, financing, refinancing, investments, etc.) provided for in the Constituent Act and the BoD Organization and Operation Regulation as being managed by the Board of Directors; the amount of this remuneration is 2,5 % of the value of these types of transactions; the specific amount awarded to each administrator shall be approved by the Chairman of the BoD, by the recommendation of the Nomination and Remuneration Committee, based on the report on the responsibilities and involvement of the administrators in the completion of these transactions. For a remuneration of more than 2.5% of the value of the transactions, AGOA will be convened, and any additional amounts to be due only after the approval of AGOA.



- Remuneration for achieving non-financial objectives, including quality of internal and external reporting, elaboration of procedures, regulations, risk identification, proposals for improvements in organization, management, production and work in society, implementation of methodologies, etc. The amount of this variable remuneration shall not exceed 25 % of the fixed annual remuneration; the specific amount granted to each administrator shall be proposed by the Nomination and Remuneration Committee based on the activity report submitted by the directors and shall be approved by the Chairman of the Board of Directors.

h) Administrators will receive at the beginning of the mandate a motivational share package (SOR or VSO at the choice of each administrator). This package will be granted to administrators appointed for a term of four years or to those who have already accumulated at the time of granting the 4-year package on the Board of Directors.

#### 4.2. Executive management

##### 4.2.1. General remuneration limits for the CEO of Chimcomplex

The remuneration for the CEO of Chimcomplex will consist of (a) a fixed monthly remuneration, (b) an annual variable remuneration depending on the achievement of the performance indicators and the Objectives of MS and MBO and (c) a motivational package of virtual actions, as follows:

1. The CEO's fixed monthly remuneration will be between EUR 9,000 and EUR 12,000 net. The final amount will be decided by the Board of Directors within the limits approved by the AGM. The concrete level of fixed remuneration will be determined by the Board of Directors in the CEO management contract, taking into account relevant professional experience and organizational responsibility.
2. The variable annual remuneration of the CEO shall consist of:
  - a maximum of 33% of the annual fixed ANNUAL CEO allowance; the final percentage will be decided by the Board of Directors, within the limits approved by the AGM, depending on the achievement of the performance indicators and the Objectives of MS and MBO.
  - a motivational package of shares (SOP or VSO, at the choice of CEO); the motivational package will be granted only to Directors-General with a minimum mandate of 4 years and subject to the achievement of performance indicators and targets; this motivational package shall be granted during the term of office, but may be redeemed only on expiry of the four-year term.

##### 4.2.2. General remuneration limits for Chimcomplex executives (appointed by BoD on a mandate basis)



The remuneration of Chimcomplex Executives appointed by BoD on a mandate contract will consist of: (i) fixed monthly remuneration, (ii) variable annual remuneration depending on the implementation of KPIs and (iii) a motivational package of virtual actions, as follows:

1. The fixed monthly remuneration of an Executive Director shall be between EUR 3,500 and EUR 10,000 net.

The concrete level of fixed remuneration will be determined by the Board of Directors through management contracts, taking into account the relevant professional experience and organizational responsibility of each Executive Director.

2. The variable annual remuneration of an Executive Director shall consist of:

- a maximum of 33 % of the executive directors' fixed annual allowance; the final percentage for each Executive Director will be proposed by the Director-General and approved by the Chairman of the Board of Directors, depending on how the performance indicators and objectives are achieved.

- a motivational share package (SOP or VSO at the election of the Executive Director). the motivational package will only be granted to executive directors with a minimum term of 4 years and subject to the achievement of performance indicators and targets; this motivational package shall be granted during the term of office but may be redeemed only on the expiry of the four-year term.

3. Executive directors who have a mandate contract and who benefit from the full remuneration package above are: CEO, COO, CTO, CFO, CCO.

4. With deputy executives who have a mandate contract, the remuneration package will be negotiated individually but will not include the rights in points 2 and 3; for exceptional achievements they may receive bonuses on the proposal of the CEO.

4.3. The award of the motivational package will be determined based on a procedure based on the recommendations of consultant Deloitte and agreed by the BoD within three months of the approval of the "Remuneration Policy for Directors and Executive Directors" by the AGA.

The duration of the term contracts with the directors shall, in principle, be 4 years with a notice of termination from the Company of 3 months for the Executive Directors and 6 months' notice for the



Director-General. In the event of the Company's revocation of the mandate for reasons not attributable to the directors, the management contracts shall provide for compensation of a maximum of 3 monthly revenues for the executive directors and a maximum of 6 monthly income for the Director-General. The mandate contracts shall provide for notice if the directors intend to give up their mandate (minimum 3 months for the executive directors and a minimum of 6 months for the Director-General).