



S.C. CONTED S.A.

Confecții textile

Str. 1 Decembrie 1918 nr. 8, Dorohoi, jud. Botoșani, Cod poștal: 715200, România
C.I.F.: RO 622445, Nr. ORC: J07/107/1991, TEL/FAX: 0231610064/0231610026
www.conted.ro, e-mail: secretariat@conted.ro

Remuneration policy for S. C. CONTED S.A. managers (members of the Board of Directors and General Manager)

I. Applicable purpose and legal framework

1.1. The purpose

1.1.1. This Remuneration Policy sets out the principles governing the remuneration of the Directors and General Manager of S.C. CONTED S.A.

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

- a) To contribute to the successful implementation of the strategy of CONTED S.A., both in the short term and in the medium and long term;
- b) To ensure the adequate involvement of the shareholders in establishing the remuneration policy and in monitoring its implementation;
- c) To contribute to the promotion of the mission and values of S.C. CONTED S.A.;
- d) To prevent situations of conflict of interest;
- e) Provide the necessary and flexible tools to remunerate the General Manager 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 on issuers of financial instruments and market operations, with subsequent amendments and completions.

II. Scope of applicability

This Remuneration Policy applies to all Directors and the General Manager 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:

- the remuneration policy is compatible with the company's activity;
- 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;
- the remuneration of the leaders corresponds to their prerogatives, tasks, competence and responsibilities;
- the remuneration of the company's leaders consists of a fixed component;



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The implementation of the remuneration policy ensures:

- long-term performance of the managerial act;
- alignment with the interests of shareholders;
- attracting the best professionals;
- reward levels correlated with responsibilities;
- transparency for shareholders.

IV. Remuneration of the members of the Board of Directors and of the General Manager

The remuneration structure includes:

- the fixed component, determined by the level of legal responsibility and delegated by the decision of the competent body;

4.1. Fixed allowance for administrators

4.1.1. For the activity carried out within the Board of Directors, each Director is entitled to a fixed monthly allowance approved by the General Meeting of Shareholders at the appointment, which will reflect the level of experience and time dedicated to their responsibilities in this position and can be renegotiated or whenever salary increases or other justifying causes will be applied.

4.2. Fixed allowance of the General Manager

4.2.1. For the activity carried out within S.C. CONTED S.A. by the General Manager, the members of the Board of Directors establish the fixed monthly remuneration, the amount of which may be renegotiated whenever salary increases or other justifiable reasons are applied.

4.3. Pension plans

4.3.1. The administrators and the general manager have the legal obligation to contribute (through social contributions) to the pension system of the Romanian state.

4.4. Professional liability insurance

Each director is insured for professional liability at an insurance company at an annual ceiling approved by the Ordinary General Meeting of Shareholders.

The general manager is insured for professional civil liability with an insurance company at an annual ceiling approved by the Board of Directors.

4.5. Mandate contracts of the Directors and the General Manager

4.5.1. SC CONTED S.A. concludes mandate agreements with the directors and director of the company, drawn up and approved in compliance with the applicable legal framework and the



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Articles of Incorporation. The term contracts of the directors are carried out during the term of office of the Board of Directors for a term of 4 years.

The mandate contract regarding the entrustment and exercise of the position of General Manager, based on the delegation of the management attributions of the Board of Directors of S.C. CONTED S.A. takes place over a period of one year. At the end of the one-year period, the contract is automatically extended for another year. The same procedure will be used for each contract extension.

4.5.2. 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 office of his predecessor and which may not exceed the term of office of the other Directors.

4.5.3. According to the concluded mandate contract, the Directors in the execution of the established attributions, have the following rights: use of the company's means of transport, a mobile phone subscription, settlement of accommodation, transport and other expenses based on supporting documents for travel in the interest of the company or abroad, professional liability insurance for an annual ceiling at an insurance company.

4.5.4. According to the mandate contract regarding the entrustment and exercise of the position of General Manager, based on the delegation of the management attributions of the Board of Directors of S.C. CONTED S.A. the general manager represents the Company vis-à-vis third parties and before any state authorities. In the execution of the established attributions, the general manager has the following rights: to use a company car owned by the company, to be reimbursed for travel and accommodation expenses during internal or external delegations, to use the company's communication systems (landline and mobile phone, electronic systems and others) in the interest of the service.

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 (A.G.A.)

5.1.1. The Remuneration Policy is subject to the vote of the shareholders of S. C. CONTED S.A. at the General Meeting of Shareholders.

5.1.2. The Remuneration Policy must be approved by S.C. CONTED S.A. to enter into force and, implicitly, to be applied.

5.1.3. At the same time, the General Meeting of Shareholders fixes on the appointment and subsequent annual remuneration of the Directors,



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5.2. Board of Directors (C.A.)

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 subject to the approval of the shareholders of S.C. CONTED S.A. ;

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 the corporate bodies of S.C. CONTED S.A.

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 explanation of the changes to the Remuneration Policy.

6.3. Mandatory review

The Remuneration Policy will be subject to a vote by S.C. CONTED S.A. at the General Meeting of Shareholders 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-making process described in section V, respectively the approval of shareholders, in the cases expressly provided by this Remuneration Policy (such as updating the amount of remuneration approved annually by the General Meeting of Shareholders General director). The Remuneration Policy Update is not a review of the Remuneration Policy.

VII. Advertising the remuneration policy

Following the approval of the Remuneration Policy within the Ordinary General Meeting of Shareholders, the Remuneration Policy will be published on the website of S.C. CONTED S.A. (www.conted.ro) and will remain available to the general public throughout the applicability of the Remuneration Policy.

BOARD OF DIRECTORS, CHAIRMAN
ENG. HAMIDI HAISAM

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