

**POLICY ON ANNUAL DISTRIBUTION OF DIVIDENDS
OR OTHER BENEFITS TO SHAREHOLDERS
ADOPTED BY
IMPACT DEVELOPER & CONTRACTOR S.A.**

Approved,

Board of Directors

Chairman Iuliana Mihaela Urda

Policy on Annual Distribution of Dividends or of Other Benefits to Shareholders

1. General Provisions

- 1.1. The present Policy on payment of dividends (“**the Policy**”) is part of the Regulations of the Board of Directors of Impact Developer & Contractor S.A. (hereinafter named “**the Company**” or “**Impact**”) and was elaborated in compliance with the provisions of the Code of Corporate Governance of the Bucharest Stock Exchange (“**BVB**”), the Edition of 11 September 2015 and of Regulation no. 2/2016 regarding the application of corporate governance principles by entities authorized, regulated and supervised by the Financial Supervisory Authority (“**ASF**”).
- 1.2. The present Policy is intended to:
 - (i) ensure the transparency of the process for payment of dividends;
 - (ii) ensure the investment and the financial planning of the Company.
- 1.3. The fundamental principles underlying the present Policy are:
 - (i) transparency – it involves assessment and disclosure of information on the procedure and conditions for taking the decision regarding the amount and payment of dividends, the responsibility of the subjects involved in carrying out the Policy;
 - (ii) equity – it involves ensuring equal rights of shareholders to information on decisions regarding the payment, the amount and the payment terms of dividends;
 - (iii) consistency – it involves the coherent and strict observance of the provisions and principles of the Policy;
 - (iv) development – it involves proficiency in the area of improvement of the corporate governance procedures and reviewing their provisions, taking into account the modification of the strategic targets of the Company.
- 1.4. The Policy on annual distribution of dividends or other benefits to the shareholders is proposed by the General Manager and adopted by the Board of Directors, taking the form of a set of guidelines which the Company intends to follow regarding the net profit distribution.
- 1.5. The Company shall include information regarding the policy on distribution of dividends in the annual report, in compliance with the provisions of Law no. 24/2017 on capital market, thus establishing a proportional division between dividends and investment and forecasting the distribution ratio for dividends.
- 1.6. The Company shall publish the Policy on its website and shall include in the annual

report a declaration regarding the implementation of the remuneration policy over the annual period which is subject to analysis.

- 1.7. The payment of the dividends declared based on the decision of the General Meeting of Shareholders represents an obligation of the Company.
- 1.8. The present Policy defines hereinafter the percentage of the net profit allocated to the payment of dividends, the terms and conditions for payment of dividends, the amount of dividends payable for a certain type of shares and belonging to a particular category, the procedure for the payment of dividends and the situations in which no dividends are granted or in which the dividends may be partially granted, for option shares, if the case may be.
- 1.9. Any essential change occurred in respect of the provisions of the present Policy shall be published in a timely manner on the website of the Company.

2. Conditions for Payment of Dividends

2.1. The conditions for the payment of dividends to shareholders are:

- (i) the registration of the profit for the ended fiscal year;
- (ii) the report of the Board of Directors;
- (iii) the absence of restrictions regarding the payment of dividends;
- (iv) the decision of the General Meeting of Shareholders.

2.2. The payment of dividends is not possible for the shares which:

- (i) have not been placed;
- (ii) have been bought or redeemed by the Company;
- (iii) in case the value of the net assets (the capital) of the Company reaches negative values or such would be recorded further to taking the decision on the payment of dividends;
- (iv) in case the Company falls under the definition of insolvability according to the applicable legislation on bankruptcy or such would be subject to this definition further to taking the decision on the payment of dividends;
- (v) in other situations provided by the legislation in force.

3. Decision Making Procedure for the Distribution of Dividends

3.1. The decision on the payment of dividends based on the results of the ended fiscal year, the amount of dividends and the payment terms for each type of shares is taken by the General Meeting of Shareholders.

- 3.2. The Board of Directors of the Company informs the Company shareholders on the fact that the dividends related to the financial exercise of the year which is subject to analysis shall be distributed over a determined period of time by the Company shareholders registered in the Joint Stock Company Shareholders' Register.
- 3.3. The dividends shall be paid to the shareholders at the net value of the applicable tax, in compliance with the provisions of the Romanian Fiscal Code. The tax is retained, declared and paid to the state budget by the Company.
- 3.4. The decision on the payment of dividends shall define:
 - (i) the type of shares in respect of which the payment of dividends is announced;
 - (ii) the amount of dividends for a similar share, without notifying the deduction of taxes;
 - (iii) the payment term;
 - (iv) the date when the list of shareholders entitled to dividends is drawn up.
- 3.5. The Company shall provide an explanation whenever the profits available for distribution are different than those reported in the financial statements.

4. Determining the Amount of Dividends

- 4.1 The amount of dividends paid to a shareholder shall be established for each particular category of shares.
- 4.2 The dividends shall be distributed to shareholders proportionally to the participation to the paid-up share capital, unless otherwise provided by the Articles of Association.
- 4.3 The percentage of the net profit allocated to the payment of dividends ranges by GMS.

5. Procedure for Payment of Dividends

- 5.1 The dividends shall be paid to shareholders in a monetary form.
- 5.2 Processing the payments representing dividends due to shareholders shall be performed by the Central Depository.
- 5.3 In case a shareholder does not have a securities account opened with an intermediary participating to the offsetting-settlement and registration system of the Central Depository, the payment of dividends due to the holders of securities shall be performed by the Central Depository through the payment agent assigned by the Company, in compliance with the legal provisions in force.
- 5.4 In the case of a shareholder who has a securities account opened with an intermediary participating to the offsetting-settlement and registration system of the Central Depository, the payment of dividends shall be performed by the Central Depository

itself and by means of the participants to the offsetting-settlement and registration system of the central depository.

- 5.5 The dividends which were not received, due the fault of the shareholder, within an interval of 3 years as of the date when the right to receive such was created, are registered with the Company income and may not be claimed by the shareholder.
- 5.6 Only dividends resulting from profits determined according to the law may be distributed. All holders of shares issued by the Company shall be fairly treated.
- 5.7 In case of deceased shareholders, the dividends shall be paid upon the request of the successors, by bank transfer of in cash, only further to the prior request made to the Central Depository by the successors and the registration in the shareholders' register of the transfer of shares, as an effect of inheritance.

6. Payment Terms for Dividends

- 6.1 The dividends shall be paid upon the term set by the General Meeting of Shareholders or, as the case may be, established by special laws, but not later than 6 months as of the approval date of the annual financial statements related to the ended financial exercise. Otherwise, the Company shall pay damages for the delay period, at the legal interest level, unless a higher interest was established by the Articles of Association or by the decision of the General Meeting of Shareholders which approved the financial statements related to the ended financial exercise.
- 6.2 The Company displays a fair approach to each shareholder as regards the payment term for dividends.
- 6.3 The Company may fulfill its obligation regarding the payment of dividends upon any date within the payment term, such as decided by the General Meeting of Shareholders.

7. Informing Shareholders Regarding the Policy on Dividends

- 7.1 The Company policy on dividends follows the principle of transparency and is available to shareholders, potential investors and public institutions.
- 7.2 The materials presented to shareholders in order to take decisions in the General Meeting of Shareholders shall include the necessary information, including the documents which indicate the existence or the absence of the conditions for payment of dividends.

8. FINAL PROVISIONS

- 8.1. The dividends shall not be distributed by means or methods facilitating the evasion of the provisions of the present Policy.
- 8.2. For the purpose of efficient corporate governance, the Board of Directors shall analyze, at least once a year, the policy on annual distribution of dividends or other benefits to

shareholders.

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The present Policy shall be updated, reanalyzed and reviewed on a regular basis by the Board of Directors of the Company.