

## **-POLICY REGARDING REMUNERATION**

Impact Developer & Contractor S.A.

**Subject to approval according to item 14 on the agenda OGMS/29.04.2025**

### **1. General Provisions**

**1.1.** The present Policy regarding remuneration (“**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**”), Edition of January 2025, and of Regulation no. 2/2016 regarding the application of corporate governance principles by entities authorized, regulated and supervised by the Financial Supervisory Authority (“**Regulation no. 2/2016**”).

**1.2.** The purposes of the present Policy are:

- (i)** ensuring transparency of the remuneration process, based on fair retribution and motivation for the members of the Board of Directors and the Managers of the Company;
- (ii)** permanently ensuring the services of certain administrators and directors, through an adequate remuneration policy, consistent with the strategy and long-term interests of the Company;
- (iii)** establishing the adequate mechanisms and systems for establishing and controlling the remuneration of the executive management;
- (iv)** motivating and encouraging so as to improve work performance both individually and collectively, consolidating a culture based on objective assessment of each individual contribution and rewarding performance, in order to ensure the coherence between remuneration and business strategy, risk policy, values and long-term objectives of the Company.

**1.3.** The fundamental principle underlying the present Policy is to ensure the proper balance in respect of structure, experience, gender diversity, knowledge and independence of the members, in order to enable them to effectively perform their duties and responsibilities.

**1.4.** The Board analyses and establishes the Company’s remuneration policy so that it corresponds to the business strategy and long-term objectives and interests of the Company and that it includes measures for preventing the occurrence of conflicts of interest.

- 1.5.** The Board ensures that all engagements regarding remuneration are correctly and responsibly structured and that remuneration policies allow and promote an efficient risk management without leading to risk undertakings exceeding the Company's risk tolerance level.
- 1.6.** The remuneration policy is established based on a sound analysis of the remunerated person's individual performance, corroborated with the collective performance, on a judicious distribution of Company expenses, where possible, as well as avoiding to establish incentives encouraging excessive risk undertaking.
- 1.7.** The level of remuneration is established in close relation to the responsibilities and engagements corresponding to the attributions.
- 1.8.** By signing a mandate agreement/management contract with the Company and by accepting the general terms and conditions comprised therein, the persons thus targeted declare to have been correctly and completely informed in respect of the present Policy, to accept the application of the present Policy and to agree to its terms and conditions.
- 1.9.** The Company shall publish the Policy on its webpage and shall include in the annual report a declaration regarding the implementation of the remuneration policy during the annual period that is subject to analysis.
- 1.10.** Any essential change occurred in the remuneration policy shall be published in a timely manner on the webpage of the Company.

## **2. DEFINITIONS**

In the meaning of the present Policy, the terms and expressions below shall be construed as follows:

- 2.1. "Quantitative Criteria"** – in the meaning of the present Policy, represent the predominantly numerical or financial data used to establish the remuneration of a relevant person (for example, setting targets of new clients etc.);
- 2.2. "Qualitative Criteria"** – in the meaning of the present Policy, represent predominantly other criteria than the quantitative ones. The term may also refer to numerical or financial data used for evaluating the performance quality of the targeted person and/or of the service provided to the client by such, for example the very low number of complaints over a very long period of time etc.;
- 2.3. "Targeted Persons"** – represent:
  - (i) a member of the administrative body of the Company; as well as

(ii) the directors;

- 2.4. “Annual Report”** – represents the report on remuneration which must present the implementation of the remuneration policy for the persons identified in the remuneration policy during the annual period subject to analysis;
- 2.5. “Remuneration”** – represents all forms of payment or bonuses directly or indirectly granted by the Company to the Targeted Persons in connection with the performance of their activities. The remuneration form may be financial (such as cash, stocks/shares, salary increase etc.), as well as nonfinancial (such as promotion, health insurance, special discounts or allowances for car or mobile phone, expenses deductions etc.);
- 2.6. “Fixed Remuneration”** – represents the fixed element of the remuneration and reflects the professional experience, the job requirements, the performance, the development of the individual’s capacities and skills, such as provided in the job description of an employee, as part of the employment terms and distinguished by the evaluation system;
- 2.7. “Variable Remuneration”** – is optional and may be granted as cash or under the form of nonfinancial benefits. It may be granted for a short term, such as, for example, the annual bonus to executive managers, depending upon performance during the analyzed year, or for a long term. The long-term benefits may be, for example, that part of the bonus whose payment was postponed until a later date. The benefits may depend on the value of certain indicators calculated at a later date.
- 2.8. “Managers of the Company”** – the person to whom the Board of Directors has assigned attributions relating to the management of the Company.

### **3. Policy and Criteria for Remunerating Non-Executive Administrators**

- 3.1. The non-executive administrators of the Company carry out their activity based on the Administration Contracts, for a period of 4 years as of appointment date, except the case where the General Assembly of Shareholders decides otherwise.
- 3.2. The non-executive Board Members are entitled to a gross monthly wage established by the General Assembly of Shareholders and that represents the Fixed Remuneration of directors.
- 3.3. In view of granting the remuneration to non-executive administrators, the Company is entitled to request that they accomplish the objectives and the qualitative and quantitative performance criteria, such as established by the Board of Directors.

#### **4. Policy and Criteria for Remunerating Executive Administrators**

4.1 The remuneration of the executive management bodies is in line with the institutional dimension and organization, the nature, scope and complexity of their activity, having as objective the development of a management body of a high professional and moral level, in order to add value to the activity of Impact Developer & Contractor SA.

#### **4.2 Remunerating the Managers of the Company**

4.2.1. The Managers of the Company carries out his/her activity based on the Management Contract.

4.2.2. The remuneration of the Managers of the Company is formed of a fixed component payable on the date of 12<sup>th</sup> of each calendar month, and a variable component, represented by quarterly and annual performance bonuses, in accordance with Management Contract.

4.2.3. The main performance indicators and objectives that must be met and respected by the managers of the Company are approved by the Board of Directors.

4.2.4. In addition to fixed component and bonuses, Managers of the Company may receive mobile phones, laptop and office car property of the Company.

#### **4.3 Termination of the Management Contract**

4.3.1 The Management Contract may be terminated at the request of the Directors, by unilateral termination, in compliance with the right of notice provided for in the Contract.

4.3.2 The Directors may be dismissed by the Board of Directors in accordance with the provisions of art. 1431 para. (4) and art. 15315 of Law no. 31/1990.

#### **5. Criteria for Evaluating Individual Performance**

**5.1** The valuation of professional performance is intended to objectively assess the activity of Targeted Persons, by comparing the degree of achieving objectives and evaluation criteria established for the respective period with the results effectively achieved by each Targeted Person.

**5.2** During the process of evaluation and remuneration of individual performance, the Company shall take into consideration the assessment criteria for the established performance.

**5.3** The evaluation of individual performance is performed in order to:

- (i) correctly express and dimension the objectives;
- (ii) set the directions and modalities of continuing education and increasing performance of the Targeted Persons ;
- (iii) establish the remuneration.

**6. The criteria for evaluating Targeted Persons are established by the President of The Board of Directors. The Remuneration Committee (“the Committee”)**

- 6.1.** The Remuneration Committee is a body supervised by the Board of Directors, set up in view of issuing competent and independent opinions on remuneration policies and practices and exercising the responsibilities granted by mandate for this activity segment by the Board of Directors.
- 6.2.** The members and the Chairman of the Committee shall be appointed by the Board. The Committee shall be formed of 3 non-executive administrators, and the majority of such must be independent administrators.
- 6.3.** The Committee analyses and makes sure that the general principles and the remuneration policy correspond to the business strategy, objectives, values and long-term interests of the Company.
- 6.4.** The Remuneration Committee holds meetings at least twice a year or whenever necessary, upon the request of one of its members or of Company managers. Minutes of the meeting shall be concluded at the end of each meeting.
- 6.5.** The minutes of Committee meetings shall be made available, by the Secretariat, to all members of the Board of Directors.
- 6.6.** The Committee shall regularly submit with the Board of Directors reports on its meetings and activity. The report must include at least a summary of the aspects addressed and the measures taken by the Committee.
- 6.7.** The Committee shall draw up a report which is to be included in or attached to the Annual Company Report, and which must include at least the following:
  - (i) name of all Committee members and of the Chairman of the Committee, frequency of Committee meetings, presence of its members (in person or in absentia);
  - (ii) a description of the roles and responsibilities of the Committee and of the actions carried out by such in view of achieving the respective responsibilities;
  - (iii) a description of the Company remuneration policy and practices, as well as the

responsibilities of the Committee and the related activities carried out by such during the year.

**6.8.** The Committee shall perform an annual self-evaluation of its performance and shall report its results to the Board.

**6.9.** The Committee shall regularly review and evaluate the suitability of the present Regulation and may recommend any modification for approval of the Board of Directors.

**6.10.** The Committee has a consultative role and it shall provide assistance to the Board of Directors in view of increasing the efficiency of the Board in this field.

**6.11.** The Remuneration Committee has as main responsibilities:

- (i) advances proposals to the Board of Directors as regards the remuneration of each executive administrator, including bonuses, incentives and share call options;
- (ii) analyses and advances proposals to the attention of the Board of Directors regarding the total annual package of the Variable Remuneration within the Company;
- (iii) analyses and advances proposals to the attention of the Board of Directors (and, by means of the Board of Directors, to the attention of the General Meeting of Shareholders, as the case may be) regarding the programs for granting share call options and/or shares;
- (iv) proposes performance objectives for granting cash remunerations, which are granted depending upon such objectives, or it proposes objectives for granting shares or share call options;
- (v) regularly reviews the remuneration of the executive administrators and of other remuneration elements, including compensatory payments and pension plans;
- (vi) regularly addresses proposals to the attention of the Board of Directors - regarding any policy on remuneration;
- (vii) reviews the annual report on remuneration.

## **7. Annual Report**

**7.1.** The Company shall present in the Annual Report the effective remuneration of the Board Members and of the executive directors during the year subject to analysis.

**7.2.** The Annual Report shall also include:

- (i) a presentation of the evolution of the total remuneration granted to executive - directors and an explanation for any exceptional benefits;
- (ii) the total remuneration granted to each executive director during the year, itemized as basic remuneration, benefits, bonus, shares or share call options and possible compensatory payments; and
- (iii) the shares and the share call options granted to each executive director during the previous years and the periods for which they were granted, dates for exercising and expiry of such, share option price, as well as the number of exercised rights.

## **8. FINAL PROVISIONS**

- 8.1.** The Company will make sure that the administrators comply with the obligation to annually report to the Audit Committee their main positions and professional activities and, in this respect, the Audit Committee shall verify and make sure that the Policy was abided by.
- 8.2.** The Company shall publish the remuneration policy on its webpage and any essential amendments occurred in the remuneration policy shall be published on the webpage in a timely manner.
- 8.3.** The remuneration shall not be paid by means or methods which lead to eluding the provisions of the present Policy.
- 8.4.** For the purpose of efficient corporate governance, the Board of Directors shall analyze, at least once a year, the remuneration policy for the administrators and members of the executive management.

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

Iuliana Mihaela Urda

Chairman of the BoD