

REMUNERATION POLICY

1. GENERAL PROVISIONS

- 1.1. This Remuneration Policy ('Policy') is part of the Board Regulations of Impact Developer & Contractor S.A. (hereinafter referred to as 'the **Company**' or '**Impact**') and was prepared in accordance with the provisions of the Corporate Governance Code of the Bucharest Stock Exchange ('BVB'), the edition of 11 September 2015 Edition and with the provisions of Regulation no. 2/2016 on the application of the principles of corporate governance by the entities authorized, regulated and supervised by the Financial Supervisory Authority ('**Regulation no. 2/2016**').
- 1.2. The aims of this Policy are:
 - (i) to ensure the transparency of the remuneration process, based on fair reward and motivation for the members of the Board of Directors and the General Manager;
 - (ii) to permanently secure the services of some directors and directors, through an appropriate remuneration policy, compatible with the long-term strategy and interests of the Company;
 - (iii) to establish the appropriate mechanisms and systems for establishing and controlling the remuneration of the executive management;
 - (iv) to motivate and encourage, to improve work performance, both individually and collectively, to strengthen a culture based on objective evaluation of each person's contribution and to reward performance, to ensure coherence between remuneration and business strategy, policy risk, values and long-term objectives of the Company.
- 1.3. The fundamental principle underlying this Policy is to ensure the appropriate balance in terms of composition, experience, gender diversity, knowledge and independence of members to enable them to carry out their duties and responsibilities efficiently.
- 1.4. The Board analyzes and establishes the Company's remuneration policy so that it corresponds to the business strategy, objectives and long-term interests and includes measures to prevent conflicts of interest.
- 1.5. The Board ensures that all remuneration commitments are structured correctly and responsibly and that remuneration policies allow and promote effective risk management without leading to risk-taking that exceeds the Company's level of risk tolerance.
- 1.6. The remuneration policy is established on the basis of a substantiated analysis of the individual performance of the remunerated person, correlated with the collective performance, of a judicious distribution of the Company's expenses, where possible, as well as considering the avoidance of establishing incentives to encourage excessive risks.
- 1.7. The level of remuneration is established in close accordance with the responsibilities and commitments related to the duties.
- 1.8. By signing a mandate contract/management contract with the Company and by accepting the general terms and conditions contained therein, the persons thus concerned declare that they have been correctly and completely informed about this Policy and accept the application of this Policy and are agreement with its terms and conditions.
- 1.9. The company will publish on its website the Policy and will include in the annual report a statement regarding the implementation of the remuneration policy during the annual period that is the object of the analysis.
- 1.10. Any essential change in the remuneration policy will be published in due time on the Company's website.

2. DEFINITIONS

For the purposes of this Policy, the terms and expressions below have the following meanings:

- 2.1. **'Quantity Criteria'** – for the purposes of this policy, it is the predominantly numerical or financial data used to determine the remuneration of a relevant person (for example, setting new customer targets etc.);
- 2.2. **'Quality Criteria'** - in the sense of the present policy, it represents mainly other criteria than the quantitative ones. The term can also refer to numerical or financial data used to evaluate the quality of the performance of the data subject and/or the service provided by it to the client, for example the very small number of complaints over a long period of time, etc.;
- 2.3. **'Person concerned'** – means:
 - (i) a member of the administrative body of the Company; as well as
 - (ii) officers;
- 2.4. **'Yearly Report'** - means the report on the remuneration that must present the implementation of the remuneration policy for the persons identified in the remuneration policy and during the annual period that is the object of the analysis;
- 2.5. **'Remuneration'** – means all forms of payment or services granted directly or indirectly by the Company to the Persons concerned in connection with the development of their activities by them. The form of remuneration can be financial (such as cash, shares/social parts, salary increases, etc.) as well as non-financial (such as career advancement, health insurance, discounts or special allowances for car or mobile phone, statements of expenses, etc.);
- 2.6. **'Fix Remuneration'** - means the fixed element of the remuneration and reflects the professional experience, the requirements of the position, the performance, the increase of the capacities and aptitudes of the individual, provided in the job description of an employee, as part of the employment terms and highlighted by the evaluation system;
- 2.7. **'Variable Remuneration'** - it is optional and can be granted in cash or in the form of non-financial benefits. It can be short-term, such as the annual bonus granted to executives depending on the performance recorded during the year under review, or long-term. The long-term benefits may consist, for example, in the bonus part whose payment has been deferred for a later date. The benefits may depend on the value of some indicators calculated at a later date;
- 2.8. **'Executive Officer'** – means the person to whom the Board of Directors has delegated management responsibilities of the Company.

3. REMUNERATION POLICY OF NON-EXECUTIVE DIRECTORS

- 3.1. The non-executive directors of the Company carry out their activity based on the Management Contracts, with a duration of *-4 years* from the date of appointment, except for the cases in which the General Meeting of Shareholders decides otherwise.
- 3.2. The non-executive members of the Board of Directors have the right to a net monthly indemnity established by the General Meeting of Shareholders and represent the fixed Remuneration of the directors.
- 3.3. In order to assign the remuneration to the non-executive administrators, the Company has the right to demand from them the fulfillment of the qualitative and quantitative objectives and performance criteria, established by the Board of Directors.

4. POLICY AND CRITERIA FOR REMUNERATION OF EXECUTIVE DIRECTORS

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

4.2 Remuneration of the General Manager

- 4.2.1. The General Manager carries out his activity based on the Management Contract.
 - 4.2.2. The remuneration of the General Manager consists of a fixed component payable on the 12th of each calendar month and a variable component represented by quarterly and/or annual performance bonuses, if his Management Contract so provides.
 - 4.2.3. The main performance indicators and objectives that must be met and observed by the General Manager are approved by the Board of Directors of the Company.
- 4.3** In addition to the Remuneration and the bonus, the General Manager may receive from the Company a mobile phone and a car belonging to the Company.

4.4 Termination of the Management Contract

- 4.4.1. The management contract may be terminated at the request of the directors, by unilateral termination, with a written notice of 60 calendar days granted to the Company.
- 4.4.2. The directors may be revoked by the Board of Directors according to the provisions of Article 1431 para. (4) and of Article 15315 of Law no. 31/1990.

5. INDIVIDUAL PERFORMANCE EVALUATION CRITERIA

- 5.1** The evaluation of the professional performance aims at the objective appreciation of the activity of the Persons concerned, by comparing the degree of fulfillment of the objectives and evaluation criteria established for the respective period with the results obtained effectively by each Person concerned.
- 5.2** The company will take into account during the process of evaluation and remuneration of the individual performance, established performance evaluation criteria.
- 5.3** The evaluation of individual professional performances is performed for:
- (i) correct expression and sizing of objectives;
 - (ii) establishing the directions and modalities of professional improvement of the targeted Persons and of increasing their performances;
 - (iii) establishing remuneration.

6. THE CRITERIA FOR THE EVALUATION OF THE PERSONS CONCERNED ARE SET BY THE CHAIRMAN OF THE BOARD OF DIRECTORS / THE REMUNERATION COMMITTEE ('THE COMMITTEE')

- 6.1.** The Committee is a body subordinated to the Board, created to issue competent and independent opinions on remuneration policies and practices and to exercise the duties mandated by the Board of Directors on this segment of activity.
- 6.2.** The members and the chairman of the Committee shall be appointed by the Council. The committee will be composed of 3 non-executive directors, and most of them must be independent directors.
- 6.3.** The Committee analyzes and ensures that the general principles and remuneration policy correspond to the business strategy, objectives, values and long-term interests of the Company.
- 6.4.** The Remuneration Committee also meets whenever necessary, at the request of one of its members or the leaders of the Company. At the end of each meeting, a report will be concluded.
- 6.5.** The minutes of the meetings of the Committee shall be made available to all members of the Board of Directors through the Secretariat.
- 6.6.** The Committee shall periodically provide the Board of Directors with reports on its meetings and activities. The report must include at least a summary of the issues addressed and the measures taken by the Committee.

- 6.7.** The Committee shall draw up a report to be included or annexed to the annual report of the Company, which shall contain at least the following:
- (i) the names of all members of the Committee and the chairman of the Committee, the frequency of meetings of the Committee, the presence of its members (in person or in absentia);
 - (ii) a description of the roles and responsibilities of the Committee and the actions taken by the Committee to fulfill those responsibilities;
 - (iii) a description of the Company's remuneration policy and practices, as well as the Committee's duties and related activities during the year.
- 6.8.** The Committee will carry out an annual self-assessment of its performance and report its results to the Council.
- 6.9.** The Committee shall periodically review and assess the appropriateness of this Regulation and may recommend to the Council any amendments for its approval.
- 6.10.** The Committee has an advisory role and will provide assistance to the Board of Directors to increase the efficiency of the Board's activity in this matter.
- 6.11.** The main responsibilities of the Remuneration Committee are:
- (i) to make proposals for the attention of the Board of Directors regarding the remuneration of each executive officer, including bonuses, incentives and stock options;
 - (ii) to analyze and make proposals for the attention of the Board of Directors regarding the total annual package of the variable Remuneration within the Company;
 - (iii) to analyze and make proposals for the attention of the Board of Directors (and, through the Board of Directors, for the attention of the general meeting of shareholders, as the case may be) regarding the programs for granting stock options and / or shares;
 - (iv) proposing performance targets for granting cash remuneration that are granted based on such targets or proposing targets for granting shares or stock options;
 - (v) to periodically review the executive directors' remuneration and other remuneration items, including compensation payments and pension plans;
 - (vi) to make proposals for the attention of the Board of Directors regarding any policy related to remuneration;
 - (vii) review of the annual remuneration report.

7. THE ANNUAL REPORT

- 7.1.** The company will present in the Annual Report the effective remuneration of the members of the Board of Directors and of the executive directors during the year subject to review.
- 7.2.** The Annual report will also include:
- (i) a presentation of the evolution of the total remuneration of the executive officer and an explanation for any exceptional benefits;
 - (ii) the total remuneration granted to each executive officer during the year, broken down into the basic remuneration, benefits, bonus, shares or stock options and possible compensatory payments;
 - (iii) the shares and stock options granted to each executive officer in previous years and the periods for which they were granted, the exercise and expiration dates, the options price, as well as the number of rights exercised.

8. FINAL PROVISIONS

- 8.1.** The Company will ensure that the directors will comply with the obligation to report annually to the Audit Committee their main professional functions and activities, and, in this regard, the Audit Committee will verify and ensure that the Policy has been complied with.

- 8.2. The company will publish on its website the remuneration policy and any essential change in the remuneration policy must be published in due time on the website.
- 8.3. Remuneration may not be paid by means or methods that facilitate circumvention of the provisions of this Policy.
- 8.4. For the purpose of effective corporate governance, the Board reviews at least once a year the remuneration policy for directors and members of the executive management.

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This Policy will be updated, revised and periodically reviewed by the Company's Board of Directors.