

# REMUNERATION POLICY



**compa**  
*beyond expectations*

2021



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## **1 SCOPE**

COMPA S.A., headquartered in Sibiu, no. 8, Henri Coandă, Sibiu County, with unique registration code at the Trade Register Office RO 788767, serial number in the Trade Register J 32/ 129/1991, organized in the legal form of a joint stock company, having a unitary administration system, being publicly traded on the market of the Bucharest Stock Exchange, Standard Category, CMP symbol, in consideration of the applicable legal provisions, issues this Remuneration Policy, which highlights the principles and the remuneration framework applicable to the members of the Board of directors and the Company Directors..

## **2 APPLICATION DOMAIN**

This policy applies to the Company's directors (members of the Board of Directors and Directors.).

## **3 REFERENCE DOCUMENTATION**

- Law no. 31/1990 on companies
- Law 24/ 2017 on issuers of financial instruments and market operations
- Remuneration policy - implementation guide, developed by ARIR
- Articles of association of Compa S.A.

## **4 PRINCIPLES AND OBJECTIVES OF THE REMUNERATION POLICY**

The main objective of the Company in terms of remuneration is to respect the principle of equity, taking into account the business strategy, culture and values of the organization, the long-term interests of the company and shareholders. The general remuneration framework supports the Company in achieving the established business objectives.

The remuneration policy takes into account both the standards specific to the market in which the company operates and the best practices in the field, aiming to:

- Maintain competitiveness on the labor market
- Create the appropriate framework for attracting highly qualified staff
- Contribute to increasing the level of retention;
- Provide the necessary and flexible tools to remunerate management, including for exceptional situations and achievements.

## **5 REMUNERATION STRUCTURE**

The remuneration structure of the members of the Board of Directors and the Directors consists of two main elements:

- fixed remuneration and
- variable remuneration..

### **A. FIXED REMUNERATION**

The level of the fixed monthly remuneration of the members of the Board of Directors is approved by the General Meeting of Shareholders. The level of the fixed monthly remuneration of the Directors is approved by the Board of Directors provided in the mandate contract and is subject to annual indexation with the percentage established following the negotiation with the union. The maximum limits of the gross remuneration are at the level of 18 average salaries per economy.

**The benefits of the Directors** can be granted according to the mandate contracts taking into account facilities for the execution of the mandate (access to mobile communications, benefits in accordance with the provisions of the Collective Labor Agreement at the level of the Company, etc.)

### **B. VARIABLE REMUNERATION**

As a general rule, the Company does not grant managers a variable component of remuneration. Exceptionally, if the Company has repurchased shares under a buy back program for the purpose of distributing them to members of the Company's management, employees, for the purpose of their loyalty, as well as rewarding them for their work within the Company, according to performance criteria, which will be established by the Board of Directors, a variable component of remuneration may be granted.

In this exceptional case, the variable component may be granted to management and / or employees.

**There is a possibility and not an obligation for the company to pay the variable component of remuneration.**

The variable component of remuneration may consist in granting benefits in the form of shares through **Stock Option Plan** programs.

Share-based remuneration may be granted by the Company in strictly determined cases and in compliance with the applicable legal framework. The Board of Directors will establish the periods in which there is the right for the allotment of shares, the scheme of the allocation periods, the periods of unavailability after the allotment.



The long-term, action-based incentive (motivation) plan aims to provide attractive levels of remuneration for continuous high performance, as well as to serve as a retention measure.

## **6 MANAGEMENT CONTRACTS**

### **Duration of the contract.**

The duration of the management contracts, respectively of the mandate contracts is, as a rule, up to 4 years with the corresponding application of the provisions of the Articles of Association of the company.

Directors and Directors are eligible for re-election..

### **Notice periods.**

In the event that a member of the Board of Directors intends to resign, he will submit a notification to the Company. The notice period is 12 months.

If the Director intends to resign, he shall submit a written notification to the Management Board. The notice period is 120 calendar days for the General Manager and 30 days for the Economic Director..

### **Termination of contract.**

The term of office of the member of the Board of Directors / Directors ends for the reasons and under the conditions provided by the administration / mandate contract and / or under the conditions of the law.

In case of **revocation for reasons not imputable to the administrator**, the Company will pay him, as compensation, the monthly allowance due for the remaining months until the end of the term.

In case of **revocation for reasons not attributable to the Director**, he has the right to receive from the Company compensation for the unexecuted period of the mandate contract, regardless of the date of revocation, equal to the fixed monthly allowance in proportion to the remaining period of execution.

### **Conflict of interest**

If, in a certain operation, directly or indirectly, the manager has interests contrary to the interests of the Company, he is obliged to notify the other directors and auditors and not to take part in any deliberation regarding that operation; he has the same obligation if, in a certain operation, he knows that his wife, relatives or kinsmen up to the fourth rank inclusive are interested..



## **7 DEROGATIONS FROM THE REMUNERATION POLICY**

In exceptional circumstances, the Company may temporarily derogate from the remuneration policy, in which case the interested parties will be informed of the objective reasons for this derogation and the elements from which it may be derogated. These exceptional circumstances relate only to situations where the derogation from the remuneration policy is necessary to serve the long-term interests and sustainability of the Company as a whole or to ensure its viability.

## **8 REMUNERATION REPORT**

The company draws up a clear and easy-to-understand remuneration report, which provides a comprehensive overview of remuneration, including all benefits, regardless of form, granted or due during the last financial year, individually to managers, including new recruits, and former managers in accordance with the remuneration policy.

The remuneration report is submitted to the vote of the Ordinary General Meeting of Shareholders, once the financial statements have been approved, each year, the opinion of the shareholders following the vote having a consultative character.

The shareholders' feedback on the Remuneration Policy, taken either from the questions asked by them before the GMS or from the actual debates in the GMS, as noted in the minutes, will be taken into account when revising the Policy (even by including a report on the last vote on the remuneration policy of the GMS).

The remuneration report is available on the company's website for a period of 10 years..

## **9 FINAL PROVISIONS**

In the event of a revision, the Remuneration Policy will include a description and explanation of all significant changes and how they take into account the votes and views of shareholders on the remuneration policy