

**REMUNERATION POLICY OF THE MANAGEMENT STRUCTURE OF
AEROSTAR SA Bacau**

1. PURPOSE AND APPLICABLE LEGAL FRAMEWORK

1.1. Purpose

1.1.1. This remuneration policy establishes the principles that govern the administrators' and managers' remuneration in AEROSTAR S.A.

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

(a) To contribute to the successful implementation of the short-, medium- and long-term strategy of Aerostar S.A.;

(b) To ensure the shareholders' adequate involvement in establishing the remuneration policy and monitoring the implementation thereof;

(c) To contribute to promoting the mission and values of Aerostar S.A.;

(d) To prevent the cases of conflict of interests;

(e) To provide the necessary flexible tools to remunerate the managers in accordance with their responsibilities, competences and performance;

(f) To ensure compliance with the applicable legal requirements.

1.2. Applicable legal framework

This policy was prepared taking into account the following normative acts:

(a) Company Law 31/1990 regarding the companies, as amended and supplemented;

(b) Law 24/2017 on the issuers of financial instruments and market operations, as amended and supplemented.

2. DEFINITIONS

Throughout the specification the terms below will have the following meanings:

Administrators	Members of the Board of Directors of Aerostar S.A. who perform their activity under a management (mandate) agreement.
AGOA	Ordinary General Meeting of the Shareholders of Aerostar S.A.
ARS	AEROSTAR, a shareholding company, a Romanian legal person with the head office in Bacau, 9, Condorilor Street, Bacău County, Romania, unique registration number 950531, registration number in the Trade Register J/04/1137/1991, whose shares are accepted for transactions within the regulated market administered by the Bucharest Stock Exchange.
CA	Board of Directors of Aerostar S.A.
Advisory Boards	Boards organized within CA in compliance with the provisions of article 140 ² of Law 31/1990.
Special Boards	Special committees operating within Aerostar in compliance the own regulations.
Directors	Natural persons to whom the management of Aerostar S.A. was delegated by CA in accordance with the provisions of art. 143 of Law 31/1990 on the companies and who perform their activity under a mandate agreement. In

	case of Aerostar S.A., The General Director and the Financial Director are the only directors as referred to in the Law 31/1990.
Law 24/2017	Law 24/2017 on the issuers of financial instruments and market operations, as amended and supplemented.
Law 31/1990	Company Law 31/1990, as amended and supplemented

3. SCOPE

This remuneration policy applies to all Managers and Directors (General Director and Financial Director, respectively) of ARS, regardless of the date of appointment or the date of cessation of mandate.

4. DIRECTORS' AND MANAGERS' REMUNERATION

4.1. Managers' fixed remuneration

4.1.1. For the activity carried out within CA, each Manager is entitled to a fixed monthly remuneration whose net amount is approved by AGOA upon appointment and subsequently yearly, upon approving the income and expenditure budget.

4.1.2. The fixed monthly net remuneration approved by AGOA for the year 2021 is 4.750 lei for each member of the Board of Directors.

4.2. Directors' fixed remuneration

4.2.1. For the activity carried out by the General Director and Financial Director, the General Meeting of the Shareholders sets the maximum ceiling of the fixed monthly net remuneration.

4.2.2. The actual monthly net remuneration granted to each of the General Director and Financial Director will be established by the Board of Directors, observing the maximum ceiling approved by the General Meeting of the Shareholders.

4.2.3. The maximum ceiling approved by AGOA is up to 10 times the fixed monthly net remuneration of the members of the Board of Directors, as stated under section 4.1.2.

4.2.4. In case any of the company's managers is also a member of the Board of Directors, the remunerations provided under sections 4.1.1. and 4.2.1. add up.

4.3. Pension plans

Aerostar S.A. makes payments on behalf of the managers to the public pension system of the Romanian state, in accordance with the incidental legal provisions.

Except for the participation to the public pension system and implicitly, to the Pillar II of the pension system in Romania (i.e. privately managed pension funds), the Managers do not benefit from contributions to the voluntary pension schemes paid by Aerostar S.A.

The Company has no other supplementary pension-related obligations.

The Company is not engaged in any other post-retirement benefit system.

4.4. Professional liability insurance

Aerostar contracted on behalf of the Managers and Directors a professional civil insurance policy in the amount of 300,000 EUR (maximum amount of compensation).

4.5. Mandate contracts of Managers/Directors

4.5.1. Aerostar S.A. concludes mandate contracts (for administration and/or management) with the Company's managers and directors, prepared and approved in compliance with the applicable legal framework and the Constitutive Deed. The contracts are carried out during the mandate of the Board of Directors in office (4 years).

4.6.2. In case of appointing a Manager following the vacancy of a managing position, the newly elected Manager takes over the mandate for the remaining period of his predecessors' mandate, which cannot exceed the duration of the other Managers' mandate.

4.6.3. In accordance with the concluded mandate contracts, the Company's Managers and directors benefit for the execution of the established tasks, as applicable, from access to all the areas where the company performs its activity and unlimited briefing about the productions and economical-financial activity of the Company, using a fully furnished and equipped office, with a computer, a telephone, a fax machine, any other office supplies, stationery and such, a cellphone, a car with or without driver and the corresponding settling of the related costs, with the Company bearing the professional liability insurance and the life insurance for the delegations abroad, settling of the accommodation costs, the daily allowance, transportation and other expenses made with supporting documents for business travels in the country and abroad, settling of the protocol expenses.

4.6.4. The unilateral terminal of the mandate agreement by Aerostar or the Managers/Directors is carried out with a notice period of at least 30 days.

5. DECISION-MAKING PROCESS

Two corporate structures from Aerostar are involved in the preparation and approval of the Remuneration Policy, as follows:

5.1. CA

5.1.1. CA approves the Remuneration Policy draft or its modification, as applicable, that will be subject to the approval of the Aerostar S.A. shareholders.

5.1.2. CA is in charge with implementing the Remuneration Policy.

5.2. AGOA

5.2.1. The Remuneration Policy is subject to the vote of the Aerostar S.A. shareholders within AGOA.

5.2.2. The Remuneration Policy must be approved by the shareholders of Aerostar S.A. to take effect and, implicitly, to be implemented.

5.2.3. AGOA also established upon its appointment in office and then annually the Managers' and the Directors' Remuneration, as well as the general limits of the remunerations granted to the Managers.

6. REVIEWING THE REMUNERATION POLICY

6.1. Possible causes for review

This Remuneration Policy can be reviewed whenever a circumstance occurs that requires such a review from the standpoint of the corporate bodies of Aerostar (such as the appearance of a significant change of the financial performance and/or the general operations of Aerostar or the sector where Aerostar operates).

6.2. Reviewing process

The initiative to review the Remuneration Policy will belong to the Board of Directors. The reviewing draft will include a description and an explanation of the changes brought to the Remuneration Policy.

6.3. Mandatory reviewing

The Remuneration Policy will be voted by the Aerostar shareholders during AGOA at least once every 4 years.

6.4. Updating the Reviewing Policy

CA can update the Remuneration Policy without resorting to the decisional process described in section 5, i.e. the shareholders' approval, in the cases expressly provided in this Remuneration Policy (such as updating the amount of the remunerations approved annually by AGOA for Managers and Directors). The updating of the Remuneration Policy does not represent a reviewing of the Remuneration Policy.

7. PUBLISHING THE REMUNERATION POLICY

After being approved during AGOA, the Remuneration Policy will be published on the website of Aerostar S.A. (www.aerostar.ro) and will be available to the general public throughout the applicability of the Remuneration Policy.

President of the Board of Directors,

Eng.

Grigore FILIP