



Nomination and Evaluation Policy for the Management Structure of AEROSTAR S.A.

The Nomination and Evaluation Policy for the persons within the management structure of Aerostar S.A. takes into account the compliance with the applicable provisions of Law no. 24/2017, republished, with subsequent amendments and additions.

The management structure of Aerostar S.A. consists of the Board of Directors and the Executive Management.

The Board of Directors has the following main responsibilities:

- a) elaborates the company's development strategies and policies;
- b) establishes the main directions of activity and development of the company;
- c) sets the accounting and financial control system and approves the financial planning;
- d) appoints and dismisses the Chief Executive Officer and the Financial Director and determines their remuneration;
- e) supervises the activity of the directors;
- f) organizes the General Meeting of Shareholders and implements its resolutions;
- g) files the request to open the company's insolvency procedure, in accordance with the applicable legal provisions;
- h) approves the contracting of loans, including external loans, establishes the competences and levels for contracting current bank loans, commercial credits and guarantees, except for long-term credit agreements which the General Meeting of Shareholders has the authority to approve;
- i) approves any financial credit granted by the company;
- j) approves additional remuneration for the members of the Board of Directors;
- k) annually submits to the General Meeting of Shareholders the report on the Company's activity, the balance sheet and the profit and loss account for the previous year, as well as the draft activity program and the draft budget for the current year;

In addition to the main responsibilities, the Board of Directors shall also have the following duties:

- l) prioritizing the execution of orders necessary for national defence in times of peace and war;
- m) fulfilling the tasks assigned under the "National Economy Mobilization Plan";
- n) maintaining the manufacturing profile for special production capacities;
- o) ensuring the operation and maintenance of the equipment on the special capacities included in the "General Inventory of the Assets in the Defence Production Sector";
- p) keeping confidentiality regarding the production, assimilation, domestic and export deliveries of special products, as well as the technical and process documentation for military products, in accordance with the Romanian legislation on the protection of classified information.



The Board of Directors may also adopt resolutions regarding:

- changing the Company's object of activity, except for the field and the main activity, which remain under the authority of the Extraordinary General Meeting of Shareholders;
- establishing or closing down secondary offices: branches, agencies, representative offices, or other similar units without legal personality.

The activity of the Board of Directors is coordinated by the President of the Board of Directors, who is elected from among the members of the Board.

The Executive Management of the Company is ensured by the Chief Executive Officer and the Financial Director.

The Chief Executive Officer manages the Company and has the legal authority to represent the company in legal relations with third parties (the state, central and local public authorities, public institutions and institutions of public interest, legal entities under public or private law, natural persons, as well as any other interested entities, whether Romanian or foreign), within the limits of the powers granted by the applicable legislation, the Board of Directors, and/or the General Meeting of Shareholders.

The Chief Executive Officer has the authority to sign on behalf of the Company for legal acts and operations through which the Company acquires rights and/or assumes obligations, for the purpose of serving the Company's corporate interest.

The Chief Executive Officer may, by decision, delegate, where appropriate and necessary to serve the corporate interest, the legal representation and/or signing authority.

The Chief Executive Officer has the following primary responsibilities:

- concludes legal acts in the name and on behalf of the company, in the exercise of management and representation duties;
- implements the decisions of the Board of Directors regarding the establishment of the main directions of the company's activity and development;
- approves operations involving the purchase and sale of goods;
- approves the conclusion and termination of commercial contracts;
- approves the organizational structure of the company and the number of positions, as well as the regulations for the establishment of functional and production compartments;
- selects, hires, promotes, and dismisses the company's employees;
- determines the duties and responsibilities of the company's employees;
- appoints, suspends, and dismisses the heads of divisions, directorates, services, and compartments provided for in the organizational structure;
- approves the company's rules of organization and functioning and the internal regulations;
- resolves any other issue assigned to him by the General Meeting of Shareholders and/or the Board of Directors.

The Financial Director leads, organizes, and manages the Company's financial-accounting activities. The Financial Director serves as the legal deputy of the Chief Executive Officer whenever the latter is unable to perform the duties of the position.

The Financial Director has, mainly, the following responsibilities:

- develops the company's strategy and policy in the financial-accounting and IT fields;





- implements the accounting system, financial control, and financial planning established by the Board of Directors;
- plans, coordinates, and ensures the preparation of all financial statements in accordance with applicable legislation;
- organizes the internal financial control at the company level;
- organizes the inventory of the company's assets and the periodic revaluation of assets in accordance with the applicable legislation;

The following responsibilities shall be carried out by the Chief Executive Officer and the Financial Director jointly or separately, pursuant to the powers granted by the Board of Directors:

- a) approve cash collection and payment operations;
- b) approve the conclusion of lease agreements, whether as lessor or lessee;
- c) establish the company's annual business plan and annual investment plan in line with the revenue and expenditure budget approved by the General Meeting of Shareholders;

The Board of Directors is elected by the Ordinary General Meeting of Aerostar Shareholders for a period of 4 years, with the possibility of re-election.

The President of the Board of Directors, the Chief Executive Officer, and the Financial Director are elected by the Board of Directors.

This policy establishes the procedure for the evaluation and nomination of persons proposed to hold positions within the Board of Directors and the Executive Management, in order to provide relevant information necessary for decision-making regarding the election of Board members by the General Meeting of Shareholders, and the appointment of Executive Management members by the Board of Directors.

Although the General Meeting of Shareholders is sovereign in electing the members of the Board of Directors, this policy establishes the essential role of the Nomination and Remuneration Committee and/or the Board of Directors in evaluating and recommending to the General Meeting of Shareholders the candidates registered/proposed to obtain a position in the Board of Directors. Recommendations and evaluations of candidates for the position of Board member shall be made to ensure gender equality and to foster an inclusive environment, integrating fair practices into the decision-making process. The selection and evaluation of candidates are based on merit and balance, taking into account a clearly defined candidate profile, qualifications, competencies, and required skills.

In the process of selecting candidates to be recommended by the Nomination and Remuneration Committee/Board of Directors for election by the General Meeting of Shareholders, as well as in cases where shareholders wish to propose candidates, the objectives set out in Article 109³(1) of Law no. 24/2017 shall be brought to their attention:

- at least 40% of Non-Executive Director positions should be held by members of the underrepresented sex;



- at least 33% of all director positions (including executive and non-executive directors) should be held by members of the underrepresented sex.

The responsibility for carrying out the activities under this policy lies with the Nomination and Remuneration Committee or, if such committee does not exist, with the Board of Directors, as follows:

1. The Nomination and Remuneration Committee shall periodically assess the suitability of the members of the management structure (both individually and collectively) and shall prepare a corresponding report, which it shall present to the management structure, outlining the results of the suitability assessment based on the following criteria:
 - a. time dedicated/sufficient time allocated to exercise the relevant position;
 - b. compliance of management structure members with the provisions limiting the number of management positions under the applicable legislation;
 - c. adequate knowledge, competence, and experience for exercising the position;
 - d. reputation, honesty, and integrity;
 - e. independent thinking.
2. The collective suitability of the members of the management structure shall be assessed separately for the members of the Board and for the Executive Management.

The members of the management structure must collectively possess:

- a. the competencies required to make appropriate decisions in accordance with the business plan/business model, risk appetite, strategy, and the markets in which the company operates;
- b. all the knowledge and skills necessary for the company's operations, including a sufficient number of members with expertise in each relevant field, to support well-founded opinions in the decision-making process.

The members of the Board collectively possess the ability to monitor and, where appropriate, validate or challenge the decisions of the Executive Management.

The composition of the management structure must reflect the knowledge, skills, and experience necessary to fulfil the responsibilities, including an adequate understanding of the areas of interest for collective responsibility and an overview of the company in order to effectively manage and supervise its activities, taking into account the following aspects:

- a. the field of activity, the activities carried out, the business strategy, and the main risks associated with them;
- b. financial analysis, capital adequacy requirements, and reporting obligations specific to the company's activity;
- c. the governance system, including managerial competencies and key positions relating to risk management, compliance, and internal audit;
- d. data and information system security;
- e. group governance and the management of risks related to the group structure;
- f. the legal framework applicable to the regulated entity.

When collectively assessing the members of the management structure, consideration shall be given to the individual assessment results of each member, as well as to the suitability of the entire collective. Weaknesses identified in the overall composition of the management structure do not necessarily lead to the conclusion that a specific member is individually unsuitable.





3. In the process of individual assessing of a member of the management structure, the Nomination and Remuneration Committee / Board of Directors shall:

- a. review information regarding suitability through various methods, channels, and tools, including, but not limited to, diplomas and certificates, letters of recommendation, curricula vitae, interviews, questionnaires, etc.;
- b. review information concerning reputation, integrity, honesty, and independent thinking;
- c. request the evaluated person to provide evidence supporting the accuracy of the information submitted, if necessary;
- d. request the evaluated person to disclose any actual or potential conflicts of interest;
- e. validate, to the extent possible, the accuracy of the information provided by the assessed person;
- f. determine the results of the assessment within the Board or, where appropriate, within the Nomination and Remuneration Committee.

In the case of identifying a situation that raises concerns regarding the eligibility of a member, it shall be assessed whether the situation impacts the suitability of the assessed person and, if necessary, appropriate corrective measures shall be established to ensure the individual suitability of members of the management structure.

4. Continuous monitoring of the individual or collective suitability of the members of the management structure aims primarily to determine whether a member or the entire management structure remains suitable, taking into account individual or collective performance, as well as the situation or event triggering the need for reassessment, and the impact such a situation may have on meeting suitability requirements.

The process of individual or collective reassessment of the members of the management structure shall consider, without being limited to, the following aspects:

- a. the efficiency of the management structure, including the work process, information flow, and reporting lines to the management structure, taking into account reports and recommendations provided by compliance and internal audit representatives;
- b. the effective and prudent management of the entity, including the good faith of the management structure in carrying out activities in the company's interest;
- c. the management structure's ability to focus on matters of strategic importance;
- d. the frequency of meetings, time dedicated, and the level of participation and engagement of members during meetings;
- e. any changes in the composition of the management structure and any deficiencies regarding individual and collective suitability, taking into account the business model, risk strategy, and changes thereto;
- f. performance objectives set for the regulated entity and for the management structure;
- g. independent thinking of the members of the management structure, adherence to the principle of independence, and compliance with the policy on conflicts of interest;
- h. the extent to which the management structure's composition has met diversity objectives;



AEROSTAR S.A.

GRUP INDUSTRIAL AERONAUTIC-BACAU-ROMANIA

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- i. any events that may have a significant impact on the individual or collective suitability of the management structure, including changes to the business model, strategies, or organizational structure.

Aerostar S.A. shall reassess the management structure at least once a year during Board of Directors meetings.

The conditions that must be met by the members of the Board of Directors and the Executive Management are as follows:

- a. to hold a bachelor's degree and a diploma issued by a higher education institution in the technical, economic, or legal field;
- b. to meet the general conditions laid down in Company Law No. 31/1990, as subsequently amended;
- c. to have completed postgraduate studies in the technical, economic, or legal field;
- d. to possess technical knowledge, competence, and practical and professional experience relevant and appropriate to the complexity and responsibilities of the management activities within Aerostar S.A.

In assessing the members/candidates for the Board of Directors and the Executive Management, the following aspects shall be taken into account:

1. Assessment of the knowledge, competence, and experience sufficient for performing the role:
 - a. the theoretical knowledge and the competences acquired on its basis, as well as practical and professional training;
 - b. the practical and professional experience gained in previously held positions;
 - c. the knowledge and competences acquired and demonstrated through professional conduct as a member of a management structure or through exercising other positions, as applicable.

When assessing the practical and professional experience obtained from previous positions held by members of the management structure, the following aspects shall primarily be considered:

- a. the nature of the managerial position held and its hierarchical level;
- b. the duration for which the position was held;
- c. the nature and complexity of the activities, including information on the organizational structure of the entity in which the person previously worked;
- d. the scope of competences, decision-making competences, and the person's responsibilities;
- e. the technical knowledge acquired in previous positions;
- f. the number of persons under their supervision.



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2. In assessing the requirement of good reputation, honesty, and integrity, the following shall be taken into account:

- whether there are no objective and demonstrable reasons indicating otherwise;
- whether there is information, including but not limited to the following, regarding the existence of any of the following situations:
 - conviction or criminal prosecution *in personam* in cases relating to:
 - offenses under financial-banking legislation, offenses under legislation on money laundering and terrorist financing, or offenses related to corruption;
 - offenses against property or other offenses specific to the economic/financial sector;
 - offenses under tax legislation;
 - other offenses under company law, bankruptcy, insolvency legislation, as well as legislation on consumer protection.
 - previous or ongoing measures and sanctions taken by any regulatory authority or professional body for non-compliance with any relevant provisions governing financial-banking activities;
 - aspects relating to professional performance, as well as the financial soundness of the member of the management structure, taking into account the following:
 - entries in the fiscal record certificate;
 - the financial results of entities owned or managed by the member, or in which the assessed member has or has had a significant ownership interest or influence; particular attention shall be paid to financial restructuring, bankruptcy, liquidation procedures, and whether and how the member contributed to the situation leading to such procedures;
 - declaration of personal bankruptcy.
 - the assessed person has been in any of the following situations:
 - failed to demonstrate transparency, openness, and cooperation in its relationship with regulatory authorities;
 - was a member of the management structure of an entity that was subject to a refusal of approval decision, due to reasons attributable to the assessed person, or to a sanction decision issued by a regulatory authority, or whose registration or authorization was withdrawn by a regulatory authority;
 - was denied, revoked, or prohibited from carrying out activities requiring registration or authorization by a regulatory authority;
 - was a member of the management structure of an entity that entered into insolvency or involuntary liquidation during the period in which they had contractual relations with that entity, or within one year after the termination of such contractual relations;
 - was fined, suspended, or sanctioned for fraud or embezzlement in connection with the provision of financial services or data;
 - was dismissed or removed from office, for reasons attributable to them, in accordance with applicable law, from a director position, a management position, or any other relevant position.



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3. Assessment of compliance with the *governance* requirement, which refers to:

- a. the existence of a potential conflict of interest¹;
- b. the ability to effectively carry out activities and allocate sufficient time for performing them;
- c. the person's capacity to fulfil their duties independently, as well as relevant aspects resulting from the analysis of obtained information concerning:
 - I. activities carried out in previous and current positions, exercised within Aerostar S.A. or within other entities;
 - II. personal, professional, or other economic relationships with members of the management structure within Aerostar S.A. or within other entities of the group.
 - III. personal, professional, or other economic relationships with shareholders who exercise control over Aerostar S.A.
- d. compliance with other specific suitability requirements for members of the management structure, as provided in internal rules/statutory documents;
- e. restrictions and incompatibilities between the assessed position and positions held within Aerostar S.A. or within other entities, as defined in sector-specific legislation.

In addition to the above, Executive Management is required to have specific knowledge: in the case of the Chief Executive Officer, of the aeronautics and defence industry; and in the case of the Financial Director, of International Accounting Standards.

Approved at the Board of Directors meeting on 6 November 2025

¹ **conflict of interest** - a situation or circumstance that may arise in the operational or decision-making process, in which the personal interest, direct or indirect, of the assessed persons within the regulated entity conflicts with the interest of the entity, thereby affecting or potentially affecting the independence and impartiality of decision-making, professional judgment, or the timely and objective fulfilment of duties related to their responsibilities, or which by its nature could affect the integrity or stability of the entity or the financial market.