



## **Internal Regulations of the Board of Directors of AEROSTAR S.A.**

### **1. GENERAL PROVISIONS**

- 1.1. AEROSTAR S.A. applies a unitary management system.
- 1.2. The Company is managed by a Board of Directors consisting of 5–7 natural or legal persons, Romanian or foreign, elected by the General Meeting of Shareholders for a four-year term, with the possibility of re-election. Their number shall always be odd.  
The persons elected as Directors must expressly accept the position by signing an undertaking to conclude an administration contract with the Company.  
In the event that one or more Director positions become vacant, the Board of Directors shall appoint temporary Directors until the next Ordinary General Meeting of Shareholders.  
A new Director shall be elected at the Ordinary General Meeting to fill the vacant position for a term not exceeding the remaining period of the predecessor's mandate.  
At the first meeting of the newly elected Board of Directors, a President shall be appointed from among its members.
- 1.3. The Company's Board of Directors is organized and operates in accordance with the provisions of Law No. 31/1990 on commercial companies, republished with subsequent amendments and additions, the provisions of the Constitutive Deed of the Company, and the resolutions of the General Meeting of Shareholders.
- 1.4. The Board of Directors has powers and competences regarding the supervision, coordination, and administration of the Company's activities in accordance with the provisions of the Constitutive Deed, applicable legislation, and the resolutions of the General Meeting of Shareholders. Subject to the restrictions set out in the Constitutive Deed and those imposed by law, the Board of Directors may exercise all competences that may be exercised by the Company.
- 1.5. The Board of Directors must ensure that it is adequately informed in order to perform its duties.
- 1.6. Unless otherwise decided by the Board of Directors or unless the regulations in force require their disclosure, the members of the Board of Directors must strictly maintain the confidentiality of the proceedings, debates, and decisions taken.
- 1.7. The members of the Board of Directors have a responsibility to act in full knowledge of the facts, in good faith, with due diligence and care, and in the interests of the Company, its shareholders, and



taking into account the interests of other stakeholders, in accordance with the applicable legal requirements.

- 1.8. The President of the Board of Directors may also be the Chief Executive Officer of the Company. The President coordinates the activities of the Board of Directors and reports on them to the General Meeting of Shareholders. He ensures the proper functioning of the Company's bodies.
- 1.9. The executive management is carried out by the Chief Executive Officer and the Financial Director.
- 1.10. The Board of Directors:
- ✓ appoints and dismisses the Chief Executive Officer and the Financial Director, to whom executive management responsibilities have been delegated (referred to as “executive management”), and ensures succession planning for these positions;
  - ✓ oversees the performance of the executive management, the role of the executive management in addressing material risks and opportunities related to sustainability, and aligns the executive management remuneration with the Company’s long-term interests and sustainability, in accordance with the provisions of the Company’s remuneration policy;
  - ✓ ensures the existence of a robust framework for internal control and risk management;
  - ✓ ensures that the Company has procedures in place to enable effective communication with the shareholders and other stakeholders.
- 1.11. The Board of Directors oversees the development of the Company’s strategy and approves it, while ensuring that it also incorporates sustainability aspects, including social and environmental (E&S) considerations, as well as climate-related risks and opportunities.
- 1.12. The Board of Directors may establish advisory committees composed of at least two Board members, tasked with conducting investigations and providing recommendations to the Board in areas such as auditing, remuneration of Directors, managers, and personnel, or nominating candidates for various management positions.
- These committees shall submit regular reports on their activities to the Board of Directors.
- The organisation and operation of the advisory committees shall comply with the applicable legal provisions.
- In accordance with Article 65 of Law No. 162/2017, the General Meeting of Shareholders has appointed an independent audit committee consisting of two members. This committee shall operate under its own regulations approved by the Board of Directors of AEROSTAR S.A.
- 1.13. The roles and responsibilities of the Board committees must be defined in separate internal regulations (operating rules) and published on the Company’s website. If the Company opts not to establish any Board committees that are not legally required, the corresponding duties and responsibilities shall be performed by the Board as specified in its internal regulations.



## 2. BOARD MEETINGS

- 2.1. The Board of Directors shall meet at the Company's head office whenever necessary, but at least once every three months, with a minimum of six meetings per year.

The meetings of the Board of Directors are convened and presided over by the President of the Board of Directors or by another member of the Board appointed by him.

The President appoints a secretary who shall attend the Board meetings and prepare the minutes. All decisions taken shall be recorded in a register by the designated secretary.

For the decisions to be valid, at least half of the members of the Board must be present. All decisions shall be adopted by a majority of the members present.

- 2.2. The President of the Board is primarily responsible for ensuring the proper functioning of the Board of Directors.

The President shall, at a minimum:

- ✓ set the agenda for Board meetings, preside over the meetings, and ensure that minutes are properly taken at each meeting;
- ✓ ensure that the Board receives accurate, timely, relevant, and concise information to enable sound decision-making;
- ✓ ensure that the Board has sufficient time for consultation and decision-making;
- ✓ enable the proper functioning of committees and effective communication with them, including the provision of timely and relevant reports from the committees to the full Board;
- ✓ ensure that the Board's performance is evaluated and discussed at least once a year and that the results are appropriately disseminated;
- ✓ ensure that the Board maintains an effective working relationship with the executive management. The Chief Executive Officer and the President of the Board, if these positions are held by different individuals, shall meet regularly;
- ✓ address and manage internal disputes and conflicts of interest among Board members.

- 2.3. The Board shall appoint a Secretary General to assist the Board in fulfilling its obligations under the law, the Board's internal regulations, and other policies. The Secretary General shall be a senior expert within the Company, responsible for assisting the Board and its committees in organizing their activities, preparing meetings, conducting annual performance evaluations of the Board and committees, and providing training programs for Board members, if necessary.

The rights, responsibilities, scope of authority, and other aspects related to the Secretary General shall be clearly defined by the Board of Directors.

- 2.4. The Board and its committees shall develop and approve an annual internal work plan, identifying the topics to be addressed during the year, to be prepared before the end of the previous year. The plan shall take into account the resolutions to be proposed to the General Meeting of Shareholders, the reporting from the executive management and internal control functions, the required frequency of Board and committee meetings, and it shall be reviewed by the President with the support of the Secretary General.



- 2.5. Liability for acts committed by the members of the Board of Directors in relation to their omissions shall not extend to members who:
- did not attend the meeting at which the decision was taken and, within one month of becoming aware of it, recorded their objection in writing in the Board of Directors' resolution register;
  - participated in the debates but recorded their objection in the Board of Directors' resolution register;
  - did not take part in the deliberation of issues in which they, their spouse, relatives, or in-laws up to and including the fourth degree have interests contrary to those of the Company, and informed the other members of the Board of Directors accordingly.
- 2.6. Notices of meetings shall include the proposed agenda, venue, date, and time of the meeting, as well as any additional documentation that the President of the Board deems necessary.  
Regular meetings of the Board may be held at any time without notice if all directors are present, or if those who are not present expressly waive their right to a notice of meeting in writing.
- 2.7. When necessary, or at the written request of more than one-third of the Directors, the President of the Board may convene special meetings of the Board by sending a written notice to each Director. The notice shall state the purpose of the meeting and it shall include the proposed agenda, venue, date, and time, as well as any additional documentation that the President or the Directors requesting the meeting deem necessary.  
The notice shall be sent to each Director in writing, by email, or by other means of communication permitted by law, as the case may be, prior to the proposed date of the meeting, by the Secretary of the Board.  
Special meetings of the Board may be held at any time without notice if all Directors are present, or if those not present expressly waive their right to be convened at the meeting of the Board.
- 2.8. A Director participating in a meeting by telephone or video conference shall be considered present for the purposes of reaching the quorum and voting conditions established only if, within a maximum of 3 working days from the meeting, he/she sends the Secretary of the Board of Directors by email or submits directly his/her explicit vote for each item on the agenda.
- 2.9. At the meetings of the Board of Directors, the Top Management may present written reports on the operations carried out and, where applicable, the Register of Top Management meetings and deliberations. The Company's specialized directorates and departments may present reports, briefings, or presentations.  
The materials for the meetings of the Board of Directors shall be made available to the Secretary of the Board, who prepares the documentation and distributes it to the Directors. The Secretary of the Board shall also provide secretarial services to the Top Management.  
The Company's Directors and other invited persons may attend the meetings of the Board of Directors without voting rights.



- 2.10. Minutes shall be drawn up in Romanian for each meeting and shall include the Directors present, the agenda, the resolutions adopted, the number of votes cast, and any dissenting opinions. The minutes shall be drafted by the Secretary of the Board and signed by the President and the Vice-President of the Board, or, if either of them is absent, by another Director present at the meeting.
- 2.11. The resolutions of the Board of Directors are binding on all Directors of the Company, even those who did not attend the meetings, unless they object in writing within one month of the date on which they became aware of the adoption of those resolutions. To be valid, the objections must be recorded in the Register of Meetings and Deliberations of the Board and brought to the attention of the financial auditor in writing.
- 2.12. The minutes are entered in the Board of Directors' Register in chronological order of the Board's meetings. The Register is numbered, signed with a paraph, and stamped by the legal office, which will certify on the back of the last page, by the signature of a representative, the number of pages in the Register. Minutes are numbered in chronological order for each calendar year. The Secretary of the Board is responsible for the correct preparation and updating of the Board of Directors' Register.
- 2.13. The corporate governance statement shall contain a report prepared by the Secretary of the Board and signed by the President of the Board, which shall include information on the number of meetings of the Board and committees during the last year, the attendance of Directors (in person and in absentia), and a report by the Board and committees on their activities.

### 3. MANAGEMENT OF CONFLICTS OF INTEREST

- 3.1. The Members of the Board of Directors must notify the Board of Directors of any conflict of interest that has arisen or may arise and shall refrain from participating in discussions (including by not attending, unless such absence would prevent the quorum from being reached) and from voting on the adoption of any resolution concerning the matter giving rise to the respective conflict of interest.
- 3.2. The term “*conflict of interest*” means, in addition to the cases expressly provided for in Law 31/1990 (Articles 144<sup>3</sup>, 144<sup>4</sup>, 150), any situation relating to the personal assets or interests of a member of the Board of Directors or his/her spouse, relatives, or in-laws up to and including the fourth degree, which is directly or incidentally connected with the object of activity of AEROSTAR S.A. and/or its assets.





- 3.3. The majority of the members of the Board of Directors are non-executive Directors. The Corporate Governance Code promoted by the Bucharest Stock Exchange recommends the appointment of an independent Director, closely linked to the establishment of advisory committees.
- 3.4. Each member of the Board of Directors, at the time of nomination for election and subsequently on an annual basis, as well as whenever any change in their status occurs, must submit a declaration using the form in Annex 1 to these Regulations.
- 3.5. Annually, the President of the Board of Directors shall assess, based on the declarations submitted by the Directors, their compliance with regard to Conflicts of Interest and shall present to the Board of Directors the key measures and changes resulting therefrom.
- 3.6. The declaration referred to in point 3.4 also covers the compliance with the provisions of the AEROSTAR S.A. Code of Conduct and Ethics.
- 3.7. The Nomination and Remuneration Committee of the Board of Directors or the President of the Board shall assess whether the Directors may be considered independent based on the factors taken into account, examining whether there are business or other personal relationships that could significantly affect the independence and objectivity of a Director and their ability to act in the interests of the Company, its shareholders, and stakeholders.

#### **4. RISK MANAGEMENT AND INTERNAL CONTROL**

- 4.1. Based on the provisions of the Corporate Governance Code, corroborated with the provisions of Law No. 162/2017, an independent Audit Committee has been appointed, consisting of two members elected by the General Meeting of Shareholders.
- 4.2. The duties of the Independent Audit Committee are those set out in its own Rules of Procedure approved by the Board of Directors, supplemented by the provisions of Law No. 162/2017 and EU Regulation No. 537/2014.

As part of its responsibilities, the Audit Committee shall carry out an annual assessment of the internal control system.

The assessment shall consider:

- the effectiveness and scope of the internal audit function;
- the adequacy of the risk management and internal control reports submitted to the Audit Committee of the Board of Directors;
- the promptness and effectiveness with which the executive management addresses any deficiencies or weaknesses identified through internal control;
- the submission of relevant reports for the attention of the Board of Directors.

The Audit Committee shall monitor the application of legal standards and generally accepted internal audit standards. It shall also receive and evaluate the reports of the internal audit team.



Whenever the BVB Corporate Governance Code refers to reports or analyses initiated by the Audit Committee, these must be followed by periodic (at least annual) or ad-hoc reports subsequently submitted to the Board of Directors.

- 4.3. The Company has established an Internal Audit function comprising members registered with the Chamber of Financial Auditors of Romania.

To ensure the fulfilment of its core functions, the Internal Audit department shall report functionally to the Board of Directors. For administrative purposes, and as part of the executive management's obligations to monitor and mitigate risks, it shall report directly to the Chief Executive Officer.

- 4.4. The annual Internal Audit Plan shall be approved by the Board of Directors.

It shall include at least the following:

- a. assessment of conflicts of interest related to transactions of the Company and its subsidiaries with related parties;
- b. assessment of the effectiveness of the internal control system and of the risk management system;
- c. confirmation that no shareholder may be granted preferential treatment over other shareholders in connection with transactions and agreements concluded by the Company with shareholders or their affiliates.

- 4.5. The Board of Directors shall adopt a policy ensuring that any transaction of the Company with any related parties, whose value is equal to or greater than 5% of the Company's net assets (according to the latest financial report), is approved by the Board of Directors following a mandatory opinion of the Audit Committee and is properly disclosed to the shareholders and potential investors, insofar as such transactions fall within the scope of reportable events.

## 5. FAIR COMPENSATION AND MOTIVATION

- 5.1. The remuneration (allowance) due for the current financial year to the non-executive members of the Board of Directors is decided by the General Meeting of Shareholders.

- 5.2. Additional remuneration for executive members of the Board of Directors is determined by the Board of Directors and may be up to ten times higher than the compensation of non-executive members of the Board of Directors.

- 5.3. The Board shall conduct an annual assessment of the composition, activity, and dynamics of the Board and its committees, individually and as a whole, which shall be coordinated by the Nomination and Remuneration Committee/the President of the Board of Directors.

The Nomination and Remuneration Committee/the President of the Board of Directors must share the results of the Board's assessment with the entire Board and determine further action, if necessary, including professional development and training plans for the Board to fill any gaps.



The Board of Directors shall require the implementation of orientation programs for newly appointed Board members or continuing education programs (as appropriate), provided by the Company's internal personnel. The implementation of orientation and continuing training programs for Board members (as decided by the Board) shall be supervised by the Nomination and Remuneration Committee/the President of the Board of Directors, with the support of the General Secretary.

Based on the results of the annual Board evaluation, the Nomination and Remuneration Committee together with the President of the Board of Directors shall develop professional development programs focused on areas where capacity building among Board members is needed.

- 5.4. Company personnel are hired and dismissed by the Chief Executive Officer in accordance with the labour legislation in force.

Personnel salaries shall be paid in accordance with the labour legislation in force, taking into account the level of professional training, the work actually performed, the importance and responsibility of the work performed, and the contribution to the Company's profits.

Salaries, payroll taxes, and social security contributions shall be paid in accordance with the legislation in force.

The rights and obligations of the Company's personnel are those established by the collective labour agreement, individual employment contracts, and internal regulations.

- 5.5. Members of the Board of Directors are civilly, criminally, or administratively liable, individually or jointly, as the case may be, to the Company for damages resulting from crimes or violations of the law, for violations of the Articles of Incorporation, or for errors in the management of the Company. In such situations, they may be dismissed by a decision of the General Meeting of Shareholders. Members of the Board of Directors shall take out professional liability insurance.

President of the Board of Directors,  
Eng.

Grigore FILIP

Approved at the Board of Directors meeting on 6 November, 2025





## **DECLARATION on Conflicts of Interest**

I, the undersigned, \_\_\_\_\_, residing in \_\_\_\_\_, identified by ID Card BI/CI series \_\_\_\_\_ number \_\_\_\_\_ and having the Personal Numeric Code CNP \_\_\_\_\_, member of/candidate for the Board of Directors of AEROSTAR SA Bacău, declare on my own responsibility the following:

1. *I am/am not* an independent member of the Board of Directors because:
  - a. *I am/am not* the Chief Executive Officer/Executive Director of the Company or of a company controlled by it, and *I have not* held such a position in the last five (5) years;
  - b. *I am/am not* an employee of the Company or of a company controlled by it, and *I have not* held such a position in the last five (5) years;
  - c. *I receive/do not receive*, and *I have received/have not received* additional remuneration or other benefits from the Company or a company controlled by it, other than those corresponding to the position of non-executive Director;
  - d. *I have/have not had* during the previous year a contractual relationship with a significant shareholder of the Company, a shareholder controlling more than 10% of the voting rights, or with a company controlled by such shareholder, and *I am/am not*, or *have been/have not been* an employee of such shareholder or the Company;
  - e. *I have/have not had* in the previous year a business or professional relationship with the Company or with a company controlled by it, either directly or as a client, partner, shareholder, member of the Board of Directors/Administrator, Chief Executive Officer/Executive Director, or employee of a company, if, due to its substantial nature, this relationship could affect my objectivity;
  - f. *I am/am not*, and *have been/have not been* in the last three years, the external or internal auditor, or a partner or employee of the current external financial auditor or internal auditor of the Company or of a company controlled by;
  - g. *I am/am not* the Chief Executive Officer/Executive Director of another company where another Chief Executive Officer/Executive Director of the company is a non-executive Director;
  - h. *I have/have not been* a non-executive Director of the Company for a period exceeding twelve years;
  - i. *I have/have not* family ties with any person in the situations referred to in points a. and d.



**AEROSTAR S.A.**

GRUP INDUSTRIAL AERONAUTIC-BACAU-ROMANIA

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2. I have other relatively permanent professional commitments and obligations, including executive and non-executive positions on the Boards of Directors of other companies and non-profit institutions, as follows:

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3. I have the following relationships with shareholders who directly or indirectly hold shares representing more than 5% of the total voting rights:

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4. Any other situations that could be considered conflicts of interest according to the law and/or ASF/BVB regulations:

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5. I have read the provisions of the Code of Conduct and Ethics of AEROSTAR S.A. and I undertake to comply with them in full.

Date \_\_\_\_\_

Signature \_\_\_\_\_



## Internal Annual Work Plan of the Board of Directors

	<b>Actions</b>	<b>Frequency</b>
<b>1</b>	Analysis of the annual financial statements for presentation to the General Meeting of Shareholders	Annually
<b>2</b>	Approval of the Board of Directors' Report for presentation to the General Meeting of Shareholders	Annually
<b>3</b>	Analysis of the draft Income and Expenditure Budget (BVC) for presentation to the General Meeting of Shareholders	Annually
<b>4</b>	Analysis and approval of quarterly financial statements and the Executive Management's report for publication	Quarterly (aligned with the Financial Communication Calendar)
<b>5</b>	Presentation of additional economic indicators related to the quarterly financial statements	Quarterly (aligned with the Financial Communication Calendar)
<b>6</b>	Presentation of the progress of investment activities	Quarterly (aligned with the Financial Communication Calendar)
<b>7</b>	Periodic analysis and review of the Company's strategy, at least annually	Annually
<b>8</b>	Analysis and approval of the Quality and Environment Program and of the corresponding Activity Report	Annually
<b>9</b>	Evaluation of the performance of the executive management and the effectiveness of cooperation with the Board, including information provided to the Board	Annually
<b>10</b>	Analysis of the Board's activity; result of the annual Board evaluation, including professional development and training plans for the Board	Annually
<b>11</b>	Analysis of the Audit Committee report	Annually
<b>12</b>	Analysis and approval of the Internal Audit Program	Annually
<b>13</b>	Analysis and approval of the Internal Audit reports and of the annual activity report	At Board meetings/Annually
<b>14</b>	Analysis of compliance of the Board members and employees with the Code of Conduct	Annually