

**REMUNERATION POLICY  
FOR ADMINISTRATORS AND EXECUTIVE DIRECTORS  
of TTS (TRANSPORT TRADE SERVICES) S.A.**

**TTS (TRANSPORT TRADE SERVICES) S.A.** (hereinafter referred to as “**TTS**”, “**Company**” or “**Firm**”) is organized in a unitary system, in accordance with the principles of good corporate governance, transparency and accountability to its shareholders and other categories of stakeholders, in order to support and lead business development and the efficient exchange of information relevant to companies.

The company is governed by a Board of Directors (hereinafter referred to as the “**Board of Directors**”) consisting of 5 directors (“**Directors**”) natural persons, appointed by decision of the Ordinary General Meeting of Shareholders (“**OGMS**”).

The Executive Directors (“**Executive Directors**”) are appointed by decision of the Board of Directors, and their attributions are established by the management contracts on the basis of which they carry out their activity within TTS, as well as on the basis of the Internal Regulation on the organization and functioning of TTS. applicable legal provisions

The company aims to attract and retain long-term management members with extensive experience, to contribute to its development. The company has always complied with the applicable legal provisions regarding the remuneration of the members of its statutory bodies in a strict manner, and the current policy is an expression of coherence with the changes in the legal framework.

In this context, the Remuneration Policy detailed below is a necessary tool for achieving the Company's strategic objectives and complies with the legal provisions in force.

The remuneration policy describes the main pillars of remuneration, as well as the financial and non-financial terms, conditions and benefits approved by the company's corporate bodies, in accordance with the relevant legal provisions and the BSE Corporate Governance Code.

## **1. POLICY SCOPE**

The purpose of this policy is to establish the principles and remuneration framework of Directors and Executive Directors (any reference in this policy to the notion of “executive directors” will be understood as referring to persons with powers delegated by the Board of Directors, according to art. 143 of the Companies Law No. 31/1990 (“**Law No. 31/1990**”) of TTS, to be applied during their activity, also regulating the manner of granting remuneration to them.

This supports the company's business strategy, as well as the long-term sustainability of the business and interests, by establishing principles and rules for the application of the remuneration of directors and executives, allowing the attraction and retention of professionals and the appropriate motivation of in order to meet the strategic objectives, translated into long-term and short-term performance objectives.

## **2. POLICY OBJECTIVES**

This remuneration policy aims to:

- establish clear remuneration thresholds and guidelines and maintain a well-defined relationship between performance and remuneration;
- establish clear and easy-to-understand rules;

- describe both the fixed component and the variable component;
- establish clear award criteria for the variable component.

### **3. POLICY PRINCIPLES**

According to best practice, the remuneration structure is defined separately for directors and executive directors.

#### **3.1. The principles regarding the remuneration structure for directors are:**

- Ensuring a level of remuneration related, on the one hand, to the level of the labor market, and, on the other hand, to the level of dedication, qualification and responsibility necessary for these positions;
- Ensuring a competitive, fair and non-discriminatory level of remuneration (regardless of gender, race, ethnicity, religion or sexual orientation) to attract and retain competent management staff;
- The level of remuneration should be sufficiently motivating, in a way that ensures the dedication of the directors to the interests of the company, but, at the same time, without representing an impediment to ensuring their independence.

#### **3.2. The principles regarding the remuneration structure for executives are as follows:**

- Ensuring the correlation of remuneration with the achievement of strategic objectives and the delivery of value to shareholders, a significant part of the remuneration package being related to the achievement of performance objectives (short-term and long-term);
- Ensuring a competitive, fair and non-discriminatory level of remuneration (regardless of gender, race, ethnicity, religion or sexual orientation) to attract and retain competent management staff.

### **4. FACTORS TAKEN INTO CALCULATION FOR DETERMINING THE LEVEL OF REMUNERATION**

#### **4.1. External factors**

The remuneration structure and remuneration thresholds are set taking into account the best practices and benchmarks used at national and international level:

- The remuneration system includes a fixed component and a variable component, based on performance, in accordance with market practices; in addition, it includes other non-financial benefits;
- The reference values were established on the basis of data on the remuneration of international companies of comparable size operating in the transport and logistics sector in Romania, but, at the same time, comparisons with data from other industries (eg: oil industry) and other EEA countries;
- Company-level remuneration packages are designed and customized to align and reflect the company's philosophy, corporate governance, ownership structure, level of autonomy, role and impact of the Board of Directors and Executive Directors.

## **4.2. Internal factors**

- The remuneration policy follows principles similar to those for employee remuneration and describes the various elements of fixed and variable remuneration, including other financial and non-financial benefits.
- In establishing these principles, internal equity is maintained, applying the principle of proportionality to the various categories of staff, the level of remuneration being established on the basis of the market median for all hierarchical levels.
- In the context in which a considerable part of the business is regulated, the remuneration policy induces certain particularities in determining the level of the gross monthly fixed remuneration and the structure of the remuneration package, as a whole.
- The remuneration policy establishes clear, complete and varied criteria for the granting of variable remuneration, these being established according to the strategy and business objectives of the Company.

## **5. POLICY DEVELOPMENT AND IMPLEMENTATION PROCESS**

The policy is developed by the Board of Directors, and is approved by the OGMS.

The policy is subject to a vote in the OGMS, on the occasion of each significant change and, in any case, at least once every 4 years. The Board of Directors, with the support of the Remuneration and Nomination Committee, will prepare the updated form of the Policy and submit it to the OGMS for approval.

### **5.1. The role of the Remuneration and Nomination Committee**

In accordance with the legislation and regulations in force, the Articles of Incorporation and the Regulations of the Board of Directors, the main responsibilities of the Remuneration and Nomination Committee include the following:

- (i) make recommendations to the Board of Directors on the Company's remuneration, incentive and compensation policy;
- (ii) make recommendations to the Board of Directors regarding the periodic review of the Policy; makes recommendations to the Management Board on the remuneration of the Director-General and the other Executive Directors, including on the main components of remuneration, annual performance indicators and long-term objectives, as well as on the evaluation methodology;
- (iii) monitors remuneration trends in areas of interest to the Company.

### **5.2. General considerations in the implementation process**

The Remuneration and Nomination Committee and the Board of Directors shall ensure that the process of approving, reviewing and implementing this Policy is one based on objective criteria, which ensures that conflicts of interest are avoided, in accordance with the provisions of applicable law, mandate contracts and with internal regulations. The existence of any agreement, understanding or family relationship between the directors of the company and another person who has contributed to their appointment as directors is not accepted.

The Directors and the Executive Directors act in good faith, in the interest of the Company, without promoting their own interests or those of any third party. In carrying out the tasks covered by this Policy, they shall not be influenced by the personal interests of the spouse or the interests of relatives to the fourth degree and shall refrain from any conflict of interest.

In the case of Executive Directors, the establishment of remuneration and performance indicators (annual and long-term) is a process based on objective criteria, determined by the specific activity of each of them, excluding any other intervention.

In determining the fixed remuneration, the positioning target was the median of the market, at the same time establishing that the value of the variable remuneration does not exceed 100% of the value of the fixed component of the total remuneration.

When establishing the performance indicators, as well as in the evaluation process, the specific activity of each Director / Executive Director is taken into account, in order to combat the conflict of interests, as well as any aspects that could cause financial or commercial damage or could influence the company's image and profitability, both in the short and long term.

Any possible conflict of interest will be declared in time and in writing to the Board of Directors. In case of breach of the obligation, it will act in accordance with the provisions of the applicable legislation and management contracts, as well as in accordance with the internal regulations. Compliance with the principles of conflict of interest is monitored through regular statements on potential conflicts of interest in which management may be involved.

Derogations from the provisions of this Policy are not allowed in the implementation process.

## **6. REMUNERATION POLICY APPLICABLE TO MEMBERS OF THE BOARD OF DIRECTORS**

### **6.1. The management contract of the Administrators**

The appointment and revocation of the members of the Board of Directors is made by the OGMS, which establishes both the level of remuneration and other rights and obligations provided in the management contract, according to the legal provisions.

### **6.2. Remuneration of Directors**

Remuneration of the members of the Board of Directors consists of a fixed gross monthly remuneration, equal for all members of the Board of Directors established by the OGMS. In case of untimely revocation, the members of the Board of Directors benefit from a compensation that will be detailed in the mandate contract

### **6.3. Benefits granted to Administrators**

- a. to cover the costs of issuing and holding a Directors & Officers liability insurance policy (D&O), covering damages caused by directors in the exercise of their functions within the Company, as well as direct damages caused by them in the exercise of their functions with implications direct in the subsidiaries in which the Company is the majority shareholder, having an insured value of 2,000,000 euros / person / event, respectively 2,000,000 euros for the entire insurance period. The company will bear and pay the cost of the premiums of this insurance;
- b. providing a package of medical services and / or medical insurance of the "Executive" type to a company reputed in the field of providing medical services;
- c. service car for the use of the Chairman of the Board of Directors.

#### **6.4. Conditions for termination of mandate**

The term of mandate of the Directors shall end in the following situations:

- a. on expiration;
- b. by revoking the mandate by the OGMS;
- c. by the death of the administrator;
- d. by renouncing the mandate, based on a written notification, sent to the Chairman of the Board of Directors, at the registered office of the Company;
- e. as a result of the impossibility of exercising the mandate for a period longer than 90 days;
- f. if the Director does not attend 2 (two) meetings of the Board during a financial year and does not authorize another Director to represent him in meetings;
- g. in case the Administrator does not participate in 5 (five) meetings of the Board during a financial year, regardless of whether or not he mandates another Administrator to represent him in meetings.

In the event of termination of the mandate contract by the termination of the administrator's mandate, he must give the Company prior notice, one month before the date on which the termination takes effect.

In the event of dismissal without just cause established by law, the Director may receive from the Company compensation representing the full amount he would have received for the duration of his term if he had not terminated his contract prematurely, but not more than the equivalent amount of two monthly remunerations of the respective Administrator ("Criminal Clause"). Payment of this compensation shall be made within 90 (ninety) days from the date of termination of the mandate contract. This compensation is the only compensation to which the Administrator is entitled in case of revocation without just cause established according to the law in force.

#### **6.5. Remuneration of the executive members of the Board of Directors**

The remuneration of the executive members of the Board of Directors consists of a cumulative fixed monthly remuneration, equal to the fixed gross remuneration as a member of the Board of Directors and the fixed remuneration as an executive, to which is added a variable remuneration.

The provisions of section 7 are applicable. For the avoidance of doubt, in the case of the executive members of the Board of Directors, the annual variable gross remuneration limit set out in section 7.4 shall apply to the amount of the cumulative monthly fixed remuneration.

### **7. REMUNERATION POLICY APPLICABLE TO EXECUTIVE DIRECTORS**

#### **7.1. Management contract**

The company concludes with the Executive Directors appointed by the Board of Directors management contracts based on the legal provisions. Management contracts are concluded for a period of 4 years.

The Company appoints from among the Executive Directors a General Manager, to whom it delegates the responsibility of coordinating the operational activities carried out by all the members of the Management Team.

The management contract stipulates the type and amount of remuneration and benefits granted to the Executive Directors and the conditions of termination / termination, in accordance with the attributions delegated through it and established in accordance with the limits provided in the following sections of this Policy.

## 7.2. Remuneration of Executive Directors

The components of executive remuneration are as follows:

- a. a fixed monthly remuneration - which aims to attract and retain specialists with the experience and skills necessary for good management of the company's activity, ensuring the implementation of the vision and strategy, contributing to the sustainability and financial and non-financial performance of the Company. The fixed remuneration will be calculated by reference to the average gross salary of the Company's employees;
- b. a variable annual remuneration, which aims to encourage performance and reward it in relation to the annual financial and non-financial objectives. It is attributed to the collective and individual contribution of executives to the achievement of the company's objectives, based on key performance indicators. The indicators are established in accordance with the Company's strategy and aligned with the interests of the shareholders and are approved annually by the Board of Directors, on the recommendation of the Remuneration and Nomination Committee;
- c. a compensation in case of untimely revocation, compensation that will be detailed in the management contract.

The key performance indicators (KPIs) taken into account when determining the annual variable remuneration are divided into two categories, as follows:

- financial performance indicators (turnover and return on equity) the fulfillment of which leads to the granting of [60%] of the total variable remuneration;
- non-financial (business) performance indicators correlated with the strategic objectives of the area of activity, monitor the performance and behavior of the executive director based on general management skills and personal capabilities, the fulfillment of which leads to the granting of [40%] of total remuneration variable.

The share allocated to these groups of indicators may differ depending on the role and responsibilities of each Executive Director. In sum, the weights allocated to each group of indicators represent 100%.

The amount of the annual variable remuneration is calculated following the evaluation by the Board of Directors of the degree of achievement of the KPIs, according to their evaluation methodology and granted pro-rata, in accordance with the period actually worked in that year. Thus, the result of the annual evaluation will be calculated as a weighted average between the degree of achievement of the financial performance indicators and the degree of achievement of the non-financial performance indicators.

In establishing variable remuneration, clear criteria are taken into account, developed on the basis of good practice, by which a business objective is defined as specific; measurable; accessible; realistic and reasonable in terms of time frame. The achievement of performance targets is regularly monitored by specific data measurement and visualization tools. Performance indicators are developed taking into account the strategic, tactical and operational context of the Company.

Taking into account the elements presented above, it can be concluded that variable remuneration is directly correlated with performance indicators, which in turn are set as follows:

- Performance indicators motivate both the achievement of sustainable financial results in the regulated context in which the Company operates (eg profitability) and a non-financial performance recognized by stakeholders (eg: increase in labor productivity, etc.);
- Specific short-term (annual) performance indicators are linked to projects and initiatives with an annual implementation deadline, which ensure the achievement of medium- and long-term strategic objectives (eg projects for digitization and modernization of IT&C infrastructure), being allocated each director according to his own contribution, based on the areas of responsibility managed by the mandate contract;
- The long-term performance indicators aim at achieving the Company's medium and long-term strategic objectives,

The amount of the total variable remuneration is calculated in such a way as to be directly related with the level of performance reached, established by the assumed performance indicators, as well as with the financial performance of the Company and with the overall results of the Company, there is also the possibility of non-payment of the variable component in case of unsatisfactory performance. Thus, in the situation when the minimum accepted level of achievement of a performance indicator is not reached, the Executive Director will not be entitled to the payment of the variable remuneration related to it. The value of variable remuneration (both annual and long-term) will be limited to a maximum of 100% of the total degree of achievement of the related performance indicators.

The specific conditions of the remuneration of the Executive Directors (whose limits are drawn by this Policy subject to the approval of the OGMS) are established by the Board of Directors, according to the provisions of Law no. 31/1990.

The variable remuneration is paid in the financial year in which it is approved and takes the form of bonuses and / or bonuses. The fixed remuneration is paid monthly..

### 7.3. General remuneration limits for Executive Directors

The limits of the remunerations of the Executive Directors will be approved by the OGMS and will be established according to the value of the reference Salary at the level of the Company.

The value of the Reference Salary is equal to the value of the average gross salary at the level of the Company registered in the last concluded fiscal year.

The value of the variable annual gross remuneration shall not exceed **12** times the value of the fixed gross monthly remuneration.

The amount of fixed and variable remuneration of the Executive Directors shall be established by decision of the Board of Directors.

The limits on the fixed gross monthly remuneration of the Executive Directors are as follows:

**General Manager:** **between 3 and 5** Reference salaries

**Chief Financial Officer:** **between 2 and 3** Reference Salaries

**Operations Manager:** **between 3 and 5** Reference Salaries

#### **7.4. Benefits granted to Executive Directors**

- The Executive Directors will benefit from a D&O type professional liability insurance policy, covering the damages caused by the Executive Directors in the exercise of the functions held within the Company, as well as the direct damages caused by them in the exercise of the functions held with direct implications in the subsidiaries. majority shareholder, having an insured value of 2,000,000 euros / person / event, respectively 2,000,000 euros for the entire insurance period. The company will bear and pay the cost of the premiums of this insurance;
- Package of medical services under the same conditions as for Administrators;
- Maternity leave paid for a maximum period of 6 months during the mandate contract;
- Maximum 30 working days of vacation per year.

#### **7.5. Conditions for termination of office**

The management contract may be terminated, including by termination, in the following situations and conditions:

- a. at the expiration of the mandate granted to the Executive Director;
- b. by revoking the mandate of the Executive Director;
- c. by the death of the administrator;
- d. by renouncing the mandate, based on a written notification, sent to the Chairman of the Board of Directors, at the registered office of the Company;
- e. the impossibility of exercising the mandate by the Executive Director for a period longer than 90 days.

In all situations of termination of the management contract, the Executive Director is entitled to the payment of the amounts due by the Company for the period prior to the termination of the mandate.

In the event of dismissal without just cause established by law, the Executive Director may receive from the Company compensation equal to the fixed component of remuneration corresponding to the remaining unexecuted term of office as a result of early termination of the management contract, but no longer more than the equivalent amount of 6 fixed components of the monthly remuneration of the respective Executive Director.

### **8. FINAL PROVISIONS**

After voting on this OGMS Policy, the Policy, together with the date and results of the vote, shall be published without delay on the Company's website and shall remain available to the public, free of charge, for at least as long as they are applicable.

The policy will be subject to approval within the OGMS on the occasion of each significant change and, in any case, at least once every 4 years, in accordance with the provisions of Law no. 24/2017 on issuers of financial instruments and market operations.

In the event of a revision of the Policy, a description and explanation of all significant changes and the manner in which it takes into account the votes and views of shareholders on the Policy will be included.

If the OGMS does not approve the proposed form of a new Policy, the Company shall pay the remuneration of the Directors and Executive Directors in accordance with the existing Approved Policy and submit a revised Policy for approval within the next OGMS.