

## **Remuneration Policy**

Farmaceutica REMEDIA S.A. registered at the Trade Register with no. J20 / 700/1991 and unique registration code 2115198, is organized as a joint stock company, with a unitary administration system.

The company's remuneration policy of Farmaceutica REMEDIA SA, describes, in accordance with the provisions of the Corporate Governance Code and the applicable labor legislation, the general framework and the basic principles for establishing the remuneration of the Board of Administrators and the General Manager for the activity carried out within the organization employees of Farmaceutica REMEDIA S.A.

I. Members of the Board of Administrators and Directors with a mandate contract

Remuneration Committee

In accordance with the Corporate Governance Code, the Remuneration Committee composed of members of the Board of Administrators is established.

The Remuneration Committee prepares an annual remuneration report, which presents the implementation of the remuneration policy during the annual period under review, as well as proposals on the remuneration planned for the following year.

The Remuneration Committee and the Board of Administrators will ensure that the limits established for remuneration are respected.

By applying the remuneration policy, Farmaceutica REMEDIA S.A. aims to motivate and retain the Board of Administrators and Directors with a high professional, moral and educational level - qualities that generate added value for the company to optimize work performance, individual and collective, strengthening the culture based on objective evaluation of each contribution and rewarding performance, ensuring coherence between remuneration and business strategy.

The remuneration policy is in line with the company's business strategy and respects the principles that seek to balance the employees' objectives with the company's medium and long term business objectives and based on the Income and Expenditure Budget approved by the General Meeting of Shareholders.

#### Remuneration level

The Ordinary General Meeting of Shareholders sets the general limits of the remunerations of the members of the Board of Administrators and the Directors, as well as the additional remunerations and any other advantages thereof.

The Board of Administrators has among its attributions the appointment and revocation of the directors, as well as the establishment of their remuneration and any other advantages. It also establishes the additional remuneration of the members of the Board of Administrators charged with specific functions within the general limits established by the General Meeting of Shareholders.

The level of remuneration is sufficient to attract, retain and motivate people competent and experienced within the Board and the management.

#### **Form and structure of remuneration**

##### a. Fixed remuneration and additional remuneration

The remuneration structure within Farmaceutica REMEDIA is a combination between the financial and the non-financial component.

The financial component includes the fixed and the variable component.

#### **Fixed component - 80%**

The members of the Board of Administrators and the Directors receive for the activity carried out a fixed indemnity granted monthly, in money, specified in the mandate contract, taking into account the conditions on the local labor market, the level of expertise and experience, but also the individual performance. The mandate contract is concluded with the company for a period of 1 year and contains provisions regarding the notice period, as well as the compensation for revocation without just cause.

The general limit of all the remunerations of the members of the Board of Administrators and of the directors is approved annually by the General Meeting of Shareholders when establishing the budget of incomes and expenses.

### **Variable component - 20%**

The variable component is optional, is related to the achievement / exceeding of the individual objectives and depends on the achievement of the business objectives of Farmaceutica REMEDIA, for the previous year. The variable component may include bonuses, prizes, packages of shares in the company, remuneration packages for termination of the mandate contract and other benefits, and their payment is made after the approval by the General Meeting of Shareholders of the financial statements of the financial year ended.

The variable component approved by the General Meeting of Shareholders is limited to a maximum of 20% of the net profit granted to the members of the Board of Directors Administration and directors with a mandate contract, with the approval of the Board of Directors.

The non-financial component comprises various non-financial instruments, depending on the financial results of Farmaceutica REMEDIA S.A., such as: service car, telephone, employee card.

#### **b. Other benefits**

According to the provisions of the Articles of Incorporation, the company has the right to provide administrators and directors with a mandate contract by registering expenses of up to 5,000 Euro per year.

## **II. Employees of Farmaceutica REMEDIA S.A.**

Remuneration policy within Farmaceutica REMEDIA S.A. it is built to improve the company's performance, to retain successful employees and to attract well-trained candidates.

The strategy and policy adopted by Farmaceutica REMEDIA S.A. in the field of pay ensures a dynamic balance between three basic components, namely: the financial balance of the company, the external balance in relation to the labor market, which influences the quality of recruits and the ability to retain qualified staff, and internal equity, which is a system of fairness between employees and everyone's concern to improve their performance.

### **Remuneration level**

The level of remuneration takes into account certain criteria, such as: employee performance, salary levels in the same field, the impact that the job brings in the business.

The level of remuneration is sufficient to attract, retain and motivate people competent and experienced in Farmaceutica REMEDIA S.A.

## Form and structure of remuneration

### a) Fixed remuneration and additional remuneration

Remuneration structure within Farmaceutica REMEDIA S.A. it is a combination of the financial and the non-financial component.

The financial component includes the fixed and the variable component.

Fixed component (employment salary) - 80%

Fixed remuneration has the following characteristics, according to the legislation in force:

- It is permanent, related to the specific role of the employee in the organization
- It is not influenced by performance
- It cannot be reduced or suspended unilaterally by the company
- Reflects professional experience relevant to the position held

The basic salary for an employee is established in relation to the duties of the position in which he is employed, as well as to other professional characteristics.

Basic salary in Farmaceutica REMEDIA S.A. it is aligned at the level of the labor market and represents approximately 80% of the monthly total income.

Variable component - 20% (performance bonus)

The performance bonus is a form of payment granted in addition to the employment salary, depending on the achievement of the specific objectives approved by the Board of Administrators. The variable payment can be granted in several forms, depending on the type of activity and the impact of the results in the company:

- a) sales commission (operational departments);
- b) performance bonus (support departments) periodically (monthly, quarterly, half-yearly or annually).

Variable payment, in any form, is an indicator of individual performance with an impact on the overall performance of the company.

## Retail

The variable component is granted to the employees of Farmaceutica REMEDIA S.A. depending on the performance indicators and can be monthly, occasional or annual. The monthly variable component is granted following the achievement of the indicators established by the management with two thresholds: achievement of 100% and 120% Pharmacy Margin.

## ***Distribution***

### ***Performance bonuses for the sales team***

Variable payment for the sales team has a specific character and is directly influenced by the company's sales performance.

The criteria underlying the variable payment are performance indicators that come from the following indicators:

- Turn over
- Market share
- Margin

### III. Short and long term benefits

a) Short-term - the occasional variable component is granted for the involvement of employees in new projects, for the successful completion of special projects, for special achievements.

b) Long-term - includes various non-financial instruments, motivating employees, depending on the financial results of Farmaceutica REMEDIA, such as:

- service car,
- laptop,
- mobile phone,
- discount card for employees in REMEDIA pharmacies,
- participation in the employee loyalty program by granting shares in the company.
- *Other benefits* - bonuses offered on the occasion of Easter, Christmas, as well as holiday bonuses, meal vouchers offered monthly.
- Farmaceutica REMEDIA employees also benefit from another variable component, regulated by the Collective Labor Agreement, which is granted in connection with special events in the employee's life.

To improve performance, Farmaceutica REMEDIA S.A. provides for its employees professional training courses as well as personal development courses.

### **Board of Administrators,**

#### **Chairman**

"TARUS" -, Valentin Norbert TARUS e.U.

Valentin- Norbert TARUS,

#### **Member,**

Adrian-Marcel PARVU

Elena CODREAN

Human Resources Director,  
Cristina RADU