



Remuneration Policy for the company COMVEX S.A.



I. GENERAL ASPECTS

The company Comvex S.A. (hereinafter named „**Company**” or „**Comvex**”) is a joint stock company, registered and operating under the laws of Romania, having its registered seat in Constanta, Port Precincts, berth 80 - 84 county of Constanța, registered at the Trade Registry under the Constanta County Court under no. J13/622/1991, having sole registration number 1909360. The company is admitted for trading on the alternative trading system administered by Bursa de Valori București (Bucharest Stock Market) – AeRO since 2015.

The main activity of Comvex is: handling, loading and unloading bulk goods and other goods compatible with the use of the company’s berths, in/from vessels and land transport means.

The Comvex Mineral Terminal is specialized in the handling, storing and shipping of bulk solid raw materials as iron ore, coal, coke, bauxite.

Besides the existent Mineral Terminal, Comvex developed a Grains Terminal in Berth 80, this being completely operational in the second part of the year 2020.

II. THE PURPOSE AND APPLICABLE LEGAL FRAMEWORK FOR THE REMUNERATION POLICY

The purpose of this remuneration policy (hereinafter „**Remuneration Policy**”), is to establish and describe the principles which govern the remuneration of the members of the Company’s management bodies and the implementation of the legal and statutory provisions applicable for this.

The Remuneration Policy contributes to the business strategy, long term interests and sustainability of Comvex. This policy creates the optimum framework for the compensation and co-interest of the Company’s leaders for the purpose of creating a competitive climate and for reaching of the performance indicators and the best economic results of the Company.

The applicable legal framework

This Remuneration Policy was drawn up by taking into consideration the following normative acts:

- i) Law no. 31/1990 regarding companies republished, with the subsequent amendments and supplemented;
- ii) Law no. 24/2017 regarding the issuers of financial instruments and market operations, with the subsequent amendments and supplemented.

2.1. The Company has always complied, exactly and in good faith, with the applicable legal provisions regarding its activity organisation and operation, including, but not limited to, the remuneration of the members of the management bodies. This Remuneration Policy is a clear expression of the consistency with the amendment of the applicable legal framework.

2.2. This Remuneration Policy shall be permanently updated and amended, so that, it may answer, on one hand, the applicable legal requirements and on the other hand, the need to reach the Company’s objectives for the benefit of all stakeholders.



III. DEFINITIONS

OGMS	Ordinary General Meeting of Comvex SA Shareholders
BoD	Board of Directors of Comvex S.A.
Leader (Conducting Officers)	Member of the Board of Directors and respectively Manager of the Company to who were delegated assignments of management under the provisions of art. 143 of Law 31/1990
Remuneration Committee	Advisory Committee organised within the Board of Directors and which grants consultancy regarding the approval of several decisions about aspects relative to the remunerations given within the Company, by formulating recommendations.
Managers	Individuals to whom the Board of Directors delegated the management of Comvex in accordance with the provisions of art. 143 of Companies Law no. 31/1990 and who perform their activity based on a mandate agreement. At present, for Comvex the General Manager is the only Manager in the meaning of Law no. 31/1990.
Law 31/1990	Law no. 31/1990 regarding companies republished, with the subsequent amendments and supplemented
Law 24/2017	Law no. 24/2017 regarding the issuers of financial instruments and market operations, with the subsequent amendments and supplemented

IV. THE APPLICABILITY OF THE REMUNERATION POLICY

According to the provisions of art. 92¹ line (1) of Law no. 24/2017, the Company, as issuer, establishes a remuneration policy for the leaders of the Company.

As a conclusion, this Remuneration Policy shall be applied for:

- The Company's directors, members of the Board of Directors of the Company, considering the fact the Company is administered in a unitary system;
- The Company's Managers, to who were delegated assignments of management by the Board of Directors, according to the provisions of Law no. 31/1990 regarding companies republished, with the subsequent amendments and additions (hereinafter „**Law no. 31/1990**”) and the Articles of Incorporation of Comvex.

V. GENERAL PRINCIPLES APPLICABLE FOR THE POLICY OF REMUNERATION

- i. The Remuneration Policy is compatible with the Company's business strategy, the objectives and values of Comvex and contributes to the sustainability and its long term interests;
- ii. The Remuneration Policy stimulates performance, ensuring a correct remuneration for the members of the Company's management bodies;
- iii. The Board of Directors (the management body) of Comvex periodically adopts and revises the general principles of the policy of remuneration and is responsible for its implementation;



- iv. The Remuneration Policy ensures an adequate equilibrium between experience, abilities and assignments;
- v. The Remuneration Policy ensures an adequate assessment system, especially by reporting to the Company's performance;
- vi. The Remuneration Policy takes into consideration criteria of financial and non financial performance;
- vii. The remunerations established on the grounds of the Remuneration Policy are likely to provide an adequate income for the persons targeted, so that they may fully dedicate to the accomplishment of their own assignments;
- viii. The Remuneration Policy ensures the prevention of the occurrence of cases of conflicts of interests;
- ix. The Remuneration established according to the provisions of the Remuneration Policy is fully consistent with the relevant market practices;
- x. The Remuneration Policy is based on the principle of transparency, ensuring the information and involvement of the shareholders in establishing and implementing the Remuneration Policy;
- xi. The framework regulated by this Remuneration Policy is flexible, so that it may ensure the possibility for the Company to adapt to certain unforeseen events or exceptional situations;
- xii. Ensures the conformity with the applicable legal provisions.

VI. CORPORATE GOVERNANCE AND THE DECISION MAKING PROCESS

In order to comply with the legal provisions in force in the area of the corporate governance principles, Comvex pays the remuneration to the Leaders of the Company accordingly to the decisions adopted by OGMS.

Regarding the decision-making process, the following management bodies are involved in the drafting, transmission for approval, approval and implementation of the Remuneration Policy:

VI.1. The Remuneration Committee

The Remuneration Committee has an advisory role, it is an inherent internal structure of the BoD, being made up by members of the Board of Directors.

The Remuneration Committee advises, draws up, issues recommendations, revises and assists the Board of Directors in fulfilling its assignments and responsibilities regarding the Remuneration Policy.

VI.2. The Board of Directors

The Board of Directors establishes the Remuneration Policy (bases of the recommendations of the Remuneration Committee) and submits it to OGMS approval according to the applicable legal and statutory proceedings relative to the summoning and holding general meetings of the Company's Shareholders.

Subsequent to the approval of the Remuneration Policy by the OGMS, the Board of Directors is the body responsible with the implementation of the Remuneration Policy as it was approved by the OGMS.

For this, the Board of Directors shall ensure the:



- i. publication of the Remuneration Policy, together with the date and results of the vote on the web site of the Company and maintain it accessible to the public during the entire period of its applicability;
- ii. establishing the fix remuneration for the Managers, according to the limits generally approved by the Ordinary General Meeting of the Shareholders, with the present policy's values and principles, and on the basis of the recommendations received from the Remuneration Committee;
- iii. continuous monitoring of the exact implementation and efficacy of the present policy;
- iv. transparent reporting to the shareholders of the effects of the applying this policy, by means of the Annual Report, according to the applicable legal provisions .

VI. 3. The Ordinary General Meeting of the Shareholders

The proposal regarding the Remuneration Policy, as is drawn up by the Board of Directors, is submitted to approval by OGMS.

The Remuneration Policy must be approved by the shareholders of Comvex in order to be effective and thusly become enforceable.

Any modification of the Remuneration Policy is subjected to approval by the shareholders of Comvex within the OGMS.

VII. ASSESSMENT OF PERFORMANCES AND RISKS

The Company implemented a performance management system based on a set of performance indicators, applicable to the leadership of the Company and the entire personnel which is an inherent part of the Remuneration Policy. The performance tracking system based on performance indicators (KPI) materialises in sets of relevant indicators for achieving the Company's objectives.

The performance objectives are established accordingly to the provisions of the assessment system at the Company's level, considering the Company's strategy and long and medium term objectives.

The purpose of the performance management system is that in the end it tangibly contributes to:

- i. the increase of the performance and income of the Company;
- ii. achieving the strategic objectives of the Company;
- iii. the increase of the productivity of the Company;
- iv. the improvement of the employees' performance.

The assessment of the performance is done in an adequate frame in order to ensure that the assessment process is based on performance and the effective payment of the remuneration components which depend on performance are made for a period taking into consideration the Company's policies and respectively their inherent risks.

The risk-aligned performance assessment takes into consideration a combination of quantitative (financial) and qualitative (non financial) approaches, in correlation:

- global objectives/performance of the Company;
- the performances of the operational department from which the person is a part of
- the criteria and indicators of performance assessment are clearly defined and adequately reflect the risks posed by the personnel's actions.



The assessment of the individual performance of the personnel is done on the basis of internal proceedings, which are transparently accessible to the entire staff involved and which contains explicit provisions regarding the principles of establishing individual performance objectives, as well as assessment criteria for their fulfilment.

The assessment of the individual performance takes into consideration the following:

- duties and responsibilities of the staff members and leaders of the Company;
- general performances of the Company;
- performances of the team;
- achievement of the objectives, that is individual performance reported to the requirements of the position (inclusively the agreed on financial performance, but also the non financial abilities, for example observing the internal business procedures and internal norms of conduct);
- comparative assessment data of the competitive market;
- the duty of the staff and leaders of the Company to act loyally, honestly, correctly, professionally and for the best interest of the Company;

All employees of the Company have a job description, a description of the work place which ensures they are responsible and understand the responsibilities and role they have within the Company.

The assessment of the performance is performed in a multi-annual framework adequate to the Company's life cycle, in order to ensure that the assessment process is based on the long term performance and that the effective payment of the remuneration components which depend on the performance is made on a period which takes into consideration the Company's investment risks.

For the control positions, the assessment of the performance is done accordingly to the manner in which these persons fulfilled their assignments, as well as in function of the manner in which they achieved their objectives established by the Board of Directors of the Company.

VIII. REMUNERATION OF THE MANAGEMENT BODIES

8.1. General rules regarding the award of the remunerations

The proposal regarding the Remuneration Policy of the Company is set by the Board of Directors, at the recommendation of the Remuneration Committee and subject to approval by the Company's shareholders within the OGMS and corresponds to the Company's development strategy, objectives, values and interests.

The Remuneration Policy observes exactly the applicable legal provisions for labour relations enforceable at the level of the Company and takes into consideration inclusively the remuneration and employment conditions for the Company's employees.

The salary scale set at the level of the Company takes into account maintaining the remuneration awarded to the employees at a level which should correspond to the level of responsibility and ability of each employee, the impact of each employee's activity on the Company's activity in its entirety, the intensity and variety of the labour, the necessary specialisation level or the routine degree of the activities.



The assignments and responsibilities, as well as the skills and abilities necessary to occupying a certain position within the Company, are provided in the job descriptions and applicable internal regulations.

The wages rights of all employees are established by means of the collective bargain agreement signed at the level of the Company and by means of individual labour contracts, taking into account the provisions of the labour legislation.

The Company's Leaders shall sign with the Company contracts of mandate for a fix term decided for this mandate by the general meeting of the shareholders. By means of these contracts the notice periods shall be able to be set in accordance with the applicable market practices.

8.2. The structure of the remuneration for the members of the Board of Directors

The remuneration of the directors is set by the ordinary general meeting of the shareholders of Comvex, according to the provisions of Law 31 and Articles of Incorporation of the Company. The additional remunerations of the administrators (directors) are set in general limits by decision of the general meeting of the shareholders.

OGMS appoints the directors of the Company for a period of 4 years, with the possibility of re-election of the same persons as administrator (director). In any case, even in the case of re-election of the administrators (directors), they shall sign with the Company a new contract, each time they receive and accept a new mandate.

According to the legal provisions in force, the mandate of the directors may cease by revocation by the OGMS at any moment.

When appointing an administrator (director) as a consequence of a vacancy of an administrator (director) position, this one shall receive the mandate for the duration remaining from his predecessor's mandate, so that he shall not exceed the mandate of the other members of the Board of Directors.

In considering the assignments and competences of the members of the Board of Directors, but also the Company's development strategy, the Remuneration Policy takes into account awarding a fix, monthly remuneration which consists in an amount of money due to the administrators (directors) for the achievement of their assignments. In addition, the members of the Board of Directors also have the right to a fix additional indemnity for the performance of the attributions in the Board of Directors, respectively within the advisory committees.

If the persons to who is applied the Remuneration Policy also own shares issued by the Company which give them the right to certain amounts of money as dividends, any payment of these rights emanated from the quality of shareholders of these persons they shall not be subject to this Remuneration Policy.

The level of the remuneration of the members of the Board of Directors is set by the shareholders of the Company within the OGMS.

The remuneration of the members of the Board of Directors consists from a fix indemnity awarded monthly.

The remuneration of the members of the Board of Directors is set by the OGMS, at the moment of their election in office.

At present, according to the decision of the OGMS no. 303 from the 24th of September 2018, the fix monthly remuneration due to the administrators (directors) for the duration of the mandate 2018-2022 is of 50% of the gross remuneration of the General Manager.



The fix additional remuneration of the members of the Board of Directors charged with specific positions within the BoD, awarded for the participation in the advisory committees established within the C.A, is set by the Board of Directors according to the general limits of the additional remuneration set by the OGMS. The fix additional remuneration is expressed as a percentage from the monthly fix indemnity of the administrators (directors) and is awarded monthly. According to the decision of the OGMS no. 304 from the 24th of September 2018, the general limits of the fix additional remuneration awarded to the members of the Board of Directors for participation in committees are within 10% and 30% of the remuneration of the administrators (directors).

By decision of the OGMS it was established that during the mandate, for the members of the Board of Directors shall be incurred the expenses for communication, transport, auto vehicle, business travels, daily allowances, accommodation, protocol, a private pension insurance, and a private health insurance.

There are not considered remunerations in the meaning of this Policy the expenses reimbursed by the Company and incurred by the administrators (directors) in the interest and with the purpose of exercising the mandate of administrator (director).

The members of the Board of Directors do not have a variable component or an additional bonus.

Exceptionally, according to the financial results of the Company and the fulfilment of certain performance criteria, the OGMS may decide awarding certain amounts of money for the activity performed by the administrators (directors) in order to make profit for the Company, for each financial year.

The administrator (director) has the right to renounce to the mandate granted, only after he notified in writing the Company for this with a notice of at least 15 days before the data on which the mandate ceases.

In any case the mandate of the administrator (director) ceases either for violation of the obligations assumed by the administrators (directors) or by renunciation to the mandate from the part of the administrators (directors), they shall have no right to any kind of compensation, inclusively, but without limitation to damages for the cease of the mandate.

In case the mandate ceases without any just cause, the administrators (directors) may be entitled to obtaining damages according to the applicable legal provisions.

8.3. The structure of the remuneration of the Directors (Managers)

The remunerations of the Directors (Managers) are approved by the Board of Directors of the Company. The general limits of the remunerations for the Directors (Managers) to whom were delegated by the Board of Directors a part of its powers, according to the provisions of Law 31/1990, are approved by the general meeting of the shareholders.

According to those above stated, the provisions regarding the remuneration of the Directors (Managers) contained in this Remuneration Policy are applicable to the Directors (Managers) to whom were delegated management (leadership) assignments according to the provisions of art. 143 of Law no. 31/1990 and the provisions of the Articles of Incorporation.



The Directors (Managers) of the Company to whom were not delegated management (leadership) assignments according to the provisions of art. 143 of Law no. 31/1990, shall be remunerated according to the general rules of remuneration provided by the relevant labour legislation.

For the fulfilment of the mandate, the General Manager is entitled to a fix monthly remuneration, set by the Board of Directors, within the general limits approved by the OGMS.

The general limits of the fix remunerations awarded to the Directors (Managers) were set by means of decision of the Ordinary General Meeting of the Shareholders, respectively: between 5 and 30 gross average wages for the Company.

The level of the remunerations must promote the long term sustainability of the Company, according to the business strategy, objectives, values and long term interests of the Company. The fix remuneration due to the Directors (Managers) shall be determined by taking into account the gross average wage at the level of the Company, but also the complexity of the position, the Director's (Manager's) experience, the responsibilities and risks associated to the position, as well as the comparison to the market, industry from which the Company is a part of, or entities similar to the Company.

There are not considered remunerations in the meaning of this Policy the expenses reimbursed by the Company and incurred by the Directors (Managers) in the interest and with the purpose of exercising the mandate of Directors (Managers)

Exceptionally, according to the financial results of the Company and the fulfilment of certain performance criteria, the OGMS may decide awarding certain amounts of money for the activity performed by the Directors (Managers) in order to make profit for the Company, for each financial year.

IX. FINAL PROVISIONS

The Company shall annually inform the shareholders by drawing up and publishing the yearly report regarding the manner of implementation of this Policy of Remuneration.

9.1. Amendment of the Remuneration Policy

This Remuneration Policy remains in force until the expiry of the mandate of the present Board of Directors of Comvex, except the case when important events occur (for example the modification of the remunerations by the OGMS), case in which an updated Policy shall be presented for approval to the Ordinary General Meeting of the Shareholders.

Any revision of the Remuneration Policy shall be started by the Board of Directors with taking into consideration the proposal of the Remuneration Committee, subject to observing the applicable legal provisions and shall be submitted to approval by the OGMS.

Except for the situations in which proves necessary any amendment of the Remuneration Policy during its applicability period, the Remuneration Policy shall be subjected to vote from the Shareholders of the Company at least once every 4 years.



In case the OGMS does not approve any amendment of the Remuneration Policy, as it is proposed, the Company shall continue to pay its leaders remunerations according to the existing approved policy and shall submit for approval a new revised policy at the next OGMS.

9.2. Publishing of the Remuneration Policy

Subsequent to its approval by the OGMS, this Remuneration Policy shall be published on the website of the Company (www.comvex.ro) and shall remain available to the public during the entire applicability period of the Remuneration Policy.

Viorel PANAIT

President of the Board of Directors, General Manager