The Remuneration Policy of Alum S.A. (“The Company” or “Alum”)
Adopted in the general shareholders meeting from April 2022

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I. Introduction

The present Remuneration Policy is drafted and adopted pursuant to the provisions of the Directive 2017/828 of the European Parliament and of the Council of 17 May 2017 amending the Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement (hereinafter referred to as the "Directive 2017/828") and the adoption in Romania of the Law no. 158/2020 (hereinafter referred to as the "Law 158/2020") which modifies the Law 24/2017.

Among others, the Law 158/2020 indicates that the modality of remunerating the directors of a company shall be established through a remuneration policy as regards directors. Companies are obliged to submit the remuneration policy for the approval of the ordinary general meeting of shareholders, as such is provided by art. 111 of the Companies' Law no. 31/1990 as republished and further amended (the "Companies' Law"), the remuneration of directors being paid by the company only in accordance with the remuneration policy approved under these circumstances. The Law 158/2020 imposes to the issuers of Romanian securities to observe these mandatory provisions no later than 12 months from the effective date of the Law 158/2020.

While drafting the present policy, the Company also considered the Guidance regarding the remunerations issued by ARIR on 24 February 2021.

The Company has always observed the legal provisions applicable in what concerns the remuneration of the members of its statutory bodies in a strict manner and the current policy is an expression of consistency with the changes in the legal framework.

The present policy will be continuously improved and adapted, in such way that the Company shall achieve and exceed its goals for the benefit of all stakeholders.

II. Coverage

According to the provisions of the newly introduced article **92^1**(1) of the Law 24/2017 on Issuers of the Financial Instruments and Market Operations, the remuneration policy shall establish the modality of remunerating the directors of a company.

By "*director*" of a company ("conducator" in Romanian) the Law 158/2020 refers to: (i) any member of the board of directors ("administrator" sau "membru al consiliului de administratie" in Romanian) and any manager ("director" in Romanian"), in case of one tier board structure companies, respectively (ii) any member of the supervisory board or of the managing board (directorate), in case of two tier board structure companies. Additionally, it is expressly mentioned in the law that both the general manager and the deputy general manager, if the last position exists within the company, are considered to be "directors".

Thus, this remuneration policy adopted by the Company shall be applicable to:

- The Directors of the Company, members of the Board of Directors ("the Board");
- The Managers of the Company, who are exercising their daily duties based on the legal delegation of powers granted by the Board of Directors, according to the provisions of the Companies' Law and of the Articles of Incorporation of the Company;

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It is recommended to the management of the Company to follow the principles and the metrics from the present policy while constructing and negotiating the general framework of the wages and social benefits applicable to the employees of the Company.
Members of the committees of the Board are remunerated based on the decisions of the Board and within the general framework of remunerations approved by the shareholders annually; however the present policy includes some recommendations for the Board members regarding the remunerations of the committee members.

III. Principles

The current policy focuses on the following principles, considered to be the pillars of a healthy and transparent remuneration practice. In this way, the policy has to ensure:

- That the Company attracts and retains the most talented individuals, suitable to fulfill the duties of a director or manager, through a fair remuneration encouraging the improvement of the work performance, thus enabling them to effectively perform their duties and responsibilities;
- That the proposed remuneration modalities ensure the proper balance between the experience, knowledge and independence of the directors and these are established in close relation to the responsibilities and engagements corresponding to each director's attributions;
- That the remuneration reflects the correlation between the benefits paid and the objectives of the Company for short, medium and long term, and such remuneration contributes to the business strategy and long-term interests and sustainability of the company;
- That the shareholders and/or potential investors are able thus to assess properly whether the remuneration rewards long-term performance of the directors and managers and to measure the mid-to-long-term evolution in directors and managers' performance and remuneration, in particular in relation to the Company's performance;
- That the remunerations paid by the Company are in line with the market, the practice from the industry and the practice from similar companies and/or companies listed at similar stock exchanges;
- That the remuneration established pursuant to the policy is adequate to provide a rewarding and accomplished life to the individuals targeted by the policy, in such way that they can fully dedicate to their duties imposed by the position assigned inside the Company;
- That the remuneration modalities are correctly and responsibly structured and includes measures for preventing the occurrence of conflicts of interests;
- That it represents a sound analysis on the performance of the directors and managers by reference to the performance of the Company and on a judicious distribution of the Company's earnings;
- That the necessary level of transparency is provided to the shareholders and potential investors, in such way that the stock issued by the Company remains attractive at all times;

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Thus, they are provided with a comprehensive overall view of all the remuneration awarded to directors and managers of the Company;

- That the Company establishes adequate organisms, instruments and processes for establishing the remuneration of the directors and managers and for controlling the observance of the legal provisions applicable regarding the remunerations and also of the provisions of the current policy;
- That the opinion of the shareholders regarding the remunerations of the persons appointed by them is effectively collected and considered during the daily activity of the Company;
- That the framework introduced by the policy is sufficiently flexible in order to allow the Company to adapt to any unforeseen or extraordinary events.

IV. Process

The current remuneration policy respects the following process of elaboration and adoption, according to the legal and statutory provisions:

- Is elaborated by specialized employees with the support of external consultants;
- Is coordinated by the executive management, who is proposing it for endorsement to the Board of Directors;
- The Board of Directors is overseeing the process of elaboration and adoption of the policy, by coordinating it together with the executive management and the employees and consultants, by actively recommending and revising the elements of the policy and also is making a prior analysis and an endorsement of each proposed decision of the Board regarding the remunerations which are subject to the present policy;
- The Board of Directors is validating the final form of the policy to be proposed to the shareholders meeting, following the proposal of the executive management;
- The Shareholders are approving the policy, that becomes compulsory in the form adopted until the further revision.

During the lifetime of the policy, the Board of Directors plays a central role in the implementation of the policy, as it is responsible for:

- The (at least) yearly proposal of remuneration for the Board members, to be addressed to the shareholders;
- Setting the fixed remuneration of the executive management, according to the metrics and the principles from the current policy, the yearly overall limit approved by the shareholders;
- Setting the additional remunerations of the Board members with special attributions, such as (but not limited to) the members of the Board Committees, according to the metrics and the principles from the current policy, the yearly overall limit approved by the shareholders;
- Setting the additional remunerations of the Managers, whether for achieving the prior established objectives or for extraordinary results and achievements, according to the

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metrics and the principles from the current policy, the yearly overall limit approved by the shareholders;

- The continuous monitoring of the accurate implementation and the effectiveness of the current policy;
- The transparent reporting to the shareholders of the effects of the application of this policy, through the Annual Report and through the Remuneration Report which shall comprise a summary of the implementation of the remuneration policy during a related financial year.

V. Board remunerations

The directors of the Company are appointed by shareholders in the Ordinary General Meeting of Shareholders, for a standard period of 4 years. The director's mandate could be revoked by the Ordinary General Meeting of Shareholders at any time.
Considering the role and the attributions of the persons appointed as Board members, the current policy established that the remuneration due to the Board members shall consist of a fixed amount, to be paid monthly, and additional remunerations, if the case, as detailed below.

The fixed remuneration will be established yearly in the General Shareholders Meeting, latest at the annual meeting, based on the proposal made by the Board of Directors.

Other than the fixed monthly remunerations, the Board members are entitled to:

- compensation of the expenses made for the fulfillment of the attributions entrusted to them by the Company, according to the general policy applicable to the employees of the Company having management positions;
- supplementary remunerations according to the chapter VII of the present policy.

While making the proposal of their own fixed monthly remuneration to the shareholders, the Board shall observe that no fixed monthly remuneration proposal shall be higher than fixed monthly remuneration of the Company' s General Manager. However, according to the legal provisions, the shareholders may make any proposal of remuneration and may adopt any remuneration they consider appropriate.

VI. Managers remunerations

The provisions of the present chapter of the policy are applicable to the managers of the Company according to the provisions of the article 143 from the Companies' Law and the provisions of the Chapter VI, article 17 from the Company's Articles of Incorporation, respectively to the General Manager of the Company and to the Financial Manager of the Company, collectively called "the Managers". Other managers of the Company will be remunerated following the general rules of remuneration provided by the Labor Code and the relevant employment legislation and with the observance of the provisions of the Company's Articles of Incorporation.

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The relation of the Managers with the Company shall materialize in management agreements, following the legal rules of the mandate relation. The duration of the management agreements shall match the duration of the management appointment.
The remuneration of the managers shall consist of a fixed part to be paid monthly and a variable part. The variable part may be split between cash remuneration and other form of incentives such as stock and stock options. Currently there is no stock or stock option incentive granted to the Managers.

The fixed part of the remuneration shall reflect:

- The complexity of the job;
- The experience of the manager;
- The comparison with the market, industry and with similar listed entities;
- The responsibilities, importance and risks associated with the position.

The variable part of the remuneration shall reflect:

- The achievement of the Company's short-term objectives (mainly, but not limited to the parameters from the budget, covering the investment and the financing needs, the fulfillment of all the legal and regulatory requirements, the timely payment of tax duties)
- The achievement of specific Key Performance Indicators, as established by the Board of Directors
- The achievement of the Company's medium and long-term objectives (mainly, but not limited to the increase of the value of the stock issued by the Company, the increase of the market share, the increase of the turnover, the organic growth, the advance of the R&D capabilities, the achievement of the long-term sustainability goals).

The exact remuneration (both the fixed and the variable part) of each Manager will be determined by the Board of Directors. In establishing the remuneration of the Managers, the Board of Directors shall consider:

- That the fixed part of the remuneration (the fixed yearly fee and all taxes associated with it according to the provisions of the management agreement) shall not be higher than the following limits from the overall limit of remunerations granted in the respective year to the managers and to the Board members with special attributions, as it is approved by the shareholders: 20% for the General Manager and 15% for the Financial Manager
- That the annual the variable part of the remuneration shall not be higher than 100% the annual fixed remuneration of such Manager
- That the proportion between the short-term cash and long term incentives to be at 60% for short term and 40% for long term, if a long-term incentives plan is adopted, otherwise the short-term cash incentives can be 100% of the variable remuneration

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- That the variable remuneration can be paid only after the analysis by the Board regarding the achievement of the objectives and in case of the annual objectives, only after the adoption by the shareholders of the consolidated financial statements for the respective year
- Any other bonus for extraordinary achievements during the financial year shall be expressly approved by the Board of Directors and shall observe the overall limit approved by the shareholders;
- Any other compensation for the retirement or for the early termination of the management agreement cannot be higher than 100 % of the annual fixed remuneration of the respective Manager. Currently, the management agreements of the managers can be terminated from the following reasons: expiration, consent of the parties, at the request of the Company with 6 months prior notice, at the request of the manager with 3 months prior notice, for insolvency or liquidation of the Company, from the manager's default or inability to fulfill its obligations, with no prior notice and the level of compensation for such termination is set between 30% and 100% of the yearly fixed remuneration, with the exception of the default of the manager, when no compensation will be paid.
- Any other non-cash benefits granted to the Managers shall follow the general policy applicable to the employees of the Company having management positions or either be subject of the express approval of the Board.

Other than the fixed monthly remunerations, the Managers are entitled to the compensation of the reasonable expenses made for the fulfillment of the attributions entrusted to them by the Company, according to the general policy applicable to the employees of the Company having management positions.

VII. Other remunerations

Other than the remunerations specified by the present policy at the previous chapters, the Company may pay supplementary remunerations to the Board members and managers, based on the approval of the Board of Directors, in the following cases:

- A special remuneration for the Board Committees' members, in a gross monthly amount;
- A special remuneration for the Board Committees' chairpersons, in a gross monthly amount;
- Extraordinary bonuses for the Managers, either for extraordinary achievements or to fulfill stringent needs of the Company (for example but not limited to vacancies situations, when a relocation bonus is requested by the candidate Manager).

In any case, the supplementary remunerations stipulated by this chapter of the policy:

- Shall be expressly adopted by the Board;
- Shall observe the previously overall limit as adopted by the shareholders;
- In case of committee members, the supplementary remuneration shall be set in such way that the annual remuneration of any committee member shall not exceed at all times the annual fixed remuneration of the General Manager.

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VIII. Feedback from the shareholders

The Company is committing to fairly evaluate all the proposals of the shareholders, made according to the law, for the revision of the Remuneration Policy.
Also, the Company is committing to inform the shareholders annually, through the Annual Report and the Remuneration Report, regarding the level of the remunerations achieved by the relevant persons targeted by the present policy.
The present policy is subject of revision, at least at every 4 years after the adoption of the previous version or whenever needed.

IX. Final provisions

The Company shall publish the remuneration policy and the results of the general shareholders' meeting's vote on the policy on its webpage and this information shall be publicly available during the period of validity of the remuneration policy, free of charge. Any amendments brought to this policy shall be also publicly available on the Company's webpage in a timely manner.
The remuneration policy shall be subject to the approval of the Company's general meeting of shareholders whenever a significant change is envisaged and, in any case, at least every four years.

THE BOARD OF DIRECTORS OF ALUM S.A.

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