**NOROFERT SA - COMPENSATION POLICY**

As per the applicable legislation

21.05.2021

**OBJECTIVES OF THE COMPENSATION POLICY**

Norofert SA is an operationally diverse company, with activities spanning from R&D, production to sales and customer assistance. Implementing the ambitious development strategy, in an efficient manner, requires skilled, motivated and professional personnel. These qualities should be rewarded for the value brought to the shareholders. The company is in a period of expansion, both regarding market share as well as in its business model. The compensation policy is meant to align the interests of management and directors with those of shareholders, for a sustainable and durable development of the Company.

**INTERNAL OVERSIGHT AND RESPONSIBILITIES**

The Board of Directors adopts the compensation policy and provides oversight over its implementation in a manner that is both equitable and provides for an appropriate culture which aids the company to achieve its goals.

The Human Resources Department, through its specific responsibilities, assures that the company has all the human resources it needs to achieve its targets and strategy. The goal is to provide compensation that is equitable, necessary, and competitive.

The Legal Department assists management and directors to put in practice all the objectives of the compensation policy, providing counsel in matters necessary and in accordance with all legal requirements.

Supplementary responsibilities and attributes are added as needed to these internal structures with respect to the purpose of said compensation policy.

**REMUNERATION**

Within the company there are three types of compensation: Fixed, Variable (Bonus) and a Stock Option Plan.

1. Fixed compensation: represents remuneration based on salaries and adjacent fixed components.   
   * The beneficiaries of this compensation are employees and management, being based on the competencies of the person, seniority, determined responsibilities and market conditions.
2. Variable compensation: represents performance bonuses based on the profit collected by the company from the sales achieved by each individual. The bonuses are granted on the basis of collected sales: >97%.
   * The beneficiaries of the variable compensation (bonuses) are employees and individuals who achieve direct sales to clients.
3. Stock Option Plan: this is an incentive program approved by shareholders and can be consulted on the company website. The Plan is debated and approved with regularity in Annual General Meetings. Until this moment nobody within the company has benefited on the basis of this incentive program.
   * The beneficiaries of this program are certain employees and managers. It is the only compensation received by directors, with the exception of the President of the Board of Directors who receives a monthly indemnity of 12.000 RON. The company also pays for the liability insurance of all directors, as required per our Articles of Association.

The compensation policy can be modified on an as-needed basis, by abiding to all relevant requirements.