

COMPENSATION REPORT FOR THE FINANCIAL YEAR 2023

(according to art. 107 (6) of Law 24/2017 on issuers of financial instruments and market operations)

The remuneration policy for the upper management of issuer Mecanica Fină S.A. was approved by the resolution no. 3 dated 28.04.2021 of the general meeting of shareholders, which was endorsed in compliance with the provisions of Article 106 of Law no. 24/2017, in the sense of establishing a fixed remuneration, approved by the general meeting of shareholders, to the benefit of members of the Board and a fixed remuneration approved by the Board of Directors of the company for the management positions within the company.

The Chairman of the Board of Directors is, according to the company's articles of association, also the Chief Executive Officer of the company (a managerial position), but the Board of Directors has not established any additional remuneration or other remuneration for this managerial position.

By the same resolution no. 3/28.04.2021, the net fixed remuneration due to the directors of the company for the financial year 2021 was set at the level of 7,000 lei/month for each of the three members of the Board of Directors with effect from 01.01.2021.

According to the provisions of Article 106 paragraph (7) of Law no. 24/2017 on issuers of financial instruments and market operations, the remuneration policy must be submitted to the shareholders' vote at least once every four years.

In consideration of these provisions:

- for the financial year 2022, the general meeting of shareholders maintained the remuneration policy approved by resolution no. 3 dated 28.04.2021 establishing, however, by resolution no. 3 dated 29.04.2022, another level of the fixed remuneration for the administrators, namely the net amount of 10,000 (ten thousand) lei/month for each of the three members of the Board, with application from 01.01.2022.

- for the financial year 2023, the General Meeting of Shareholders maintained the remuneration policy approved by resolution no. 3 of 28.04.2021, establishing by resolution no. 2 of 26.04.2023 the maintenance of the level of the fixed remuneration to which the administrators are entitled at the net amount of 10,000 (ten thousand) lei / month for each of the three members of the Board, with effect from 01.01.2023.

With regard to the remuneration of the administrators and directors of the company during the financial year 2023, the Board reports to the general meeting of shareholders the following:

a) The fixed remuneration was paid to the three members of the Board of Administrators at the level set by the resolution of the General Meeting of Shareholders No. 2 of 26.04.2023;

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- b) Monthly payment of the net remuneration due to each administrator was made on the dates established for the payment of salary rights (liquidation) due to the employees of the company, i.e. on the 12th of each month for the previous month.
- c) No variable remuneration was paid to any member of the Board of Administrators;
- d) There were no changes in the remuneration set by the general meeting for the members of the Board of Administrators;
- e) There were no deviations from the remuneration policy approved by the resolution of the general meeting of shareholders no. 3 dated 28.04.2021;
- f) The Administrators of the company - members of the Board have not been granted shares and/or share options.
- g) The Chairman of the Board has not been granted any additional remuneration or any other form of remuneration for the position of the General Director of the company and he only receives the remuneration as Administrator.
- h) At the level of the company, the position of Chief Accountant is a managerial position, the holder of the position being an employee - an employee with an individual contract of employment for an indefinite period of time on a full-time basis, with higher economic education and a fixed remuneration in the form of salary.

For the year 2024, we propose and submit to the vote of the general meeting of shareholders:

- to maintain the remuneration policy established by resolution no. 3 dated 28.04.2021 of the general meeting of shareholders, and

- to maintain the level of the fixed remuneration due to the administrators as established, for the financial year 2022, by the resolution of the general meeting of shareholders no. 3 of 29.04.2002 and reconfirmed, for the financial year 2023, by the resolution of the general meeting of shareholders no. 2 of 26.04.2003, namely the net amount of 10.000 (ten thousand) lei / month for each of the three members of the Board of Directors, with effect from 01.01.2024.

President of the Board of Administrators – General Manager (CEO)
Mollo Sergio

22.03.2024

MECANICĂ FINĂ S.A.

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