

**REMUNERATION POLICY**

**MED LIFE S.A.**

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### **I. INTRODUCTION**

In view of complying and aligning with the provisions of Law no. 158/2020 on the amendment, completion and repealing of certain legislative acts, as well as for establishing certain measures for the application of the Regulation (EU) 2017/2.402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012, of Law no. 24/2017 on issuers of financial instruments and capital market operations and of the Corporate Governance Code of the Bucharest Stock Exchange, the company Med Life S.A. (hereinafter referred to as “**MedLife**” or the “**Company**”) approved and published the remuneration policy of directors and its managers (hereinafter the “**Remuneration Policy**”).

#### **The purpose of the policy**

The purpose of this Remuneration Policy consists of establishing a set of clear and transparent rules, which the Company shall abide by, regarding the means to remunerate the members of the Board of Directors of the Company and of the members of the Executive Committee.

The Company expresses its intention to ensure a sufficient level of remuneration, in order to attract, retain and motivate those individuals who are competent and experienced, from and within its management.

### **II. DEFINITIONS**

Within the meaning of this Remuneration Policy, the terms and expressions below shall have the following meaning:

- *Articles of Association* – The articles of association of MedLife;
- *Director* – member in the Board of Directors of MedLife;
- *Executive director* – individual that holds, at the same time, the position of director and that of Manager of the Company;

- *Non-executive director* – individual that holds the position of director and does not hold, at the same time, the position of manager of the Company;
- *Board* – the Board of Directors of MedLife;
- *The Executive Committee* – the corporate structure that comprises the Managers;
- *Manager* – individual to whom was delegated the management of the Company, by the Board of Directors and who has concluded with the Company a mandate agreement. The term “manager” also includes and refers to the term of General Manager;
- *MedLife or the Company* – the Company Med Life SA.

### **General considerations and principles of the Remuneration Policy**

The Company intends to ensure a competitive level of remuneration, in order to attract, retain and motivate the individuals with professional training and experience to be a part of the administrative and executive management.

The Remuneration Policy considers:

- Motivation of the Directors and of the Managers, in order to ensure the development of the organisation and its alignment with the interest of the shareholders;
- Establishing the structure of remuneration.

Principles:

- Attracting, retaining and motivating the Directors and Managers;
- Maintaining the competitiveness of the remuneration packages, in relation to the prevailing market conditions;
- Transparency on remuneration;
- Balance between the components of the remuneration package.

### **Ordinary General Shareholders' Meeting**

The Ordinary General Shareholders' Meeting of MedLife approves the Remuneration Policy, as well as any amendments thereto.

### **Board of Directors**

The Board of Directors submits the Remuneration Policy for the approval of the general shareholders' meeting.

The Board of Directors ensures the implementation of the Remuneration Policy.

### **Nomination and remuneration committee**

The Nomination and Remuneration Committee drafts proposals on the remuneration policy for Directors and Managers by taking into consideration the market practices and the requirements to not encourage a risky or improper behaviour in relation to the long-term strategy of MedLife and to the interests of the investors.

The Nomination and Remuneration Committee monitors the adequacy of the Remuneration Policy and drafts recommendations regarding its amendment.

### **III. ADMINISTRATION AGREEMENTS. MANDATE AGREEMENTS**

#### **3.1. Administration agreement**

The administration agreement shall be concluded between MedLife and the Directors.

The administration agreement shall be concluded for a period of four (4) years, except for the case where a director is selected following the vacation of a position by a member in the Board of Directors, in which case the respective director is appointed only for the remaining of the duration, as of the moment of its appointment for the vacant position and until the end of the term of its predecessor's mandate.

In case of *ad nutum* revocation of the Director, without just cause, the Administration Agreement provides for the duty of the Company to pay the Director, upon termination of the agreement thusly, an amount that represents the value of three (3) Fixed Remunerations. In case the termination of the Administration Agreement by the Company is done with cause (namely there exists a non-fulfilment of contractual and/or legal obligations) no compensation shall be paid upon termination of the Administration Agreement.

The Administration Agreement provides for a prior notice term of six (6) months for the cases in which the Director intends to renounce their mandate by submitting their resignation.

#### **3.2. Mandate agreement**

The Mandate agreement shall be concluded between MedLife and the Managers. The Managers are part of the Executive Committee, as per the provisions of the Articles of Association of the Company. The Executive Committee may include a number of maximum ten (10) members.

The Mandate agreement shall be concluded for a period of four (4) years.

A Manager may unilaterally terminate the Mandate agreement by sending a written notice to the Company, under the condition of compliance with a prior notice term of three (3) months.

The Company may unilaterally terminate the Mandate agreement by sending a written notice to the Manager under the condition of compliance with a prior written notice of three (3) months. In case the Company revokes the Manager without just cause, the Mandate agreements may include the duty of MedLife to pay a compensation of which amount does not exceed the Fixed Remuneration for six (6) months.

If the termination of the Mandate agreement by the Company is done with cause (namely there exists a non-fulfilment of contractual and/or legal obligations) no compensation shall be paid upon the termination of the Mandate agreement.

### **IV. REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS**

The remuneration of the Directors is established by the Ordinary General Shareholders' Meeting of MedLife.

The remuneration of the members of the Board of Directors is comprised by a fixed monthly indemnification, in amount of Euro 5,000 net/month for the members of the Board of Directors and in amount of Euro 7,000 net/month for the Chairman of the Board of Directors. The Ordinary General Shareholders' Meeting of MedLife approves the annual remuneration of the Directors.

Next to the fixed component, the following benefits are added for the members of the Board of Directors:

- *The members of the Board of Directors receive training courses/coverage of study expenses, rent, accommodation and medical subscription.*
- *Also, the members of the Board of Directors receive in view of performing their activity a company car, telephone and work laptop.*

Save for participation to the public pensions system and implicitly to the second pylon of the Romanian pensions system (i.e. privately managed pensions funds), the Directors do not benefit from contributions to the optional pensions systems paid by MedLife.

## **V. REMUNERATION OF THE MEMBERS OF THE EXECUTIVE COMMITTEE**

The remuneration of the Managers is established by the Company's Board of Directors.

The Managers' remuneration system includes a fixed component.

At the same time, the Managers also have a series of non-financial benefits.

Remuneration of the Managers is made of a fixed monthly indemnification, the amount of which varies depending on each Manager in part, depending on a series of elements that shall be explained below:

### **Fixed basis remuneration (salary)**

The level of fixed basis remuneration is determined taking into account the relevant professional experience and organizational experience for each management position within the Executive Committee.

For each position within the Executive Committee, clear roles and responsibilities are defined, as well as a set of necessary competencies and abilities.

The fixed basis remuneration may vary between Euro 4,000 gross and Euro 20,000 gross depending on the level of responsibility of the position within the Executive Committee.

### **Extra-salary benefits**

Executive Managers with a mandate agreement have the following benefits:

- *The Executive Managers receive training courses/coverage of study expenses, rent and accommodation, gym membership, and also health insurance,*
- *Also, the Executive Managers receive in view of performing their activity a company car, telephone and work laptop.*

Save for participation to the public pensions system and implicitly to the second pylon of the Romanian pensions system (i.e. privately managed pensions funds), the Managers do not benefit from contributions to the optional pensions systems paid by MedLife.

Remuneration granted to the individuals that occupy the position of Directors as well as that of Manager is cumulative. Directors and Managers have concluded a civil professional liability insurance, the costs of which are borne by MedLife having a maximum cumulative value for damages of Euro 5,500,000.

## **VI. REPORTINGS ON REMUNERATION**

Annual reporting of information on remuneration is made by means of the annual financial statements and of the report on application of the Remuneration Policy, which shall be submitted to the advisory vote of the shareholders within the Ordinary General Shareholders' Meeting.

## **VII. FINAL PROVISIONS**

### **Exceptions**

No exceptions shall be made from the Remuneration Policy .

### **Conflicts of interests**

Potential conflicts of interests regarding the Remuneration Policy are avoided by:

- Approval of the Remuneration Policy within the OGSM;
- Existence of a Nomination and remuneration committee which by its composition of non-executive and independent directors ensures not only a proper reasoning of the process to draft and review the Remuneration Policy but also a bonus of independence and objectivity.

In case any individual involved in the decisional process considers himself or herself in a potential or actual conflict of interests he or she is bound to refrain from attending deliberations and from exercising his/her right to vote.

### **Alignment with the business, sustainability and long-term interests strategy of MedLife**

The structure of remuneration packages (especially the inexistence of variable components tied to performance for Non-executive Directors, percentage of the fixed component in the remuneration packages of the Managers) should ensure the alignment of the Remuneration Policy to the business, sustainability and long-term interest strategy of MedLife.

To maintain internal equity of the salary structure for the positions of Managers, the average salary of a Director shall not exceed 5 times the average salary per unit for a physician.

This Remuneration Policy shall become effective once approved by the Ordinary General Shareholders' Meeting that will take place on April 28<sup>th</sup> 2021.