REPORT
on the implementation of the managers' remuneration policy
TURBOMECANICA SA

The remuneration policy aims to ensure a transparent framework regarding TBM's activity, fair reward and motivation of managers in order to establish a fair remuneration of directors and executive management, ensures the framework of attracting competent and experienced people in TBM's management as well as the balance between performance, resources and objectives of the company.

The company complies with the remuneration principles established in the Remuneration Policy approved by the **OGMS of 26.08.2021** but also the applicable legal regulations taking into account and insofar as they are appropriate to its size, internal organization and the nature and complexity of its activities.

The remuneration policy has been applied to all the Directors and Executive Directors (respectively to the General Manager) of the Company, regardless of the date of appointment or the date of termination of the mandate.

This Report has been prepared based on the Remuneration Policy adopted by the company's shareholders correlated with the provisions of the Management Contracts concluded between the Company and the members of the Board of Directors, taking into account the following applicable legal provisions:

- Law no. 24/2017 on issuers of financial instruments and market operations, with subsequent amendments and completions
- ASF Regulation no. 5/2018 on issuers of financial instruments and market operations
- Law 31/1990 on companies, republished, with subsequent amendments and completions
- BVB Corporate Governance Code;
- ROF-TMB - TBM Organization and Functioning Regulation;
- TBM Corporate Governance Regulation.

Considering that during the OGMS of 29.04.2025, the shareholders approved without reservations or comments/observations the remuneration report for the 2024 financial year, and regarding the process of implementing the remuneration policy objectives during the 2025 financial year, alignment with the industry dynamics, both at national and international level, and ensuring the achievement of the Company's strategic management and development objectives was taken into account.

Period	Change in the medium remuneration of non-executive employees	Change in the medium remuneration of executives	Change in Sales	Change in EBITDA
2018 vs 2017	35%	24%	11.5%	37.8%
2019 vs 2018	18%	1%	2.3%	-10.3%
2020 vs 2019	9%	8%	8.7%	-23.5%
2021 vs 2020	7%	4%	5.1%	-8.6%
2022 vs 2021	7%	2%	6%	-2.66%
2023 vs 2022	8%	0%	-5.60%	-6.5%
2024 vs 2023	9%	2%	6.56%	47.2%
2024 vs 2025	10%	0%	-4.98%	-45.1%

The remunerations granted to the members of the Board of Directors and the executive directors of the Company were aimed to ensure a compatibility of these remunerations with the provisions of the Company's internal salary policy and activity but also ensuring the loyalty and stability of the management considering the tasks and responsibilities assigned under the **management contract** in the context of achieving the operational objectives determined by the Sales Program.

During 2025 the Remuneration Committee did not propose or approve long-term incentive components for Directors / members of the Board of Directors.

Regarding the basic remuneration established for the members of the Board, it is based on the role, individual experience, skills and sustained level of performance, reflecting the market practice for similar positions and the adaptation to the needs and priorities of the business.

The company is managed in a unitary system by a Board of Directors consisting of 5 directors (one chairman and 4 members), Romanian individuals appointed by the OGMS for a term of 4 (four) years from the date of appointment, whom are eligible for re-election.

The remuneration is established by the shareholders in the OGMS together with the approval of the proposals for the appointment of the members of the Board of Directors and the approval of the management contract.

According to the Company's Constitutive Act, the Chairman of the Board of Directors is also appointed General Executive Director, and his rights and obligations are established under a management contract and in accordance with the present remuneration principles.

For the Chairman of the Board of Directors and the General Executive Director of the Company, the OGMS approved the following remuneration structure:

Remuneration structure

	2025 (lei)	2024 (lei)
Remuneration	654,452	636,747
Disability and death insurance	295,68	295,68
Mobile telephone (% of **TBM** subscription)	365	380
Vehicle (estimated values)	0	0

The rights of the General Executive Director based on the Collective Labour Agreement have in view the planning of annual leave and depending on the situation, the social assistance for the death of a family member.

Disability and death insurance is a policy concluded at general level for all employees of the Company, and in case of insured event, depending on it, a maximum value of 100,000 lei is paid.

Regarding TBM's obligations established based on the management contract, we mention the following:

Vehicle:
- as regards 2025 the obligation from the management contract has been partially fulfilled, the reported amount including only vehicle's depreciation, neither in 2025 the General executive Director did not benefit of a driver;

Vehicle depreciation	**2025 (lei)**	**2024 (lei)**	**2023 (lei)**
Annual depreciation	56.638	0	0

Insurance:
- TBM has not concluded a specific insurance policy for disability and death having as beneficiary the General Executive Director.

All the members of the Board of Directors received during 2025 a fixed monthly remuneration established by the management contract. The remuneration is calculated monthly in the amount of 20% of the remuneration of the Chairman of the Board of Directors in the total amount of 126.547 lei (115.683,5 lei for the year 2024), equal for all the members of the Board of Directors. The difference in value represents the occupation of all positions in the Board of Directors during the entire year of 2025. Year 2024 is impacted by the death of Mrs. Spinka Henriette and the occupation of the vacant position in the Board of Directors only in May, by Mr. Man Gheorghe Alexandru.

The remuneration of the Chairman of the Board of Directors mentioned above represents the amount paid to him in consideration of all the duties that in the specific situation of TBM are fulfilled by the Chairman of the Board of Directors who cumulates this position and the function of General Executive Director of the Company, according to the decisions of the competent corporate bodies in this regard.

The Administrators in office are:

Name	Position	The year of expiry of this term
Radu Viehmann	President, General Executive Director	2028
Dana Maria Ciorapciu	Non-executive administrator	2028
Radu Ovidiu Sârbu	Independent, non-executive administrator	2028
Niculae Havrilet	Independent, non-executive administrator	2028
Man Gheorghe Alexandru	Administrator neexecutiv independent	2028

The company reimbursed the expenses related to the transport for the members of the Board of Directors who are not domiciled in Bucharest as follows:

	2025	2024	2023
Transport	2.805,52 lei	2.575,60 lei	2.328,46 lei

During 2025, the Company did not pay the daily allowance or accommodation for the members of the Board.

During 2025, the structure of the Company's Board of Directors has not recorded changes.

During 2025 the Board of Directors members did not received remuneration, other than the monthly one.

The Company's employees, management and Board of Directors do not benefit from a specific/personalized pension plan based on the provisions of the CCM, other than those provided for in the legislation on social insurance and pensions, so no other amounts have been paid under this title.

During 2025, there were no members of the Board of Directors who would have performed additional duties beyond their normal responsibilities as a member of the Board of Directors, so that in relation to the activity carried out, no short-term incentives, called “awards”, were granted for this type of additional activities.

In order to recognize the achievement of TBM's annual business goals and objectives in the context of the long-term business strategy of ensuring business continuity and related to the fulfilment of financial performance, strategic performance and individual performance aspects within TBM in 2025, short-term incentives were granted to the Chief Executive Officer in a total amount of 1,524,975 lei for the achievement of the Company's objectives for 2024, an incentive that recorded an increase of only 2% compared to 2024, the year in which the incentive was reduced by approximately 15%, due to the failure to achieve the objectives for

2023 (1,494,000 lei granted in 2024 for the activity carried out in 2023), based on the analysis and evaluation carried out by the Remuneration Committee in the meeting dated 11.04.2025.

Until the reporting date, the Remuneration Committee did not meet in the activity evaluation meeting related to the year 2025, as a result, the short-term incentive for the General Manager related to the Company's activity for the year 2025, has not yet been proposed for approval by the Board of Directors.

The performance objectives based on which the short-term incentives were established were:
- Ensuring the achievement of financial objectives in a proportion of at least 60%;
- Ensuring the achievement of TBM strategic objectives in terms of sustainability;
- Personal contribution to the development of business relationships and attracting opportunities;
- Ensuring the continuity of the activity;

The Remuneration Committee considered the following specific aspects related to the performance objectives provided in the remuneration policy detailed above, as follows:

Ensuring the fulfilment of the company's strategic objective, namely the achievement of an operating profit at sufficient levels to ensure the stability of the company and the satisfaction of all stakeholders by increasing the effectiveness of the production activity based on achieving an EBITDA share of 20% of turnover. TBM recorded an EBITDA share of 28.92% (2023: 20.94).

Achieving the objective of ensuring a Turnover of at least 135,000,000 lei. The turnover recorded amounted to 139.9 million lei, and the net profit to 16.1 million lei, respectively a net profit margin of 11.54% (2023: 8.28% 2023, 2022:8.76%).

Development of programs with external clients from the 2024 portfolio so as to ensure an increase in CA related to external commercial activity of 2% in 2024. In 2024, TBM recorded a 17.3% share of external clients compared to 2023 when a share of 14.6% was recorded. As a result, the share of external clients increased by 2.7% in 2024 compared to 2023.

In 2024, collaboration began with GE Aviation (civil aviation) in order to carry out the metallization process for the front-spinner and rear-spinner of the CFM56-7B engine, with the possibility of expanding the repair ranges of this spinner, as well as for those of the CFM56-5A engine type. After completing the FAI (First Article Inspection) batch, currently in progress, the contract will be signed later.

During 2024, TBM began manufacturing the FAI batch of pinions for mechanical assemblies of the new TAI T625 Gokbey helicopter (the first being delivered in October 2024) for Turkish Aerospace Industries. An NDA was signed, the completion of the FAI batch was set for December 2025 - January 2026, and the signing of the contract is expected later.

In 2024, TBM successfully negotiated a price increase for the client Leonardo Helicopters, representing almost a doubling of their prices, starting with 2025. At the same time, an increase in quantities for certain important components (e.g. TGB) was also discussed.

At the end of 2024, a negotiation note was drawn up regarding the price increase for the last 3 helicopter sets related to the NATO program by 19%.

In order to develop in the field of civil aviation by performing complete maintenance on CFM 56-7B engines, TBM received a favorable opinion on the strength structure of the C2 building, a study started in 2023. Therefore, in 2024, TBM began freeing up space by relocating equipment. The available space can be used for business development purposes.

The Remuneration Committee considers the actions taken to have a major impact on the proper functioning of the company and believes that the business continuity risk has been kept under control and favourable premises are maintained regarding the company's development.

To this end, the Remuneration Committee has analysed the business performance in consideration of the objectives and values set in relation to the data sources which may include audited financial figures, key performance indicators with available tracking, as well as any relevant internal evaluations. The performance for any qualitative matrix will be at the discretion of the Board, in terms of executive management, with the approval of the OGMS if necessary.

All these short-term incentives were also approved by the Remuneration Committee in the meeting dated 11.04.2025 and the Board of Directors by decisions no. 3/16.04.2025.

Considering the provisions of the Remuneration Policy approved by the shareholders on the EGMS of August 2021 for granting all incentives and remunerations and the evaluation of the activity, the performance indicators were also taken into account in terms of quantity (financial indicators) and qualitative (indicators non-financial), as follows:

- fulfilment in a significant proportion the economic performance objectives of the Company;
- involvement in fulfilment of the business strategy;
- the achievement of the approved budget in a significant proportion during the years 2024;
- undertaking steps to ensure the continuity of the activity;
- ensuring the implementation and continuous improvement of the policies applicable at the level of the Company;
- the contribution of the decisions taken to the general performance of the Company;

Clarifications related to the drafting of this Report:

The Remuneration Committee did not identify or take into account any conflicts of interest under the terms of the Remuneration Policy art. 8.2.

During 2025, there were no deviations from the Remuneration Policy.

When drafting this report, it was also considered that within the OGMS of 29.04.2025 the shareholders have approved without reservations or comments the remuneration report related to fiscal year 2024.

The Board of Directors did not propose extraordinary compensation during 2024 and 2025.