

Compensation and Motivation Policy

2024

The purpose of the Compensation and Motivation Policy is to establish a system based on principles of fairness and equity, aimed at attracting, retaining, motivating, and rewarding employees fairly, while also stimulating their competitiveness. It also ensures the continuous adaptation of the compensation system to the labor market and to the company's needs for securing highly skilled human resources in the long term.

This policy is communicated to all employees by designated persons from the Human Resources Department, upon hiring or through union leaders and job coordinators when changes occur.

Our Compensation and Motivation Policy Principles

1. Legality

The company's compensation complies with the applicable labor legislation in Romania, including provisions from the Labor Code, the Fiscal Code, the Fiscal Procedure Code, and other legal acts mandated by law.

The compensation system is tailored to the company's specific activities, and its provisions are mandatory and applicable to all employees. Any other method of determining and granting salary rights is prohibited.

Base salaries and allowances may only be subject to deductions in cases expressly provided by law, such as agreements between parties, enforcement actions based on an enforceable title, or disciplinary sanctions applied in accordance with the Labor Code and internal regulations.

2. Stimulating Performance and Competitiveness

The compensation system includes both financial and non-financial motivation mechanisms.

Employees benefit from these incentives based on professional performance, either by meeting agreed-upon indicators, or through creativity, involvement, initiative, innovation, or similar actions.

The Compensation and Motivation Policy establishes rules and methods for rewarding outstanding results, stimulating competitiveness, and motivating employees to make the best efforts to fulfill their duties.

3. Continuous Adaptation

Annually, the policy is reviewed by the Human Resources Director and discussed in the Executive Board, to make the necessary adjustments to achieve the set objectives. The revised policy is subject to approval by the Board of Directors.

4. Fair Compensation

The Compensation and Motivation Policy aims to achieve a balance between an employee's remuneration and the importance of their work in the company's processes, ensuring the elimination of any discrimination based on race, gender, age, disability, religion, sexual orientation, or other characteristics protected by law.

5. Predictability

The policy provides predictability regarding salary levels, supporting career management. Employees have a clear forecast of the salary level offered for new positions, career development, and promotions through:

- Established salary scales for each position in the organizational chart
- Position hierarchy coefficients
- Conditions for professional promotion.

6. Position Hierarchy

Salaries are established in relation to the national minimum net salary, which serves as the calculation basis. The company intends to update the minimum base salary whenever the national minimum salary is increased, depending on available financial resources.

The maximum base salary for each position in the organizational chart is determined by multiplying the calculation basis by a hierarchy coefficient allocated to each position. Hierarchy coefficients are established based on the importance of the position in the organizational chart, the complexity of the activity, market salary practices for similar positions, and the need for employee retention.

New employees receive the minimum salary during their probation period. After successfully completing the probation period, they are placed on the corresponding salary scale for the position, based on professional experience and evaluations.

If the company hires personnel with relevant experience, the salary may exceed the minimum, according to the hierarchy coefficient and the demonstrated level of competence.

7. Salary Scales

The base salary is structured in salary levels, correlated with the professional performance of the employee holding the position. Advancement to a higher level is done according to internal methodology. All base salaries are established through individual employment contracts, based on the hierarchy coefficient and the corresponding salary scale for each position in the organizational chart.

8. Components of the Remuneration System

Salary Component:

- **Base Salary:**

Each employee benefits from a monthly base salary, established based on the nature of the activity, the level of professional preparation, the complexity of tasks, and the responsibilities of the position held.

- **Allowances to Base Salary:**

These represent an addition to the base salary granted for special working conditions, such as night shifts, overtime, or work on weekends and public holidays. The value of the allowances is set through agreements with the trade union and mentioned in the Collective Labor Agreement or the Individual Employment Contracts.

Motivational Component:

This component aims to increase the attractiveness of the employer brand, stimulate professional performance and competitiveness, and retain employees, being granted as an addition to the base salary. The elements of this component are established through the Collective Labor Agreement at the company level.

Our Objective

Our objective is for employees to benefit from a legal, fair, and ethical reward system that respects equal opportunities and avoids any form of discrimination.

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