

## ***THE COMPENSATION AND BENEFITS PLAN OF IAR SA COMPANY***

*A well-defined compensation strategy involves a creative and disciplined approach to compensation management that is aligned with IAR SA's total rewards strategy and the value proposition offered to talented employees who need to be attracted, retained and engaged to achieve the right behaviors.*

*The right approach and processes set the context, using measurement and analysis tools, for the following purposes:*

- documenting existing plans and evaluating their effectiveness,*
- carrying out a market analysis as part of an overall analysis of the aviation industry as a whole, as well as of a group of companies with similar business objects,*
- identifying options and opportunities for change,*
- modeling the impact of change,*
- developing an effective change management and communication plan.*

*Once the strategy is established, IAR SA develops relevant compensation plans through the annually negotiable Collective Labor Agreement for key employee segments, which include both managerial and executive staff. These plans take into account four key elements:*

- basic salary*
- short-term incentives (bonuses)*
- long-term incentives (meal vouchers, health benefits, partial payment of transportation costs between the employee's home and IAR SA headquarters)*
- Recognition and other programs (courses, social benefits, tourist packages, special and family events, additional days off and rest holidays, compensatory payments in case of collective dismissals, work equipment, paid days off according to the CCM, per diems, etc)*

*The rights and obligations of the company and its employees, provided for in the Labor Code, are personalized by the Collective Labor Agreement applicable in IAR S.A.*

*The principle of equal treatment of all employees operates within the employment relations, any direct or indirect discrimination against an employee, discrimination by association, harassment or victimization, based on the criteria of race, citizenship, ethnicity, colour, language, religion, social origin, genetic features, sex, sexual orientation, age, disability, disability, chronic non-contagious disease, HIV infection, political choice, family situation or responsibility, membership or trade union activity, membership in a disadvantaged category being prohibited.*

*According to Law 263/2010, the working conditions in which the employees of IAR SA work are normal working conditions.*

*The company IAR S.A. ensures the organization of retraining courses for the redeployment of employees from inadequately sized capacities, or who undergo a change in the profile of activity within the company.*

*IAR S.A. undertakes the obligation to create the conditions for professional development by organizing courses, paying teachers and instructors, ensuring optimal conditions for these activities.*

*IAR S.A. draws up annual training plans in consultation with the trade union. The annual training plan is an integral part of the Collective Labor Agreement.*

*IAR S.A. ensures proper supervision of the health of all employees, complying with the measures established by the legal regulations through which this is achieved, depending on the risks related to health and safety at work.*

*The employees have the obligation to comply with the provisions of the Collective Labor Agreement, the Individual Employment Agreement, the Internal Regulations, the Organization and Functioning Regulations, the Code of Ethics and Integrity and all the procedures and/or instructions of the Quality Management System implemented in IAR S.A.*