

POLICY ON TRANSACTIONS WITH AFFILIATED PARTIES OF IAR SA

1. Purpose of the Policy

This policy establishes the general framework for the identification, assessment, approval and monitoring of transactions with affiliated parties, in accordance with the provisions of Law no. 24/2017 on issuers of financial instruments and market operations, ASF Regulation no. 5/2018, as well as with the rules of the Bucharest Stock Exchange (BVB) and the Fiscal Code in force.

2. Scope

The policy applies to all transactions carried out by IAR SA with affiliated parties, regardless of their nature or value.

3. Definition of Related Parties

According to ASF regulations and International Financial Reporting Standards (IFRS), a related party is defined as:

- a natural or legal person that controls, has joint control over or has significant influence over the company;*
- members of the board of directors, directors, as well as their close relatives;*
- any entity in which the company has a significant participation or over which it exercises significant control.*

In accordance with the provisions of art. 7 point 26 of the Fiscal Code, a person is affiliated if his/her relationship with another person is defined by at least one of the following cases:

- a natural person is affiliated with another natural person if they are spouses or relatives up to the third degree inclusive;*
- a natural person is affiliated with a legal person if the natural person holds, directly or indirectly, including the holdings of affiliated persons, at least 25% of the value/number of shares or voting rights of a legal person or if he/she effectively controls the legal person;*
- a legal person is affiliated with another legal person if a person holds, directly or indirectly, including the holdings of affiliated persons, at least 25% of the value/number of shares or voting rights in the other legal person or if he/she effectively controls that legal person.*

4. General Principles

- **Transparency:** All transactions with affiliated parties must be carried out under market conditions, in compliance with the principles of fair competition and integrity.*

- **Equal treatment:** Transactions must not provide unjustified advantages to the parties involved, compared to similar transactions with independent third parties.
- **Documentation and justification:** Each transaction must be properly documented, justifying its necessity and benefits for the company.

This Policy is applicable to IAR SA and all personnel of IAR SA, in all activities carried out in the process of analyzing and approving transactions with affiliated parties at or on behalf of the Company. The provisions of this Policy do not represent derogations from the legal provisions in force, the personnel having the obligation to comply with the applicable legislation.

5. Procedure for approving transactions with affiliated parties

5.1. Identification of transactions

- The compliance and finance departments are responsible for identifying and monitoring transactions with affiliated parties.
- Any member of management or staff who has knowledge of a potential transaction with an affiliated party is required to report it immediately.

5.2. Transaction Valuation

- Transactions are evaluated to determine whether they are carried out at arm's length.
- Independent valuations or opinions of external consultants may be requested, depending on the complexity and value of the transaction.

In the case of all transactions between Affiliated Parties within IAR SA, the interest pursued is compliance with the Market Value Principle.

Art. 19 of the Fiscal Code (Law no. 227/2015 on the Fiscal Code, as subsequently amended and supplemented) establishes the general rule that transactions between affiliated persons must be carried out in accordance with the market value principle. According to the provisions of art. 7) point 26 of the Fiscal Code, as subsequently amended and supplemented, the market value principle is defined as follows: "when the conditions established or imposed in the commercial or financial relations between two affiliated persons differ from those that would have existed between independent persons, any profits that in the absence of those conditions would have been made by one of the persons, but were not made by it because of those conditions, may be included in the profits of that person and taxed accordingly."

5.3. Transaction Approval

- **Small-value transactions:** May be approved by executive management, within established limits of competence.
- **Significant transactions (above 5% of the company's net assets):** Requires approval by the Board of Directors, with the opinion of the Audit Committee. Board members directly or indirectly involved in the transaction abstain from voting.

- **Major transactions (above 10% of net assets):** Requires approval by the General Meeting of Shareholders, in accordance with ASF regulations and the Fiscal Code in force.

6. Reporting and Advertising

- IAR SA will report significant transactions with affiliated parties in accordance with the requirements of ASF and BVB.
- Transactions will be presented in the annual and semi-annual financial reports, including details regarding the nature of the transaction, the value, the parties involved and the method of determining the price.
- The information will be published on the company's website, where necessary, to ensure transparency towards investors and other interested parties.

7. Monitoring and Review

- The policy is reviewed periodically, at least once a year, or whenever relevant legislative changes occur.
- The Audit Committee is responsible for monitoring the application of the policy and proposing adjustments, if necessary.

8. Failure to Comply with the Policy

Any failure to comply with this policy may result in disciplinary action and legal action, as appropriate, including personal liability for damages caused to the company.