



**INTERNAL REGULATIONS OF THE BOARD OF DIRECTORS OF
SAFETECH INNOVATIONS S.A.**

SAFETECH INNOVATIONS S.A.



1. PREAMBLE

These Internal Regulations of the Board of Directors (the “**BoD Regulations**”) set out the corporate governance practices and rules to be adopted by the Board of Directors of Safetech Innovations S.A. in relation to its operations.

At the same time, the purpose of these BoD Regulations is to ensure an appropriate level of transparency, efficiency, and clarity regarding the manner in which the Board of Directors operates, without burdening its activity with unnecessary bureaucratic procedures. The BoD Regulations reflect the Board of Directors’ conviction that compliance with high standards of corporate governance is an essential element that enables the management of the Company in accordance with the interests of its key stakeholders, enhances the Company’s attractiveness to potential investors, and supports the achievement of the Company’s long-term objectives.

2. COMPOSITION OF THE BOARD OF DIRECTORS

The Company is managed under a unitary system by a Board of Directors composed of 3 (three) members elected by the Ordinary General Meeting of Shareholders (OGMS), namely 2 (two) Non-Executive and Independent Directors and 1 (one) Executive Director, who may be re-elected for successive terms, in accordance with the Company’s Articles of Incorporation.

The Chairman of the Board of Directors is appointed by the members of the Board of Directors by a simple majority of the members present.

3. ROLE OF THE BOARD OF DIRECTORS

- 3.1. The Board of Directors is the decision-making body with respect to all matters of significance for the Company as a whole, except for those matters which are reserved by law to the General Meeting of Shareholders.
- 3.2. The roles and responsibilities of the Board of Directors are detailed in the Company’s Corporate Governance Regulations.
- 3.3. The Board of Directors, together with its committees, prepares and approves annually, prior to the end of the calendar year, an internal work plan setting out the topics and matters to be discussed during the following year. This plan includes the decisions to be proposed to the General Meeting of Shareholders, the reports expected from executive management and internal control functions, as well as the required frequency of meetings of the Board of Directors and its committees. The draft plan is reviewed and adjusted by the Chairman of the Board of Directors, with the support of the Board Secretary.
- 3.4. In addition to the responsibilities set out above, the Board of Directors may delegate part of its powers to the committees of the Board of Directors, to the Chief Executive Officer, or to persons holding lower-level positions, as it deems appropriate.

4. COMMITTEES OF THE BOARD OF DIRECTORS

- 4.1. The Board of Directors may establish permanent or ad-hoc committees to assist it in the performance of its duties and shall be responsible for appointing the members of such committees and determining their responsibilities.



4.2. The permanent committees shall have the responsibilities and operating rules set out in their Terms of Reference, which shall be approved by the Board of Directors. All members of the Board of Directors shall have access to the minutes recording the meetings of the committees.

4.3. The Board of Directors shall have the following permanent committees:

- a) **Nomination and Remuneration Committee:** this committee shall be composed of at least 2 (two) non-executive directors, the majority of whom shall be independent. The Committee shall have responsibilities relating to the composition, structure, and activities of the Board of Directors, as well as to the principles applicable to the remuneration of the members of the Board of Directors, including the Chairman of the Nomination and Remuneration Committee. The Nomination and Remuneration Committee shall have the following responsibilities, as detailed in the Committee's Terms of Reference:
- (i) reviews and proposes to the Board of Directors the structure and number of its members, while also defining and continuously updating the profile of the Board;
 - (ii) identifies potential candidates for positions as members of the Board of Directors and of executive management, when requested; evaluates individuals proposed for executive management positions and reviews candidates nominated by shareholders or Board members for the role of director, duly informing the General Meeting of Shareholders;
 - (iii) makes recommendations to the Board of Directors regarding the appointment of members of other committees, with the exception of the Nomination and Remuneration Committee;
 - (iv) coordinates the annual evaluation of the Board of Directors, of individual directors, and of the committees, focusing on the composition, performance, and dynamics of the Board and its committees. The results are communicated to the entire Board, together with any follow-up measures, including training and professional development programs;
 - (v) supports the Board of Directors in fulfilling its responsibilities regarding the Company's remuneration policy;
 - (vi) participates in the development of succession plans for executive management, including emergency plans and the selection process for the position of Chief Executive Officer;
 - (vii) monitors the manner in which compensation plans and benefits granted within the Company are administered.
- b) **Audit and Risk Committee:** this committee shall be composed of at least 2 (two) non-executive directors, the majority of whom shall be independent, including the Chairman of the Audit and Risk Committee. The Committee shall have responsibilities relating to the oversight of the integrity and quality of the Company's financial reporting, the effectiveness of the Company's risk



management and internal control systems, the supervision of internal and external audit processes, compliance with applicable laws and regulations, and the assessment of any conflicts of interest, as further detailed in the Committee's Terms of Reference.

The assessment of the independence of the members of the Committees shall be carried out in accordance with the same procedure applicable to the independent members of the Board of Directors.

The Chairman of the Nomination and Remuneration Committee and the Chairman of the Audit and Risk Committee shall not be the Chairman of the Board of Directors or the chairman of any other committee.

5. OPERATION OF THE BOARD OF DIRECTORS

- 5.1. The Board of Directors shall meet in regular meetings, convened by the Chairman of the Board of Directors at least once every three (3) months, with at least four (4) meetings dedicated to the discussion and approval of financial results, one (1) meeting dedicated to strategy, and one (1) meeting dedicated to evaluation. The notice convening regular meetings shall be sent to the members of the Board of Directors at least five (5) calendar days prior to the proposed date of a regular meeting.
- 5.2. Where necessary, special meetings of the Board of Directors may be convened by the Chairman of the Board of Directors on his/her own initiative, as well as at the request of at least two (2) members of the Board of Directors or of the Chief Executive Officer, in each case with at least three (3) calendar days' prior notice before the meeting date.
- 5.3. In exceptional cases, justified by the urgency of the situation and the interest of the Company, decisions of the Board of Directors may be adopted by the unanimous written vote of its members, without the need to convene a meeting of such body.
- 5.4. Within the meetings of the Board of Directors, the Chief Executive Officer may attend, if convened, without voting rights, except for directors who are also members of the Board of Directors. The Chairman of the Board of Directors may invite other persons, including directors or the management of subsidiaries, to attend the meetings of the Board of Directors, in whole or in part, depending on the agenda, without voting rights. The Chairman of the Board of Directors may at any time decide that any person who is not a member of the Board of Directors shall leave the Board meeting.
- 5.5. Notices convening meetings of the Board of Directors shall be sent in writing, by electronic mail, and shall include the proposed agenda together with the supporting materials, the meeting venue, and any other additional documentation, as the Chairman of the Board of Directors may deem necessary. The agenda of each meeting shall be established by the Chairman, following appropriate consultation with the Chief Executive Officer and the other members of the Board of Directors;
- 5.6. The agenda of each meeting of the Board of Directors shall be established by the Chairman of the Board of Directors, following consultation with the Chief Executive Officer and the members of the Board of Directors. Where the meeting of the Board of Directors is convened at the request of at least two (2) members of the Board of Directors or at the request of the Chief Executive Officer, such members of the Board of Directors



or the Chief Executive Officer who requested the convening of the meeting shall propose the agenda and shall prepare and submit the materials related to each item proposed on the agenda.

- 5.7. Notices convening meetings of the Board of Directors shall be sent in writing, by e-mail, fax, registered mail or courier, in each case with acknowledgment of receipt, and shall include the date, time and place of the meeting, as well as the proposed agenda together with the relevant materials and any other documents necessary for the meeting, whether at the first or second convening. A meeting of the Board of Directors may be held at any time without prior notice, if all members of the Board of Directors are present (in person or by representation) or if those who are not present expressly waive in writing the requirement to receive the meeting notice.
- 5.8. The Board of Directors may hold meetings by the following means:
- a) direct participation of the members in the meeting, in person or by representation, at the place indicated in the notice or at the agreed location of the meeting, both in the case of meetings convened in compliance with the notice formalities and in the case of meetings held with a waiver of the notice formalities;
 - b) participation of the members in the meeting through the following remote communication means: teleconference or videoconference, subject to the fulfillment of the technical conditions necessary for the identification of the participants, the effective participation of the members in the meeting of the Board of Directors, and the continuous transmission of the deliberations;
 - c) without holding a meeting of the Board of Directors, by correspondence, in exceptional cases justified by the urgency of the situation and the interest of the Company, through the unanimous written vote of all members of the Board of Directors. The urgent nature shall be determined with justification by the Chairman of the Board of Directors, and the reasons justifying such urgency shall be specified in the preamble of the decision adopted by correspondence. Decisions concerning the annual financial statements or the authorized share capital may not be adopted by correspondence.
 - d) A meeting of the Board of Directors shall be duly convened if at least three (3) members of the Board of Directors are present (in person or by representation), and the decisions of the Board of Directors shall be adopted by the majority vote of the members present (in person or by representation) at the meeting.
- 5.9. Members of the Board of Directors may be represented at meetings of the Board of Directors only by other members of the Board of Directors, duly empowered by a special power of attorney. A member attending in person may represent only one absent member.
- 5.10. Minutes shall be drawn up for each meeting, which shall include the names of the participants, confirmation of the quorum, the agenda, the decisions adopted, and any dissenting opinions. The minutes shall be signed by the chairman of the meeting, by at least one other director, and by the secretary of the meeting.



- 5.11. In order to ensure that newly appointed Directors become operational as quickly as possible, the Chairman of the Board of Directors shall propose an induction program, subject to the approval of the Board of Directors, and shall ensure that each newly appointed Director receives the essential information regarding the Company's activity and operations, so as to enable a prompt understanding of the main aspects of the Company's operations.
- 5.12. The induction program shall be completed within one (1) month from the date of appointment.
- 5.13. Members of the Board of Directors may participate in continuous professional development programs, where necessary. Based on the results of the annual evaluation of the Board of Directors, the Nomination and Remuneration Committee, in cooperation with the Chairman of the Board of Directors, shall identify development needs and propose appropriate programs for strengthening the competencies of the members.
- 5.14. Both the induction programs and the continuous professional development programs shall be coordinated by the Nomination and Remuneration Committee, with the support of the Board of Directors' Secretary.

6. SECRETARY OF THE BOARD OF DIRECTORS

6.1. General matters:

- 6.1.1. The Board of Directors' Secretary supports and is responsible for ensuring the effective functioning of the Board of Directors and its committees, facilitating efficient communication and information flows between the Board of Directors, the committees, the Company and the shareholders, as well as ensuring compliance with applicable corporate governance rules and regulations;
- 6.1.2. The Board of Directors' Secretary shall be appointed by the Board of Directors, based on the recommendations of the Chairman;
- 6.1.3. The Board of Directors' Secretary shall report directly to the Chairman of the Board of Directors;
- 6.1.4. The role of the Secretary may be outsourced to an external service provider with an excellent reputation, if the Company considers that such an arrangement is appropriate for its needs.

6.2. Objectives:

- 6.2.1. The Secretary shall ensure that the Company's governing bodies comply with applicable laws, rules, and internal corporate policies, and shall adapt such rules and policies or introduce new ones, where necessary.
- 6.2.2. The Company Secretary may contribute to the establishment and maintenance of communication between the Company's governing bodies, in accordance with the Articles of Incorporation or other internal regulations of the Company.
- 6.2.3. In addition, the Secretary shall contribute to ensuring compliance by the Company's governing bodies with all relevant national and international regulatory requirements.



Accordingly, the Company Secretary often acts as an advisor to the directors and officers on regulatory requirements, listing rules, and corporate governance legislation. The Company Secretary may also identify deficiencies in corporate governance and propose solutions to remedy such deficiencies.

6.3. Responsibilities:

6.3.1. The main responsibilities of the Secretary are as follows:

- a) advises the Board of Directors on matters relating to the Company's corporate governance;
- b) plans meetings, contributes to the preparation of the agenda, provides guidance on the content of documents prepared by the Board of Directors, ensures the timely circulation of documents, records the decisions of the Board of Directors in a clear and accurate manner, undertakes follow-up actions, and reports on any issues that arise;
- c) drafts the documents and minutes of the meetings of the Board of Directors and its committees;
- d) facilitates the flow of information among the members of the Board of Directors and creates the conditions for effective cooperation between directors and officers;
- e) supports the planning process for the identification of successors to the Board of Directors;
- f) contributes to the development and implementation of performance evaluations of the Board of Directors;
- g) ensures compliance with all rules relating to the trading of shares/bonds on the market;
- h) ensures compliance with company law and corporate regulations, as well as with the Company's constitutional documents;
- i) ensures that the members of the Board of Directors are informed of shareholders' views;
- j) manages the process of convening and organizing the Company's shareholders' meetings, in accordance with the requirements set out by law and regulations, using this opportunity to communicate with retail investors;
- k) manages relations with institutional investors with regard to corporate governance matters and Board procedures;
- l) coordinates the drafting, preparation, printing, and distribution of the Company's annual report and ensures that it includes all information required to be reported in relation to corporate governance;
- m) maintains the statutory registers required by law;
- n) is responsible for corporate governance, under the authority of the Chairman;



- o) ensures that the principles set out in the Corporate Governance Code are carefully considered and properly applied. The Company shall state whether or not it has applied these principles and, where they have not been applied, shall explain the reasons for such non-application.

6.4. Liability:

6.4.1. The Board of Directors' Secretary shall act independently, by virtue of his/her professional duties. The Secretary shall provide advice to the Board of Directors as a whole and, in particular, to the non-executive directors, on matters relating to corporate governance. The Board of Directors' Secretary must enjoy the confidence of all directors, in particular that of the Chairman of the Board of Directors.

7. RIGHTS AND OBLIGATIONS OF DIRECTORS

7.1. The Directors shall, in particular, have the following rights:

- a) Right to information: Directors shall receive, for each meeting of the Board of Directors, accurate information provided in a timely manner and in an intelligible format, as well as the necessary updates between meetings. Directors shall have access to any member of the executive management, generally through the Chairman of the Board of Directors and the Chief Executive Officer.
- b) Right to request the convening of a Board meeting: Any Director may request the convening of a meeting of the Board of Directors, and the Chairman shall be obliged to convene such meeting under the conditions set out in the Corporate Governance Code and the Articles of Incorporation.
- c) Right to request the inclusion of items on the agenda: Any Director may request the Chairman to include one or more items for discussion on the agenda of the next meeting of the Board of Directors, provided that such request is submitted at least two (2) business days prior to the meeting date and that all Directors are informed.
- d) Right to reimbursement of costs and insurance: At the Company's expense, Directors shall be reimbursed for all costs associated with participation in meetings of the Board of Directors and its committees. Directors shall also benefit from professional liability insurance under the terms approved by the Board of Directors.
- e) Right to confidentiality of information: Directors have the right to the confidentiality of all personal data and information disclosed to the Board of Directors, the Board committees, and the Company.
- f) Directors shall also benefit from all rights granted to them under the Companies Law and the applicable legislation in Romania.

7.2. The Directors shall, in particular, have the following obligations:

- a) Ethics and moral integrity: Directors shall apply and adhere to the highest standards of ethics and moral integrity. Any event that could negatively affect their reputation and credibility shall be immediately reported to the Chairman of the Board of Directors.

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- b) Regular attendance at Board meetings: The attendance of each Director at meetings of the Board of Directors, whether in person or by teleconference, shall be recorded in the minutes.
- c) Active participation: Directors shall contribute to constructive discussions within meetings of the Board of Directors. In particular, they shall contribute to the development of strategies, analyze and formulate constructive criticism regarding the performance of the executive management, and oversee the achievement of the Company's objectives.
- d) Performance of duties in good faith: Directors shall exercise their duties in good faith, for the benefit of the Company, and shall not promote their own interests or the interests of third parties.
- e) Loyalty: Directors shall not become members of boards of directors or officers of companies that compete with the Company, or of institutions whose interests diverge from or are contrary to the interests of the Company.
- f) Confidentiality: Each Director shall maintain strict confidentiality of all information received in the exercise of his/her duties. Upon termination of the mandate, the obligation of confidentiality shall continue to apply to all information that has not otherwise become public.
- g) Other appointments: Directors may hold positions as members of multiple boards of directors, provided that this does not affect the proper performance of their duties and obligations toward the Company. Directors shall inform the Board of Directors of all current professional commitments (including executive or non-executive positions on other boards of directors or non-profit institutions) prior to appointment and throughout the term of office.
- h) Compliance with all Policies and Procedures: Directors shall strictly comply with all applicable Policies and Procedures of the Company.
- i) Disclosure of relationships with shareholders: Directors shall inform the Board of Directors of any relationships with shareholders holding at least 5% of the total voting rights, to the extent that such relationships may influence the Director's position on matters subject to decision by the Board of Directors.
- j) Compliance with applicable laws: Directors shall comply with all applicable legal provisions in Romania, including the specific obligations imposed on directors.

8. CONFLICTS OF INTEREST

- 8.1. Directors owe a duty of loyalty to the Company and shall endeavor to avoid conflicts of interest, defined as situations in which their personal or professional interests make it difficult to take objective action in the interest of the Company and its shareholders and to properly perform their role as directors. The Board of Directors shall adopt specific rules regarding the avoidance of conflicts of interest, which shall also apply to directors.
- 8.2. Directors shall be required to declare any actual or potential conflict of interest at the beginning of all meetings of the Board of Directors and shall refrain from participating



in any deliberation of the Board of Directors concerning transactions in respect of which such conflict of interest exists.

- 8.3. If a transaction in respect of which a Director has an actual or potential conflict of interest cannot be avoided, such transaction or business relationship with the Company shall be handled with appropriate caution and in a fully transparent manner.

9. TERMINATION OF THE DIRECTOR'S MANDATE

9.1. A Director's mandate shall terminate in the event that:

- a) in accordance with the law or applicable regulations, the Director is no longer able to exercise this position;
- b) the Director becomes incapacitated or is unable to perform his/her duties for a period of six (6) consecutive months;
- c) the Director resigns from office by submitting a written resignation; and
- d) the removal of the Director from office is decided by a resolution of the Company's shareholders providing for such removal.

10. VACANCY OF THE DIRECTOR POSITION

10.1. In the event of a vacancy, the Board of Directors shall appoint a temporary member for a term commencing on the date of such appointment and ending on the date on which the General Meeting of Shareholders decides on the appointment of a member of the Board of Directors. In this case, the remaining members of the Board of Directors shall include on the agenda of the next ordinary general meeting of the Company the appointment of a member of the Board of Directors. If, at any time, the number of existing members falls below the statutory minimum, the remaining members shall urgently convene a general meeting having on its agenda the election of members of the Board of Directors to fill the vacant positions.

11. RELATIONS WITH SHAREHOLDERS

- 11.1. Agenda of the General Meeting of Shareholders: The Board of Directors shall decide on the matters to be included on the agenda of the General Meeting of Shareholders. The Board of Directors shall ensure that shareholders receive, in due time, all relevant documentation and information relating to the items included on the agenda.
- 11.2. Shareholders' participation in the General Meetings of Shareholders: The Board of Directors shall facilitate shareholders' participation and shall ensure that informed decisions are adopted by shareholders within the General Meeting of Shareholders.
- 11.3. Chairing of the General Meeting of Shareholders: The General Meeting of Shareholders shall be chaired by the Chairman of the Board of Directors. In his/her absence, the meeting shall be chaired by the Director acting as his/her substitute.
- 11.4. Communication with investors: The Company's spokespersons in relations with investors shall be the Chairman of the Board of Directors and the Chief Executive Officer.



However, they may delegate the authority to present information on behalf of the Company to other directors or members of the executive management.

- 11.5. Reporting to shareholders: The Company undertakes to provide shareholders with consistent, accurate, and timely information. The Board of Directors, under the leadership of the Chairman, shall inform shareholders annually about the activity of the Board of Directors. Shareholders shall have access to essential information regarding the Company's activity, subject to the approval of the Board of Directors.