PROCEDURE ON THE POLICY AND PRACTICE

FOR APPOINTMENT OF THE MEMBERS TO THE BOARD OF DIRECTORS

ADOPTED BY IMPACT DEVELOPER & CONTRACTOR SA

Approved, **Date ____________**

Board of Directors

Chairman George-Toma Mucibabici

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1. Preamble

1.1. The present procedure on the policy and practice for appointment of the members of the Board of Directors (“**the Policy**”) of the Company Impact Developer & Contractor SA (“**the Company**”) is part of the Company's corporate governance framework and has been developed in accordance with the provisions of the Bucharest Stock Exchange Corporate Governance Code, applicable as of January 1, 2025, as well as with the provisions of applicable legislation, including Law No. 24/2017 on issuers of financial instruments and market operations, as amended and supplemented, and Law No. 11/2025 on gender balance within the management bodies of listed companies. The policy establishes the principles and criteria applicable to the selection and nomination process for directors, with a view to ensuring an appropriate mix of skills, experience, independence, and diversity, correlated with the Company's strategy, risk profile, and long-term objectives.

1.2. The Board must include a various range of personalities, characters, abilities and experiences in order to perform a successful activity. Varied and diverse boards have greater chances of being efficient boards, more capable of understanding clients and shareholders and to benefit from fresh perspectives, new ideas, real challenges and a wide variety of experiences. In turn, such lead to taking and implementing better decisions.

2. The main **purposes** of the present Policy are:

(i) ensuring transparency and efficiency in the selection process of Board members;

(ii) preparing and recommending guidelines for the selection of Board members, including criteria for assessing independence;

(iii) establishing appropriate mechanisms and systems for evaluating the mix of skills, perspectives, competencies, knowledge, qualifications, and experience relevant to the Company’s objectives;

(iv) strengthening gender balance, in accordance with the requirements of Law No. 11/2025, through the application of neutral and non-discriminatory selection criteria.

3. The fundamental principle underlying the present Policy is to ensure the proper balance in respect of the structure, experience, gender diversity, knowledge and independence of the members, in order to enable them to effectively perform their duties and responsibilities. Upon the appointment of the directors, the Board must take into consideration criteria such as diversity, as well as challenge.

4. Conditions Regarding the Structure of the Board:

4.1. The conditions regarding the structure of the Board are as follows:

(i) at least one of the directors must have economic studies and an experience of at least 5 years in the economic, accounting, audit or financial fields;

(ii) it is not possible for a person to be at the same time appointed Chairman of the Board of Directors and manager within the Company;

(iii) the Board shall be composed of 5 members, whose mandate is of 4 (four) years, with a possibility for extension, with the exception of situations provided by law or by the Articles of Association of the Company;

(iv) the majority of the Board members shall be non-executive directors;

(v) taking into account the fact that the Company belongs to the Premium Tier, at least two directors shall be **independent non-executive directors**, who are not involved in any relation which might affect their capacity of taking decisions in an independent manner;

(vi) in accordance with Law No. 11/2025, the Company aims to ensure a balanced gender representation within the composition of the Board.

4.2. The Nomination and Remuneration Committee shall periodically assess the adequacy of the Board's composition in relation to the Company's strategy, risk profile, and long-term objectives, including through the use of a competency matrix that reflects the professional competencies, relevant experience, independence, and diversity of the members.

4.3. The nomination process will take into account the identification of any skills gaps, including in the areas of risk management, sustainability, and internal control, as well as ensuring continuity by applying the principles of succession planning for directors.

5. Criteria for Determining the Independence of Directors

5.1 The independent non-executive director must meet the following criteria, as supplemented by the requirements of the revised 2025 Corporate Governance Code:

(a) must not be a director of the Company or of any company controlled by it, and must not have held such a position in the past five (5) years;

(b) must not have been an employee of the Company or of any company controlled by it, nor have had such an employment relationship in the past five (5) years;

(c) must not receive, nor have received, from the Company or from any company controlled by it any additional remuneration or other benefits, apart from those related to their capacity as a non-executive director;

(d) must not be a significant shareholder of the Company or represent, or have represented in any way during the previous year, a significant shareholder of the Company. The same condition applies to a shareholder who controls a significant shareholder of the Company;

(e) must not have, nor have had in the past year, any business relationships with the Company or with any company controlled by it, either personally or as a partner, shareholder, director, officer, or employee of a company having such relationships, if the substantial nature of these relationships could affect their objectivity;

(f) must not be, nor have been in the past three (3) years, a partner or employee of the current or former financial auditor of the Company or of a company controlled by it;

(g) must not be a director in another company where a director of the Company serves as a non-executive director;

(h) must not have served as a non-executive director of the Company for more than three (3) terms, and in any case, no longer than twelve (12) years;

(i) must not have family ties with a person in any of the situations mentioned under points (a) to (d);

(j) must not have family ties with a person who:

- is or has been in the past five (5) years a non-executive member of the Board or an employee of the Company;
- has or has had in the past year a significant business relationship with the Company, either directly or as a partner, shareholder, Board member, or employee of an entity having such a relationship;
- is or has been in the past three (3) years an external auditor (or an employee of the external auditor) of the Company;
- is a member of the executive management of a company in which the executive managers of the Company serve as Board members..

5.2 Each independent member of the Board shall submit a declaration at the moment of his/her nomination in view of election or reelection, as well as whenever any change in his/her status occurs, by indicating the elements based on which he/she is considered to be independent in terms of his/her character and judgment and taking into consideration the criteria set out in the present Policy. In case a director considers that he/she is independent, despite the existence of certain relationships or circumstances set out in the present Policy, he/she must provide arguments in support of his/her affirmation. In this case, the Nomination Committee ("**the Committee**") shall analyze the arguments provided by the respective director and shall draft a report to be submitted for analysis to the Board, which shall decide accordingly.

6. Guidelines on Appointment

6.1. The Chairman of the Board shall recommend a candidate for the position of member of the Board, in compliance with the guidelines provided under this article. Should the Board accept the recommendation, the General Meeting of the Shareholders shall be informed of this candidate in view of his approval.

6.2. The candidates shall be appointed in such a manner that the overall expertise and skills of the Board correspond to the strategic needs of the Company.

6.3. Candidates must demonstrate: (i) commitment to the Company's vision and objectives; (ii) moral integrity and impeccable professional conduct; (iii) relevant experience in leadership roles and knowledge of corporate governance; (iv) availability and ability to dedicate sufficient time to the role; (v) compliance with limits on the accumulation of mandates.

6.4. The Board members shall possess at least the following abilities:

(i) sound judgment for business: considerable trading and professional experience, ensuring the strategic judgment and a sound understanding of the manner in which organizations operate;

(ii) expertise in the accounting, audit and risk fields: at least one Director shall have accounting and audit knowledge. In addition, at least one Director shall have solid knowledge and experience in the field of risk management and internal control, having the necessary skills for leading discussions with the Board in respect of risks;

(iii) understanding of the market on which the Company operates: good understanding of the constructions and real estate market on which the Company operates and of the Company's clients.

6.5. Individual Qualification Criteria for Appointed Candidates

At the same time, each candidate must meet the following criteria:

(i) the candidate proves a strong commitment to the vision and strategic objectives of the Company;

(ii) the professional course of the candidate indicates the fact that he/she has permanently adhered to the highest ethical standards, that he/she had an adequate conduct, that he/she enjoys a good reputation and he/she has not perpetrated any crime, fraud or financial error;

(iii) the candidate proves determination, moral integrity and intellectual capacity in order to challenge the actions of the executive management whenever necessary, at the same time acting in a constructive manner and in line with the concepts of trust and teamwork;

(iv) the candidate has experience in management positions, proving a good understanding of the concept of corporate governance and of the responsibilities specific to directors.

7. Balanced Structure of the Board

7.1. **Executive and Non-Executive Directors**

7.1.1. The executive directors are the members of the unitary Boards who, in their executive capacity, are responsible for the performance of current activities and for the executive management of the company. They have the same responsibilities as other members of the Board. Whenever they are involved in the activities of the Board, these duties and responsibilities are extended to the entire activity, not only to the area covered by their individual executive roles. In their capacity as members of the Board, they are directly responsible to the shareholders and their contribution to the activity of the Board must be frequently assessed.

7.1.2. The executive management is responsible for the management and satisfactory performance of the Company's activities, including the implementation of policies, strategies and the achievement of objectives.

7.1.3. In order to fulfill its attributions and responsibilities, the executive management acts within the scope of a well-structured framework, with specific, clearly defined objectives and in compliance with the legislation applicable to the Company.

7.2. **Non-Executive Directors**

A non-executive director is a member of the Board who is not involved in the current executive management of the company. This means that a non-executive manager may provide a creative contribution to the Board, by objective criticism and by playing a valuable role in monitoring the executive management.

7.3. **Independence of Non-Executive Directors**

The Board effectively represents the overall interests of the company. In line with independence, they may be objective and may assess the performance and economic interests of the company without being in a conflict of interest and without being influenced by the interested parties. Only non-executive directors may be considered independent.

7.4. **Regular Changes to the Board Structure**

These changes are intended to favor the development of independent and innovative thinking. The boards which follow the best practices aim at ensuring a balance between the experience and the level of knowledge of the company and the fresh vision which the new directors may bring.

8. Selection Procedure

8.1. Conditions for participation to the selection procedure:

(i) knowledge of Romanian and English (written and spoken);

(ii) full capacity of exercise;

(iii) a health condition adequate to the position for which he/she runs, ascertained by medical documents;

(iv) not to have been convicted for fraudulent administration, abuse of trust, forgery, use of forgery, fraud, peculation, false testimony, bribe giving or taking, for crimes provided by the Law on the prevention and sanctioning of money laundering, as well as on setting up certain measures for preventing and fighting against terrorism financing, such as further amended and supplemented, for crimes provided by art. 143-145 of Law no. 85/2014 on the insolvency procedure, such as further amended and supplemented;

(v) experience in the activity of administration/management of certain companies having similar areas of activity as the Company;

(vi) knowledge of the legislation on trading companies, of the legislation on capital markets and of any relevant regulations, as well as of corporate governance;

(vii) knowledge of the normative deed on the organization and operation of the Company.

8.2. The Nomination and Remuneration Committee ensures transparency by timely publishing information about each candidate, including their CV, professional experience, potential conflicts of interest, and the identity of the person or entity that proposed the candidacy.

8.3. The selection process will respect the principles of **equal opportunities and treatment between women and men**.

8.4. The Nomination Committee informs the shareholders that, in accordance with Article 109^5 of Law No. 24/2017 on issuers of financial instruments and market operations, the Company is obliged to ensure adequate transparency of the Board members' selection process by establishing fair and transparent procedures based on a comparative evaluation of candidates and the use of clear, neutral, and objective criteria primarily grounded on their qualifications and merits. Moreover, based on the provisions introduced by **Law No. 11/2025**, listed companies are required to ensure that, by no later than 2026, the underrepresented gender holds at least **40% of non-executive director positions**, and optionally reaches a threshold of **33% of the total** executive and non-executive **director positions.**

8.5. Selection Stages:

(i) a notice shall be published, including the minimum requirements which the natural/legal entity must meet in order to hold the capacity of director of the Company;

(ii) the nominations shall be submitted at the Company headquarters, to the Company email address or by fax, within a maximum 30 days as of publication of the notice and shall be analyzed by the Committee within maximum 20 days as of submission of nominations, with the possibility to extend or reduce the term depending upon the number of submitted nominations;

(iii) the selection of the nomination files shall be performed in compliance with the provisions above, taking into consideration inclusively the principle of nondiscrimination irrespective of the reason;

(iv) the assessment results shall be presented to the Board by the Committee, under the form of recommendations, and the Board shall submit for debate to the Ordinary General Meeting of Shareholders the appointment of the person who is to become a director.

8.6. The Nomination and Remuneration Committee shall periodically evaluate the structure, size, and composition of the Board and shall make recommendations regarding its renewal, replacement, or supplementation, taking into account the strategy, risk profile, results of the annual evaluation of the Board, and the need to ensure an adequate mix of skills, experience, independence, and diversity.

8.7. The Committee shall also consider the principles of succession planning for directors, with a view to ensuring continuity and stability in corporate governance.

9. Amendment of Policies

9.1. The present Appointment Policies and practices may be amended through resolution of the Board.

9.2. Based on the results of the Company's activities and of the implementation of the Appointment Policies and practices, the Chairman of the Board shall determine the schedule and the frequency of meeting in which the debate, amendment and, as the case may be, adoption of new or amended policies is in order.

9.3. Such evaluation will be performed by the Chairman of the Board at least once per quarter of the year.

9.4. Furthermore, the Board may rule on the amendment of the Policies whenever necessary, as requested by one of its members or by a Company executive.

9.5. The amendment of policies and practices shall be performed through a resolution adopted by mutual consent within the Board, in compliance with the Regulations of the Board of Directors.

The Present Policy shall be accordingly consolidated with the provisions of the Regulations of the Committee and shall be updated, reanalyzed and reviewed on a regular basis by the Board of Directors of the Company.

In case of any disagreements between the present policy and the Regulations of the Committee and/or the Regulations of the Company and/or other normative deeds, the latter shall prevail.