

**REGULATION OF THE NOMINATION AND REMUNERATION COMMITTEE  
OF  
SPHERA FRANCHISE GROUP S.A.**

**CHAPTER I INTRODUCTION**

**Article 1- Scope of the Regulation**

This Regulation establishes the main rules governing the organization, functioning and duties and responsibilities of the nomination and remuneration committee (the "**Nomination and Remuneration Committee**") of Sphera Franchise Group S.A. (the "**Company**").

**Article 2 - Structure**

- 2.1** The Nomination and Remuneration Committee is an advisory committee established by the board of directors of the Company. All members of the Nomination and Remuneration Committee are non-executive members of the board of directors of Sphera.
- 2.2** The Nomination and Remuneration Committee consists of a number of 3 members of the Board of Directors, of which one is elected President.
- 2.3** The Nomination and Remuneration Committee members must have appropriate experience to exercise their duties.
- 2.4** The Nomination and Remuneration Committee carries out its activity in accordance with the provisions of the Company's articles of association, the board of directors' regulation and applicable law.
- 2.5** The mandate of a member in the Nomination and Remuneration Committee starts on the date set out in the board of directors decision appointing a member in the Nomination and Remuneration Committee and ends upon resignation/revocation of that person from the position as member in the Nomination and Remuneration Committee or by termination for the respective person for whatever reason of his/her mandate as member of the board of directors.
- 2.6** The structure of the Nomination and Remuneration Committee and any changes thereto shall be reported to the Bucharest Stock Exchange and to the Financial Supervisory Authority.

**CHAPTER II ORGANIZATION**

**Article 3 – General**

The Nomination and Remuneration Committee assembles in meetings whenever necessary to discuss and provide recommendations on matters related to the duties and responsibilities of the Nomination and Remuneration Committee set out in this Regulation.

## **Article 4 – Convening of the meeting**

**4.1** The Nomination and Remuneration Committee meetings are convened and chaired by the President of the Nomination and Remuneration Committee. The board of directors may ask for the convening of the Nomination and Remuneration Committee meeting.

**4.2** When convening a Nomination and Remuneration Committee meeting, the President may invite other specialists, experts and advisors, as he/she deems relevant to discuss and resolve on matters included on the agenda of the meeting.

**4.3.** The Nomination and Remuneration Committee's secretariat is provided by a person designated by the President.

**4.4** The secretary of the Nomination and Remuneration Committee will convene the members and invited persons at the request of the President of the Nomination and Remuneration Committee. The convening of the Nomination and Remuneration Committee members will be made by email and will include the date and place of the meeting and the proposed agenda, together with the supporting materials.

**4.5** The agenda of the meeting shall be prepared by the President of the Nomination and Remuneration Committee and shall be structured in three chapters:

- I. Materials for opinions / recommendations
- II. Materials for Information
- III. Miscellaneous/Others

Under "Miscellaneous/Others" chapter of the agenda only topics that do not require an opinion or a formal recommendation are discussed.

**4.6** The materials supporting the items on the agenda of an Nomination and Remuneration Committee meeting as well as the items to be included on the agenda shall be made available to the secretary of the Nomination and Remuneration Committee, by electronic mail, at least 5 (five) business days before the date fixed for the meeting

**4.7** The materials supporting the items on the agenda of an Nomination and Remuneration Committee meeting, together with the agenda shall be distributed by the secretary to the members of the Nomination and Remuneration Committee and, in accordance with the President request, to guests of the meeting, by electronic mail, at least 3 (three) business days before the date fixed for the meeting; the guests will receive materials strictly related to matters for which their expertise is necessary.

**4.8** For emergency matters justified and documented as such by the President, the minimum time limit for convening and provision of materials for the items on the agenda of the meeting may be waived. In this case, the Nomination and Remuneration Committee members will meet/will deliberate on the same day they received the calling notice and documentation.

## **Article 5 – Quorum, voting, majority, minutes**

**5.1** The Nomination and Remuneration Committee meeting is statutory assembled if at least

2/3 of the members are present. The decisions are adopted with a majority of at least 2/3 of the members of the Nomination and Remuneration Committee.

- 5.2** The Nomination and Remuneration Committee members may not delegate their voting right to another member or to a third party.
- 5.3** New items may be added to the agenda of the meeting during the meeting if all attending members agree to that unanimously.
- 5.4** For each meeting, the secretary will prepare minutes that will include: the members attending the meeting, the secretary, the agenda, discussions, opinions and recommendations adopted and the number of votes casted for each item on the agenda and, if necessary, dissenting opinions for each item on the agenda.
- 5.5** The minutes shall be prepared in English and Romanian languages and distributed by electronic mail by the secretary of the meeting to all Nomination and Remuneration Committee members within 3 business days as of the date of the meeting. All minutes of the Nomination and Remuneration Committee shall be reported to the Board of Directors
- 5.6** The minutes shall be recorded in the meetings' registry of the Nomination and Remuneration Committee and signed by members of the Nomination and Remuneration Committee attending the meeting and by the secretary.
- 5.7** The meetings of the Nomination and Remuneration Committee shall be conducted in Romanian or in English language.
- 5.8** The secretary of the meeting shall transmit the decisions adopted by the Nomination and Remuneration Committee as well as an extract from the minutes of the meeting to all functions and corporate bodies of the Company to whom such decisions are relevant within 3 business days from the date of the meeting.

### **CHAPTER III DUTIES AND RESPONSIBILITIES**

#### **Article 6 – Duties and responsibilities**

- 6.1** The Nomination and Remuneration Committee has the following duties and responsibilities:
  - a. reviews the remuneration policy of the Company;
  - b. determined eligibility criteria for executive directors having a mandate agreement;
  - c. selects potential candidates for the board of directors;
  - d. prepares succession planning for the executive directors having a mandate agreement.
- 6.2** In order to adequately perform their duties and responsibilities, the Company acting through its Chief Executive Officer or Chief Financial Officer is required to give the members of the Nomination and Remuneration Committee access to any relevant information or records concerning the Company.

#### **Article 7 – Reporting**

The Nomination and Remuneration Committee will regularly report to the Board of Directors on its

activity.

This regulation enters into force as of the date when the shares issued by the Company are admitted to trading on the regulated market operated by the Bucharest Stock Exchange

**Approved by the Board of Directors on 6 October 2017.**