

**DIVIDEND POLICY  
PRACTIC S.A.  
BUCHAREST**

**I. PREAMBLE**

1.1. The Dividend Policy of Practic S.A. (hereinafter referred to as the Policy) defines the principles, terms, conditions and dividend payment method.

The policy reaffirms the commitment of the Board of Directors to provide the shareholders with the opportunity to obtain a return on the invested capital and Practic S.A. with the opportunity for sustainable development.

The policy represents the current intention of the Board of Directors, based on the results obtained by Practic S.A. correlated with the development strategy thereof and the shareholders' interests.

It can be reviewed in the future, provided that the applicability of the new policy begins after the obligations of notification of the stakeholders have been fulfilled.

1.2 This Dividend Policy (hereinafter the Policy) has been elaborated in accordance with the applicable law, namely Law no. 31/1990 on companies, republished, as further amended and supplemented, Law no. 82/1991 on accounting, republished, as further amended and supplemented, Law 163/2018 amending and supplementing the Accounting Law no. 82/1991, amending and supplementing the Companies Law no. 31/1990, as well as the amendment of Law 1/2005 on the organization and operation of cooperation (approving the payment of interim dividends), order no. 1802/2014 for the approval of the Accounting Regulations on the individual annual financial statements and the consolidated annual financial statements, as further amended and supplemented, Order of the Minister of Public Finance no. 3067/2018 supplementing some accounting regulations, Law no. 24/2017 on issuers of financial instruments and market operations, ASF Regulation no. 5/2018 on issuers of financial instruments and market operations, the Articles of Incorporation of Practic SA, the Code of Corporate Governance of BVB and the Principles of Corporate Governance for AeRO.

1.3 The policy sets out the conditions and procedure for dividend payment.

1.4 The source of dividend payment is the net profit of the company after the payment of all corporate taxes), the result carried forward from previous financial years, from the surplus realized from the revaluation reserve and/or the quarterly obtained net accounting profit of the current financial year. The profit of the company is reflected in the annual and/or interim financial statements prepared in accordance with the applicable regulations. When assessing the size of the profit, the opinion of the audit company is considered the independence on the profit and loss ratio.



PRACTIC S.A.  
21st-23rd & 23rdA, Biserica Amzei Street,  
1st District, Bucharest, ROMANIA, Code 010143  
Phone: 021-315.09.55, Fax: 021-316.78.15 [www.practicsa.ro](http://www.practicsa.ro)  
Personal data operator registered no.35327

N.T.R.O. No.: J40/611/19.02.1991  
TaxRegNo: RO2774512 | CAEN Code: 6820  
Subscribed and paid-in share capital: 40.983.171  
Bank: EXIM BANCA ROMANEASCA  
IBAN Code: RO74 BRMA 0500 0508 1340 0000

The policy is designed to provide a transparent mechanism for defining the size and payment of dividends to be complied with when submitting the dividend payment proposal.

## II. GENERAL DUTIES AND PRINCIPLES

2.1 The main duty of the Policy is to establish the mechanism and principles for drafting proposals on dividends, conditions, procedures and deadlines, to control financial risks and to establish financing methods.

2.2 The principles of the Policy are going to comply with the following:

2.2.1 The principle of obeying the shareholders' right to dividends;

2.2.2 The principle of recording sufficient financial results;

2.2.3. The psychological impact on the market.

2.3 The general principles that are going to be provided in the process of application of the provisions of the Policy:

2.3.1 Transparency - implies the appraisal and disclosure of information on the procedure and conditions for making the decision on the size and payment of dividends, the responsibility of the subjects involved in implementing the Policy;

2.3.2 Argumentation - implies conditioning the decision on the level and payment of dividends on the value of the recorded financial results, sufficient capitalization for the implementation of the development plans of the company and the compliance with the established prudential regulations;

2.3.3 Equity - implies providing the equal rights of the shareholders to notification on the dividend-related decisions;

2.3.4 Opportunity - implies setting time limits when making dividend payments;

2.3.5 Consistency - implies the coherent and exact observance of the provisions and principles of the Policy;

2.3.6 Development - implies improving the area of improvement of the corporate governance procedures and revising the provisions thereof, taking into account the change in the strategic goals of the company.

## III. CONDITIONS FOR DIVIDEND DISTRIBUTION

3.1 The conditions for the distribution of dividends to the shareholders are the following:

3.1.1 Recording the profit for the year ended or for the current year in compliance with the provisions of this Policy;

3.1.2 Lack of restrictions on dividend payment;

3.1.3 Recommendations of the Board of Directors on the level of dividends;

3.1.4 Resolution of the General Meeting of the Shareholders.

3.2 If Practic SA opts for the quarterly distribution of dividends from the profit recorded in

the current financial period, in order to prepare the interim financial statements, it proceeds to making an inventory of the assets, liabilities and equity at the end of the quarter for which dividend payment was decided by the management of the



company. The results of the inventory, made in compliance with the provisions of the Order of the

Minister of Public Finance no. 2.861/2009 for the approval of the Regulations on the organization and inventory of the items of the nature of assets, liabilities and equity, and of the appraisal of these items according to the applicable accounting regulations are highlighted in the accounting of SC Practic SA. The interim financial statements, consisting of the balance sheet and the profit and loss account, are accompanied by the significant accounting policies applied by the entity on the preparation date thereof, are based on the trial balance comprising the results of inventory of the assets, liabilities and equity and are subject to audit.

The amounts related to the interim dividend distributions are recorded in the accounting and are reflected in the interim financial statements as receivables towards the shareholders.

The quarterly distribution of the profit to the shareholders can be optionally made, during the financial year, within the limit of the net accounting profit realized on a quarterly basis, plus any retained earnings and amounts withdrawn from reserves available for this purpose, minus any loss carried forward and amounts deposited in reserves in compliance with the legal or statutory requirements, respectively under the interim financial statements approved by the general meeting of the shareholders, as applicable.

Dividends may be distributed based on the interim financial statements and may be optionally paid on a quarterly basis, on the payment date to the registered shareholders on the registration date set by the general meeting, and settlement of the differences resulting from the distribution of dividends during the year is going to be made by means of the annual financial statements.

The payment of the differences, resulting from the settlement, is made within the timeframe established by the general meeting, but not later than 60 days of the approval date of the annual financial statements.

If the shareholders owe dividend refunds, following the settlement operated in the annual financial statements, they are paid to the company within 60 days of the approval date of the annual financial statements, otherwise they owe, after this timeframe, the legal penalty interest, if no higher interest has been established by the Articles of Incorporation or by the resolution of the general meeting of the shareholders.

The reimbursement obligation intervenes for the people having received dividends on a quarterly basis, and the management of the company is bound to follow up the recovery of these amounts and to order the necessary measures for this purpose.

#### **IV. DECISION-MAKING PROCEDURE ON DIVIDEND PAYMENT**

4.1 The decision on the approval of dividend payment shall be made within the ordinary general meeting of the shareholders;

4.2 The decision of the Board of Directors on the value recommended to the General Meeting of the Shareholders for the distributed profit and/or other amounts (see art.



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1.3 of this policy) for the payment of dividends is adopted within the Board meeting on issues related to the organization of the General Meeting of the Shareholders. The current result

achieved and reported as at December 31<sup>st</sup>, adjusted with the amounts allocated to reserves and/or the current result achieved during the financial year (confirmed by the interim financial statements) shall be distributed under the form of dividends in a percentage at least of 90% thereof;

4.3 The decision adopted by the General Meeting of the Shareholders shall be published within 15 days of the adoption date thereof, within the terms of the law;

4.4 The decision of the General Meeting of the Shareholders on dividend payment shall be published on the website of the company;

4.5 The decision of the General Meeting of the Shareholders on dividend payment shall include the registration date, representing the date on which the shareholders that are going to receive dividends and impacted by the effects of the decisions of the General Meeting shall be identified, and the timeframe within which the company is bound to pay the dividends, referred to as the payment date.

## V. DIVIDEND DETERMINATION

5.1 In compliance with the applicable law, dividends are part of the profit of the company over the fiscal year, in accordance with the financial statements prepared within the terms of the law and are going to be paid on the payment date set by the shareholders;

5.2 When determining dividends, the Board of Directors elaborates proposals to the General Meeting of the Shareholders concerning:

- the distribution of the net profit obtained over the ended financial year, to which the result carried forward from previous financial years and/or the amounts resulting from the surplus realized from the revaluation reserve may be added;
- the distribution of the net profit obtained on June 30<sup>th</sup> for the current financial year.

5.3 Dividends are defined in RON for one share.

## VI. DIVIDEND PAYMENT FORMS AND PROCEDURE

6.1 Dividends are periodic payments made by the company to the shareholders as a reward for the contribution thereof to the formation of equity. Distributed dividends can take the following forms: cash or shares.

6.2 If dividends are paid in cash, they are paid to the shareholders by bank transfer or cash;

6.3 The payment of dividends is made by transfer, by transferring them to the bank accounts of the shareholders, individuals and legal entities, via the Participant or the Payment Agent;

6.4 Dividends are transferred to the shareholders with the deduction of the amount of the taxes withheld in compliance with the tax law in this field;

6.5 The payment of dividends is made, within the terms of the law, via Depozitarul Central S.A., according to the provisions of the contract concluded therewith.



## VII. DIVIDEND PAYMENT TERMS

7.1 Dividends shall be paid on April 30<sup>th</sup> and October 30<sup>th</sup> of each year.

7.2 The company complies with a fair approach towards each shareholder on the dividend payment date, in strict observance of the aspects established in the contract concluded with Depozitarul Central S.A.;

7.3. The board of directors and the executive management of the company are responsible for making the payment of dividends on the payment date.

## VIII. SHAREHOLDERS ENTITLED TO RECEIVE DIVIDENDS

8.1 For the purpose of dividend payment, Depozitarul Central S.A., the one holding the register of the shareholders of the company, communicates the list of the shareholders on the registration date established by the Ordinary General Meeting of the Shareholders determining the dividend; in the same resolution, the general meeting of the shareholders also establishes ex-dates one day prior to the registration date.

## IX. NOTIFICATION OF THE SHAREHOLDERS ON THE DIVIDEND POLICY

9.1 The dividend policy of the company should be sufficiently transparent and open for access to the shareholders, potential investors and public institutions.

9.2 The Company shall provide the placement of this Policy and of the related amendments on the website of the Company;

9.3 The materials submitted to the shareholders for making the decision within the General Meeting of the Shareholders shall contain the necessary information, including documents showing the existence or absence of the dividend payment conditions.

This dividend policy was approved within the assembly of the Ordinary General Meeting of March 21<sup>th</sup>, 2022.

BOARD OF DIRECTORS  
PRACTIC SA



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