



**S.C. Turism Felix S.A. Băile Felix**  
**417500, Băile Felix, Sânmartin com., Bihor county, Romania**  
**Trade Reg. No.: J05/132/1991**  
**Tax Code: RO 108526**  
**Subscribed and paid-up share capital: 49.130.670,90 lei**



Management  
System  
ISO 9001:2015  
[www.tuv.com](http://www.tuv.com)  
ID 9105069261

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## **Shareholder remuneration policy**

### **TURISM FELIX S. A.**

#### **Subject of the remuneration policy**

The shareholder remuneration policy of TURISM FELIX S.A. ("the Company"), which is an integral part of the set of Corporate Governance standards, provides information on which shareholders and investors can base their investment decisions regarding the shares issued by the Company.

#### **Background to the remuneration policy**

The Company's strategy focuses on the implementation of a balanced shareholder remuneration policy that targets both direct remuneration (dividend income) and indirect remuneration (capital gain through improved profitability indicators, through a strategy that aims to maintain the Company's future growth potential, and/or capital gain financed by a mix of share buybacks followed by a reduction in share capital).

In close correlation with the level of existing liquidity and the requirements to ensure the necessary resources for the development of the company and the implementation of investment programmes, the Company is considering the following mix of complementary instruments to remunerate the capital invested in TUFÉ shares:

- Distribution of cash dividends targeting a competitive yield by reference to the average trading price for the financial year for which the dividend is calculated;
- The implementation of TUFÉ share buyback programmes followed by their cancellation and reduction of the Company's share capital, subject to the approval of the Company's shareholders.

#### **Dividend distribution**

Through the dividend policy promoted, TURISM FELIX S.A. aims to increase the attractiveness of the shares issued by the company, by ensuring a permanent balance between the remuneration of the Company's shareholders and the financial resources necessary to carry out the annual investment programs, in accordance with the medium/long term objectives.

The distribution of the Company's profits is submitted annually to the General Meeting of Shareholders for approval. The proposal for profit distribution/dividend distribution is submitted to the shareholders by the Board of Directors of the Company.

In order to increase the level of sources of funding from net profit remaining in the Company to carry out its investment programmes and to ensure the sustainability of its business, in full accordance with the long-term interests of shareholders, the Company intends to distribute cash dividends targeting an appropriate payout ratio that balances the Company's funding needs with the long-term interests of shareholders.

If the Company identifies a number of opportunities that could lead to the sustainable development of the business, both in terms of quantity and quality, the Company may consider proposing to allocate



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the entire profit to legal reserves and/or other own sources of financing, based on the resolution of the general meeting of shareholders. The reasons for this decision will be set out in the annual proposal for the distribution of the result for the year.

If the general meeting of shareholders approves the distribution of dividends from the net profit of the Company, the shareholders entitled to receive dividends shall be the shareholders registered in the Register of Shareholders kept by the company Depozitarul Central S.A. on the record date approved by the same general meeting that approves the distribution and amount of dividends. This date shall be at least 10 working days after the date of the general meeting of shareholders.

The Company publishes in the press and on its website a notice of the amount of the gross dividend per share, the date from which the dividend is to be paid ("payment date") and the method of payment. The Dividend Payment Date shall not be set later than 6 months after the date of the general meeting of shareholders that approved the dividend distribution.

In order to exercise the possibility of benefiting from more favourable tax provisions, shareholders may opt to defer the payment of dividends to a date later than the payment date, in accordance with the relevant legal provisions.

The company calculates and withholds at source the tax on dividends due by shareholders, at the rates provided for by the legislation in force at the time of payment, which it declares and remits to the state budget.

In accordance with the legal provisions, the payment of dividends is carried out through the Central Depository, the Participants in the clearing and settlement system and the register (intermediaries, in accordance with Art. 2 para. (1) item 20 of Law no. 24/2017, who have concluded a contract of participation in the Central Depository system) and the payment agent selected by the Company. Dividend payments shall be made on the basis of contracts to be concluded for this purpose between the Central Depository and the Company, between the Central Depository and its participants, and between the Central Depository and the paying agent.

In the case of shares held on the record date in individual accounts administered by the Central Depository, payment of dividends due to the holders of shares shall be made by the Central Depository through the paying agent appointed by the Company, in accordance with the legal provisions in force.

In the case of shares held on the record date in accounts administered by an intermediary participating in the Central Depository's system, payment of dividends due to holders of shares shall be made by the Central Depository through the Central Depository and the respective participants.

The company publishes in its annual activity report information on the implementation of the dividend distribution policy, the amount of dividends paid during the last three years and, if applicable, the reasons for any decrease in dividends during the last three years.

### **Buy-back programmes**

The mix of complementary instruments for remunerating TURISM FELIX S.A. shareholders includes the Company's repurchase of its own shares followed by their cancellation and reduction of the company's share capital, as an indirect means of remunerating its shareholders through the capital gain generated by the effects of implementing such an operation.



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The source of funding for buyback programmes is the available reserves (excluding statutory reserves) recorded in the latest approved annual financial statements. Details of the buy-back programmes are disclosed to investors in accordance with the general and specific legislative provisions governing buy-back operations.

The shares acquired by TURISM FELIX S.A. under the buyback programmes do not give the right to vote at general meetings of the Company's shareholders nor the right to receive dividends during the period they are held by the Company.

The efficiency of investing in own shares is supported by the basic effects of buyback programmes, such as: increase in share price and key indicators, increase in share liquidity, flexibility offered to shareholders by exercising the option to participate in such programmes.

At the same time, the fair mix between the interest of short term valorisation and the encouragement of long term holding of shares issued by TURISM FELIX S.A. is considered.

During the implementation of the redemption programmes, the best use of cash and a balance between the existing liquidity for the implementation of the mix of complementary instruments for the remuneration and reinforcement of the invested capital, the investment programmes and the sustainability of the company's activity will be considered.

### **General conclusions**

TURISM FELIX S.A. intends to implement a mix of complementary remuneration and reinforcement of invested capital instruments, by ensuring a permanent balance between shareholder remuneration and the financial resources needed to carry out investment programmes, continuing to ensure the sustainability of the Company's activities, the flexibility of shareholder remuneration instruments while maintaining the Company's financial capacity and in line with the practices of other companies operating in the tourism sector, i.e. by creating long-term value for shareholders.