

**EVALUATION POLICY  
OF THE BOARD OF DIRECTORS  
OF CONPET SA**

Contents

CHAPTER 1. PREAMBLE .....
CHAPTER 2. DEFINITION OF CERTAIN TERMS AND SYNTAGMS .....
CHAPTER 3. PURPOSE OF THE BOARD OF DIRECTORS' EVALUATION .....
CHAPTER 4. BOARD OF DIRECTORS' EVALUATION METHOD .....
CHAPTER 5. BOARD OF DIRECTORS' EVALUATION CRITERIA .....
CHAPTER 6. REPORTS ON THE BOARD'S EVALUATION .....
CHAPTER 7. FINAL PROVISIONS .....

## **Chapter 1. Preamble**

In order to comply with the requirements of the Bucharest Stock Exchange (*Ro. BVB*) Corporate Governance Code and the provisions of GEO No. 109/2011, CONPET decided to adopt and publish a Policy on the evaluation of the Board of Directors.

The purpose of this Policy is to establish a set of guidelines regarding the evaluation of the Board Directors, including the evaluation method and frequency, and the evaluation criteria.

This Policy is supplemented by any other applicable incidental legal provisions and applicable internal regulations.

## **Chapter 2. Definition of certain terms and syntagms**

For the purposes of this Policy, the following terms and syntagms shall have the following meaning:

- a) **“articles of incorporation”** - The Articles of Incorporation of CONPET SA;
- b) **“administrator”** - member in the Board of Directors of CONPET SA;
- c) **“Board”** - the Board of Directors of CONPET SA, “BoD”;
- d) **“GEO 109/ 2011”** - The Government Emergency Ordinance No. 109 dated 30.11.2011 on the corporate governance of public enterprises;
- e) **“GD 639/ 2023”** - The Government Decision No. 639 dated July 27, 2023 for the approval of the methodological norms for the application of the Government Emergency Ordinance No. 109/ 2011 on the corporate governance of public enterprises;
- f) **“Website of the Company”** - [www.conpet.ro](http://www.conpet.ro);
- g) **“legal provision/regulation”** - any set of legal rules applicable in the field provided for by a normative document published in the Official Gazette of Romania - Part I;
- h) **“internal regulation”** - any rule provided for by an act approved by a corporate management body of CONPET SA;
- i) **“Conpet” or “the Company”** - CONPET SA;
- j) **“BoD Secretariate”** - staff employed within the BoD and GMS Secretariat Bureau (organizational unit organized within Conpet, with responsibilities concerning the completion of the necessary formalities regarding the organization of the GMS, Board of Directors, Executive Management Committee and of the Consultative Committees meetings) who provide the secretariat of the meetings.

## **Chapter 3. Purpose of the Board of Directors’ Evaluation**

The Board of Directors must constantly evaluate the balance of its skill mix, analyze its activity, identify areas that need improvement, and increase its efficiency.

The purpose of the Board of Directors evaluation is to enable the Board to identify strengths and potential for collective and individual development, in order to effectively fulfill the Board's responsibilities.

#### **Chapter 4. Board of Directors' evaluation method**

Among the methods for evaluating the administrators provided for by GD 639/2023 in conjunction with GEO No. 109/2011, Conpet opted for their internal evaluation of the Board of Directors.

Consequently, at the Company level, an annual process is carried out to evaluate the performance and efficiency of the Board of Directors. The evaluation also tangentially targets the activity of the Consultative Committees established at the level of the Board of Directors.

The evaluation process of administrators is carried out by the Nomination and Remuneration Committee, which supports the Board of Directors in evaluating its own performance, as well as the performance of the executive management.

The self-evaluation will result in the identification of the necessary measures to improve the performance of the Board and the Consultative Committees.

The Board of Directors may also call upon on a specialized, external and independent expert to carry out an evaluation of the administrators.

Also, the evaluation of the administrators' activity can be done annually by the GMS, with the support of experts in such evaluations, as appropriate, and concerns both the execution of the mandate contract, as well as the administration plan.

Therefore, the results of the evaluation are reflected in the Board of Directors' Report for the previous year, prepared in accordance with the provisions of Art. 55 of GEO No. 109/ 2011 *on the corporate governance of public enterprises* and with the provisions of the mandate contract and in the Report of the Nomination and Remuneration Committee evaluating the administrators for the previous year which are subject to the approval of the GMS.

Also, in the OGMS, the Board of Directors' Report on monitoring the alignment of the key performance indicators of the administrators, for the previous year, within the limits approved by the GMS, based on which the GMS approves the total degree of fulfillment of the financial and non-financial key performance indicators (KPIs) of the administrators, for the previous year, and the granting of the variable component due to the administrators for the term of office exercised is presented.

#### **Chapter 5. Board of Directors' evaluation criteria**

The self-evaluation process of the Board of Directors is carried out based on a questionnaire model adapted from the questionnaire "Unlocking your board's full potential: Board Evaluation

Questionnaire”, developed by the UK National Audit Office, ICAEW – Institute of Chartered Accountants in England and Wales and Mazars LLP.

The evaluation questionnaire includes several sections: (i) Objectives, strategy and mandate; (ii) Performance measurement; (iii) Ethics, fraud and other integrity issues; (iv) Project management; (vi) Risk management; (vii) Board Functioning.

For the purpose of the evaluation, the Nomination and Remuneration Committee fills out the annual administrators' evaluation questionnaire for each member of the Board of Directors and evaluates his/her performance. If a member of the Nomination and Remuneration Committee is evaluated, he/she does not participate in his/her own evaluation.

The BoD secretariat ensures the functional connection between the members of the Nomination and Remuneration Committee and the BoD.

Subsequently, during a meeting of the Nomination and Remuneration Committee and then of the Board of Directors, the results of the evaluation are presented and, if necessary, an Action Plan is developed which will be monitored by the Committee, for implementation.

## **Chapter 6. Reports on the Board's evaluation**

The annual reporting of information regarding the evaluation is primarily done through the Annual Report of the administrators which also includes the Corporate Governance Statement. The statement will mention whether an evaluation of the Board of Directors has taken place and, if so, the main measures that will be included in the Action Plan to improve the performance and efficiency of its activity will be presented.

## **Chapter 7. Final provisions**

This Policy was assumed and approved by the Board of Directors of Conpet SA through BoD Decision No. 4/ 27.02.2025.

The policy may be reviewed and/or updated whenever necessary, in compliance with legal regulations. In the event of a conflict between this Policy and any national laws or regulations, the latter shall prevail.

**Chairman of the Board of Directors**

**Cristian – Florin Gheorghe**