

**POLICY REGARDING THE EVALUATION
OF THE DIRECTORS WITH MANDATE CONTRACTS
OF CONPET SA**

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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 Directors with mandate contracts.

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

This Policy is supplemented by any other applicable 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) **“Director” / “Director with mandate contract”** – a person to whom the Board of Directors has delegated management responsibilities of the company and with whom a mandate contract is signed;
- d) **“Board”** - the Board of Directors of CONPET SA, “BoD”;
- e) **Law No. 31/ 1990** on companies;
- f) **“GEO 109/ 2011”** - The Government Emergency Ordinance No. 109 dated 30.11.2011 *on the corporate governance of public enterprises*;
- g) **“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*;
- h) **“Website of the Company”** - www.conpet.ro;
- i) **“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;
- j) **“internal regulation”** - any rule provided for by an act approved by a corporate management body of CONPET SA;
- k) **“Conpet” or “the Company”** - CONPET SA;
- l) **“BoD Secretariat”** - 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 Directors' evaluation

The purpose of the evaluation of Directors with mandate contracts is to allow the identification of strengths and potential for collective and individual development, in order to evaluate skills, analyze activity, identify aspects that need to be improved and increase the efficiency of the managerial act, and fully fulfill their responsibilities.

Chapter 4. Directors' evaluation method

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

Consequently, at the Company level, an annual process is carried out to evaluate the performance and efficiency of the Directors' activities. The evaluation tangentially targets/also takes into account the activity of the Executive Management Committee (consisting of Directors with mandate contract).

The evaluation of the activity of Directors with mandate contract is carried out by the Nomination and Remuneration Committee, based on Art. 36 Para. (5) of GEO No. 109/2011 and covers both the execution of the mandate contract and the management component of the administration plan and will result in the identification of the necessary measures to improve the performance of the Directors' activity;

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

The evaluation of the efficiency of the directors' activities also takes into account the degree of achievement of the objectives included in the administration plan and the financial and non-financial performance indicators established in the mandate contract.

Chapter 5. Directors' evaluation criteria

The Directors' evaluation process 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) Degree of achievement of objectives and KPI; (ii) Degree of achievement of GMS Resolutions, BoD Decisions and administrators' criteria and KPI; (iii) Qualitative assessments (Leadership, Execution, strategy and strategic thinking, Relationship with BoD and GMS, External and internal communication, Human resources management).

For the purpose of the evaluation, the Nomination and Remuneration Committee fills out the annual evaluation questionnaire for each Director with mandate contract and evaluates their performance.

The BoD secretariat ensures the functional connection between the members of the Nomination and Remuneration Committee (*Ro. CNR*), the BoD and the executive management.

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

The evaluation report on the activity of directors with mandate contract is submitted to the Ministry of Energy and published annually on the website of the tutelary public authority, by May 31 for the activity of the previous year.

Chapter 6. Reports on the Directors' evaluation

The annual reporting of information regarding the evaluation is primarily done through the Report of the Nomination and Remuneration Committee regarding the evaluation of the activity of directors with mandate contracts for the previous year, the information in this regard also being presented in the Annual Report of the administrators on the activity.

The main measures that will be included in the Action Plan to improve the performance and efficiency of its activity will be presented.

The Board of Directors approves the Report of the Nomination and Remuneration Committee on the evaluation of the activities of directors with mandate contract for the previous year, having as an annex their evaluation questionnaires, and endorses the Annual Report of the Nomination and Remuneration Committee to the OGMS on the remuneration and other benefits granted to administrators and directors with mandate contracts, during the previous financial year (remuneration report).

At the same time, the results of the evaluation are reflected in the Annual Report of the directors with mandate contracts on the activity, prepared in accordance with the provisions of GEO No. 109/ 2011 *regarding the corporate governance of public enterprises* and with the provisions of the mandate contract which is subject to the approval of the Board of Directors.

The Board of Directors analyzes the Report of the directors with mandate contract to monitor the alignment of their financial and non-financial key performance indicators (KPI) for the previous year within the limits approved by the Board of Directors, and approves the total degree of fulfillment of the financial and non-financial key performance indicators (KPI) of the directors, for the previous year, and the granting of the variable component due to them for the term of office exercised.

Chapter 7. Final provisions

This Policy regarding the evaluation of Directors with mandate contract was assumed and approved by the Board of Directors of Conpet SA through Board 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