

The policy of CONPET S.A. for the remuneration of administrators and directors with a mandate contract

1. General considerations

The remuneration policy represents the set of guiding lines established by the OGMS, which the Company applies and concerns the remuneration manner of the administrators and Directors with mandate contract corresponding to the business strategy, objectives, values and long-term interests of the Company.

The company is willing to ensure a competitive level of remuneration in order to attract, retain and motivate people with high professional training and significant managerial experience to be part of the company's administrative and executive management.

The remuneration policy of the administrators and directors with mandate contract shall take into account the following aspects:

- motivating the BoD members and directors with mandate contract to continue/target the long-term development and success of the Company;
- establishing a well-defined relation between performance and remuneration;
- establishing a fixed remuneration taking into account the labor market conditions and the size of the business carried out by the company;
- the determination of the variable component based on financial and non-financial performance indicators resulted from the Administration Plan 2023 - 2027, negotiated and approved by the General Meeting of Shareholders in the case of administrators and by the Board of Directors, in the case of directors with contract of mandate.

This Policy is supplemented by the provisions of the Articles of Incorporation, as well as the provisions of Law no. 31/1990, regarding the *companies*, as amended and supplemented by Law 24/2017 regarding the issuers of financial instruments and market operations, subsequent

amendments and completions and GEO no. 109/2011 on the *corporate governance of public enterprises*, further amended and supplemented.

2. Definitions and terms

Within the meaning of this Remuneration Policy, the terms and expressions below will have the following meanings:

- a) **“Articles of incorporation”** - The Articles of Incorporation of the company CONPET SA¹²;
- b) **“Administrator of Provisional Administrator”**- member the Board of Directors of CONPET SA;
- c) **“Board”** or **“BoD”** - the Board of Directors of CONPET SA;
- d) **“Non-executive administrator”** - are the members of the Board of Directors who do not fulfill, at the same time, the capacity of Director of the company as per Art. 143 of Law no. 31/1990;
- e) **“Executive administrator”** - are the members of the Board of Directors who also act as directors as per Art. 143 of Law no. 31/1990. There are no executive directors to the date of this document;
- f) **“Director”** - the person to whom the management of the company has been delegated by the Board of Directors and who has concluded a contract of mandate with the company; also called Director with contract of mandate;
- g) **“Law 31/1990”** – the Law 31/1990 of the commercial companies, further amendments and completions;
- h) **“GEO no.109/2011”** - Government Emergency Ordinance no. 109/2011 on the corporate governance of public enterprises, further amendments and completions, approved by Law no. 111/2016;
- i) **“Law 24/2017”** – the Law 24/2017 on the issuers of financial instruments and market operations, subsequent amendments and additions.
- j) **“Website of the company”** - www.conpet.ro
- k) **“Chairman of the BoD”** - the Chairman of the Board of Directors of CONPET S.A.;
- l) **“CONPET SA”** or **“the Company”** - CONPET SA;
- m) **“OGMS”** – the Ordinary General Meeting of Shareholders of CONPET S.A.;

- n) **“Legal provision/regulation”**- any set of legal rules applicable in the field provided by a normative document published in the Official Gazette of Romania - Part I;
- o) **“Internal regulation”** - any rule provided for by an act approved by a corporate management body of CONPET S.A.;
- p) **“the monthly gross average earnings”** is the monthly gross average earnings in the branch in which the company operates according to the core business registered by the company (NACE code 4950) at class level according to the classification of activities in the national economy, communicated by the National Statistics Institute prior to the appointment;
- q) **“The class”** in which the company operates is according to the press release of the National Institute of Statistics, in the case of CONPET S.A. the class is “Transport via pipelines”;
- r) **“the remuneration of non-executive administrators and directors with a contract of mandate”** shall be formed of a monthly fixed allowance and a variable component established in accordance with the provisions of GEO no.109/2011;
- s) **“key performance indicators”**, hereinafter referred to as KPI’s, are the performance indicators set out in the Annex to the mandate contract;
- t) **“N.R.C.”** - The Nomination and Remuneration Committee;
- u) **“Remuneration report”** - document that presents, in the structure required by law, information on how to implement the Remuneration Policy, during a financial year, as well as the remuneration actually received by administrators and directors with mandate contracts;
- v) **“Agent”** - person entrusted with a mandate;
- w) **“Principal”** - A person who empowers someone to do something on their behalf.

3. General principles on remuneration policy

The general principles for establishing the remuneration policy for administrators and directors with a contract of mandate are the following:

- ✓ Attracting, maintaining and motivating the most suitable persons of the administrative management and top management of the company;
- ✓ Ensuring the long-term sustainability of the company’s profits and activities and generating a long-term value;

- ✓ Reward for achievement of the objectives;
- ✓ Maintaining competitiveness in the remuneration market;
- ✓ Promoting transparency on the remuneration and criteria for determining thereof;
- ✓ Maintaining a fair balance between the fixed allowance and variable component of remuneration.

4. The role of the Nomination and Remuneration Committee

In conjunction with the Corporate Governance Regulation of CONPET S.A. and the Internal Rules and Regulation of the Consultative Committees, the Nomination and Remuneration Committee (NRC) set up within the Board of Directors shall have the following responsibilities with regard to the remuneration of non-executive administrators and directors with contract of mandate:

- i) advises the Board of Directors on the structure of the remuneration framework for administrators;
- ii) formulates proposals regarding the remuneration policy of the administrators and directors with contract of mandate, here included proposals in what concerns the quantum and conditions of granting the fixed and variable remunerations due to the Board of Directors, as well as the general limits of the remuneration of the directors with contract of mandate, other advantages granted to them;
- iii) makes recommendations to the Board of Directors on the remuneration of directors with contract of mandate, including on the main components of remuneration, the degree of fulfillment of performance indicators and the methodology for evaluation;
- iv) oversees the application of the principles of remuneration of the administrators and directors with contract of mandate.

The mandate contracts of the administrators comprise provisions aiming at avoiding the conflicts of interests, the latter being bound to exercise their mandate with the loyalty, prudence and diligence of a good administrator, always acting in the Company's interest and at the diligence standards expected from a professional offering services related to a non-executive position within the Board of Directors of certain companies having an identical or similar core business with that of the Company; the Administrator does not breach the obligation provided above when making a business decision, he is reasonably entitled to consider (i) acting in the Company's interest and (ii)

having taken the decision based on the adequate information. The administrators are bound to inform the Board of Directors the moment such situation occurs and refrain from participating to deliberations and taking any decision; the same obligation applies if the person is the husband/wife, relatives or in-laws up to the IVth degree inclusive of, of the Administrator.

The Administrators are bound to keep confidentiality of the information and business secrets of the Company to which have had access by way of documents presented to the Board of Directors, except for the situations when such a use is required by law or necessary in relation with the public authorities and/or by the participation of the Administrator in a litigation having as object the Company's activity.

5. The remuneration policy of administrators and directors with mandate contract within CONPET SA

Considering the following legal provisions:

- GEO no. 109/2011 further amendments and completions;
- The Resolutions of the Ordinary General Meeting of Shareholders of CONPET SA concerning the approval of the Mandate Contracts and the remuneration of the members of the Board of Directors (fixed allowance and variable component) as well as the approval of general limits on the remuneration of directors with a contract of mandate appointed pursuant to Article 143 of Law no. 31/1990 regarding the companies;
- The decisions of the Board of Directors approving the contracts of mandate and remuneration of directors with contract of mandate;
- The mandate contracts of the non-executive administrators and the contracts of mandate of directors with contract of mandate, as well as the approved addenda, attached to them;
- The Administration Plan of the Board of Directors which includes indicators and performance criteria approved by Resolution of the General Meeting of Shareholders;
- The Management component of directors with mandate contract approved by the Board of Directors which develops and supplements the administration component forming the Administration plan including performance indicators and criteria.

In case of revision of the Remuneration Policy, a description and explanation of any material changes shall be included, as well as how the votes and views of shareholders regarding the Remuneration Policy are considered.

Whereas the GMS of CONPET does not approve the proposed form of a new remuneration policy, the Company will continue to pay the remuneration to administrators and/or directors in accordance with the existing Approved Policy and will submit a revised policy for approval within the next GMS.

6. Remuneration criteria

The non-executive administrators and directors with contract of mandate shall receive remuneration for the work performed, consisting of a monthly fixed allowance and a variable component.

The variable component of non-executive administrators and directors with contract of mandate shall be granted for each financial year within the 4-year term of office, namely shall be granted the following year after the approval by the GMS of the audited annual financial statements for the preceding year, depending on the achievement of the objectives contained in the Administration Plan and the financial and non-financial performance indicators approved by the General Meeting of Shareholders.

The fixed allowance and variable component for members of the Board of Directors/directors with contract of mandate shall be approved by the General Meeting of Shareholders of CONPET S.A./the Board of Directors, as appropriate and shall be included in the terms of the contracts of mandate.

7. Remuneration of the non-executive administrators

Remuneration for the members of the Board of Directors, respectively the non-executive directors, appointed by the OGMS, is determined as per the provisions of GEO no. 109/2011 by the General Meeting of Shareholders, consisting of a monthly gross fixed allowance and a variable component.

Remuneration and benefits for non-executive administrators as provided for in the contract of mandate shall be recorded in the audited annual financial statements and in the annual Remuneration Report of the Nomination and Remuneration Committee and in the report of the Board of Directors regarding the activity carried out.

The amount of the gross annual variable component of the remuneration of non-executive directors is 12 fixed monthly gross allowances for each year of mandate, according to the OGMS Resolution.

The payment of the professional liability insurance is covered by the company, according to the terms of the contract of mandate and the Resolution of the OGMS and is not part of the remuneration.

The Monthly Gross Fixed Allowance established by the OGMS

Gross quantum: equal to 2 times the average over the last 12 months of the average monthly gross salary for the activity carried out according to the core business recorded by the company (NACE code 4950) at class level according to the classification of activities in the national economy, communicated by the National Statistics Institute prior to the appointment.

The Variable component established by the OGMS

Gross quantum: 12 monthly fixed allowances, which are being granted annually, according to the fulfillment of the objectives contained in the Administration Plan and the financial and non-financial performance indicators approved by the General Meeting of Shareholders, falling under the provisions in the Revenues and Expenditure Budget approved as per the applicable legal provisions in force and in compliance with the settled methodology.

The **variable component is being determined and awarded** according to the fulfillment of the objectives included in the Administration plan and to the financial and non-financial performance indicators approved by the General Meeting of Shareholders, according to the mandate contract provisions.

The payment of the variable component is being performed annually, within maximum 15 days as of the approval within the OGMS of the annual audited financial statements drafted in compliance with IFRS and the presentation of the annual report of the Nomination and Remuneration Committee with regards to the total degree of fulfillment of the financial and non-financial key performance indicators approved by OGMS Resolution.

The calculation manner and manner of awarding and the calculation formula:

The variable component = The value of the variable component set pursuant to the addendum to the contract of mandate x Total Degree of achievement of the performance indicators (KPIs)

The Total Degree of achievement of the performance indicators (GT_{ICP}) is the amount of the degree of achievement of every KPI (GI_{ICP}) weighted by the weighting coefficient (W_{ICP}) related to every KPI.

The calculation formula is the following:

$$GT_{ICP} = \sum_{i=1}^n GI_{iICP} \times W_{iICP}$$

where:

GT_{ICP} = Total annual degree of achievement of the KPIs

W_{ICP} = Weighting Coefficient (weight) for every KPIs

GI_{ICP} = Degree of achievement of the individual KPIs

i = individual indicator (Degree of Achievement %)

The degree of achievement of every KPI (GI_{ICP}) is the degree of achievement of every KPI, considering the means of calculation provided at every KPI, subsequently weighted by the weighting coefficient (W_{iICP}) related to each KPI.

The variable component of remuneration due to the Agent will be directly proportional to GT_{ICP} for the corresponding financial year or part of the corresponding financial year.

Also, in the event that:

- $GT_{ICP} \geq 100\%$, the variable component of the remuneration is being awarded in amount of 12 monthly gross fixed allowances;

- $80\% \leq GT_{ICP} < 100\%$, the variable component of the remuneration is being awarded proportionally GT_{ICP} ;
- $GT_{ICP} < 80\%$, the variable component of the remuneration is not being paid.

Remuneration of the non-executive Provisional Administrator

The provisionally appointed administrator benefits from a gross monthly fixed allowance for the execution of the awarded mandate, namely same quantum approved by the OGMS for the other administrators.

The provisional administrator shall not benefit from a variable remuneration component.

The mandate contract has as annex financial and non-financial performance indicators (KPIs) for the company's administrators approved by the OGMS, as well as the Agreement by which the provisional administrator assumes and agrees with the KPIs and the Administration Plan.

8. Remuneration of the directors with mandate contract

The remuneration of the directors with mandate contract is being established by the Board of Directors and is made up of a monthly fixed allowance falling under the limits set out by the OGMS considering the provisions of Art. 37 Para (3) of GEO no. 109/ 2011 and of a variable component.

The remuneration and benefits granted to the directors with mandate contract as per the provisions of the mandate contract will be consigned in the annual audited financial statements, within the annual Report of the Nomination and Remuneration Committee and the Report of the Board of Directors.

The payment of the professional liability insurance for the directors with mandate contract is borne by the company, as per the provisions of the mandate contract and the BoD Decision and is not part of the remuneration.

The Gross Monthly Fixed Allowance

The general limits of the monthly gross fixed allowance of the directors with mandate contract are being approved by the OGMS Resolution, namely between 5-6 times the average over the last 12 months of the average monthly gross earnings for the activity carried out as per the core business registered by the company (NACE code 4950), at class level pursuant to the classification of activities in the national economy, communicated by the National Institute of Statistics, prior to the appointment.

Based on these general limits, the Board of Directors sets the amount of remuneration of directors with mandate contracts, also taking into account the proposals made by the Nomination and Remuneration Committee.

Gross monthly fixed allowance of the Director General

Gross amount: represents 6 times the average over the last 12 months of the monthly gross average earnings for the activity carried out as per the core business registered by the company, at class level, pursuant to the classification of the activities in the national economy, communicated by the National Institute of Statistics prior to the appointment, with applicability as of the date of appointment.

The gross monthly fixed allowance of the Deputy Director General, Economic Director and Deputy Director General 3

Gross amount: represents 5 times the average over the last 12 months of the monthly gross average earnings for the activity carried out as per the core business registered by the company, at class level, pursuant to the classification of the activities in the national economy, communicated by the National Institute of Statistics prior to the appointment, with applicability as of the date of appointment.

The variable component

The variable component of the remuneration for each year of mandate shall be granted pro-rata depending on the period of execution starting the date of appointment in the capacity of Director by the Board of Directors. It will be included in the Budget for any financial year and be paid in relation to the fulfillment of the key performance indicators.

The general limits of the variable component for the directors with mandate contract are set by the OGMS, respectively are between 6 and 12 monthly gross fixed allowances for each year of mandate.

The amount of the variable component remuneration, method of calculation and the conditions for the granting thereof according to the degree of fulfillment of the financial and non-financial performance indicators, in conjunction with the general limits of the variable remuneration component approved by the OGMS Resolution for the directors with mandate contract are set by the Board of Directors.

The amount of the variable component for directors with a mandate contract is 12 monthly gross fixed allowances for each year of mandate, granted pro-rata with the mandate period.

The contracts of mandate of the directors have as annex the financial and non-financial key performance indicators (KPIs) and include mentions regarding the variable component of the remuneration, here-included the limit related to the failure to achieve the performance objectives and the financial and non-financial performance indicators which gives the right to the revocation of the directors' mandate.

The means of calculation and awarding and the calculation formula:

The annual variable component for the directors with mandate contract is 12 monthly gross fixed allowances for each year of mandate;

The variable component = The value of the variable component x the Total Degree of achievement of the key performance indicators (**GT KPIs**)*

*) in case the total degree of achievement (**GT KPIs**) is >100%, the total degree of achievement is limited to 100%.

The Total Degree of achievement of the key performance indicators (GT KPIs) is the amount of the degree of achievement of every KPI (GI_{ICP}) weighted by the weighting coefficient (W_{ICP}) related to every KPI.

The calculation formula is the following:

$$GT_{ICP} = \sum_{i=1}^n GI_{iICP} \times W_{iICP}$$

where:

GT_{ICP} = Total annual degree of achievement of the KPIs

W_{iICP} = Weighting Coefficient (weight) for every KPIs

GI_{ICP} = Degree of achievement of the individual KPIs

The degree of fulfillment of every KPI (GI_{ICP}) is the degree of achievement of every KPI, considering the means of calculation provided at every KPI, subsequently weighted by the weighting coefficient (W_{i ICP}) related to every KPI.

The variable component of the remuneration due to the directors will be in proportion to the value of GT_{ICP} for the corresponding financial year or part of the corresponding financial year and is being awarded as follows:

In the event that:

- **GT_{ICP} ≥ 100%**, the maximum variable remuneration component approved by the OGMS for each director with mandate contract is being granted in the maximum amount approved by the OGMS.;
- **80% ≤ GT_{ICP} < 100%**, the maximum variable component of the remuneration approved by the OGMS for each director with contract of mandate is being awarded in proportion to the total degree of achievement of the performance indicator;
- **GT_{ICP} < 80%**, no variable component is granted to directors with a mandate contract.

The Financial and non-financial performance indicators approved by the BoD represent elements based on which is determined the variable component of remuneration for the Company's directors.

The payment of the variable component is made annually, in no more than 15 days as of the approval in the OGMS of the audited annual financial statements in compliance with IFRS and the presentation of the annual report of the Nomination and Remuneration Consultative Committee regarding the total degree of achievement of the financial and non-financial key performance indicators for the administrators of the company, which also makes reference to the report of the directors with mandate contract on the total degree of fulfillment of financial and non-financial key performance indicators approved pursuant to the BoD Decision.

The remuneration of the provisional Director with mandate contract

The director with mandate contract with provisional appointment benefits from a gross monthly fixed allowance for the duration of the mandate, for its execution, in the amount established by the Board of Directors, which does not exceed the general limit set by the GMS for directors with a mandate contract.

The provisional director does not benefit from a variable component of the remuneration.

The mandate contract of the provisionally appointed director has as an annex the Agreement by which he assumes and agrees with the Administration Plan and the KPI for administrators approved by the OGMS Resolution and with KPI's for the directors with mandate contract.

9. Monitoring the compliance with the limits approved by the OGMS of the financial and non-financial key performance indicators

On a quarterly basis, the financial and non-financial key performance indicators, for both administrators and for directors with contract of mandate have been evaluated and monitored. The purpose of this quarterly assessment is to identify in advance any negative deviations from the targets and to take measures in order to improve the level of the indicator.

The total and individual degree of fulfillment of the financial and non-financial key performance indicators is being presented in the quarterly reports of monitoring the framing of the key performance indicators in the limits approved by the OGMS.

10. Information on the duration of the contract, the notice period negotiated, the amount of liquidated damages for unjust cause

- **Duration of the contract**

A. The Members of the Board of Directors

The term of office of the members of the BoD, appointed/elected by the OGMS Resolution is of 4 years the most.

As per Art. 29¹ of the GEO no. 109/2011:

(1) If the termination of the mandate of an administrator causes the number of administrators to fall below the legal minimum, it is convened, under the terms of Law no. 31/1990, republished, with subsequent amendments and additions, the Ordinary General Meeting of Shareholders to complete the number of members of the Board of Directors with provisional administrators, who have a mandate until the completion of the selection procedure. For this purpose, the shareholders, including the tutelary public authority, will submit candidate proposals to AMEPIP, who may be part of the body of administrators of public enterprises or may be candidates who are not enrolled in the body of administrators, and AMEPIP will evaluate the proposals and communicate the results of the evaluation to the shareholders, after which the Ordinary General Meeting of the Shareholders will appoint the provisional administrators.

(2) In the situations provided for in Para. (1), the term of office of the provisional administrator is of maximum 5 months, with the possibility of extension, once, for another 2 months, for valid reasons. If the procedure for the selection and nomination of the permanent administrators is completed before the expiry of the period for which the provisional administrator was appointed, the administrator or permanent administrators are appointed immediately by the General Meeting of Shareholders, and the mandate of the provisional administrators ends.

B. The Directors with mandate contract

The Board of Directors delegates the directors with mandate contract with the company management in compliance with the legal provisions in force and with the contract of mandate.

The term of office of the Directors with mandate contract, selected in accordance with the provisions of GEO no.109/2011 *on the corporate governance of public enterprises* is of maximum 4 years.

In case management duties have been delegated to the directors to run the public enterprise and the director position(s) remains vacant, the Board of Directors may appoint a provisional director until the selection procedure is organized, according to the provisions of GEO no. 109/2011 regarding the corporate governance of public enterprises, approved with amendments and additions by Law no. 111/2016, with subsequent amendments and additions.

The term of office of the provisional administrator appointed by the Board of Directors is of maximum 5 months, with the possibility of extension, once, for another 2 months, for valid reasons.

- **Notice terms**

A. The Members of the Board of Directors

According to the provisions of the mandate contracts of the administrators/provisional administrators, the termination of the mandate contract can also take place by the administrator's waiver of mandate, for reasons not imputable, in which case he must send the Company a 30-day prior notice.

B. The Directors with mandate contract

According to the contract of mandate concluded with directors, they have the right to waive mandate, with a notice of 30 (thirty) working days given to the Company without further formalities and without the intervention of competent courts. At its discretion, the Company may waive all or part of the right of notice, at the beginning or during this period.

The Company may:

- a) require the Director to fulfill all the obligations under the Contract;
- b) unreasonably revoke this Contract, based on a Decision of the Board of Directors sending written notice of 30 (thirty) working days communicated to the Director. In such a case, the

Company is obliged to pay the Director a net compensation equivalent to the net fixed remuneration from the last month prior to revocation, multiplied by the number of months remaining from the term of Contract, but no more than 12 months. This net compensation will be paid in maximum 30 days from termination of the contract.

c) revoke the mandate given to the Director based on a Decision of the Board of Directors, sending prior written notice of 30 (thirty) working days communicated to him, in case of failure or improper performance by the Director of the assumed contractual obligations.

- **Quantum of - liquidated damages**

A. Members of the Board of Directors

In case the revocation occurs without reasoned cause, the administrator in question is entitled to be paid liquidated damages, according to the Contract of Mandate.

In case of unjustified revocation from office, the Administrator will have the right to receive from the Company compensation of no more than 24 monthly gross fixed allowances if the revocation occurs within the first 24 months of mandate.

In the situation where the revocation takes place during the last two years of mandate, a compensation will be paid equivalent to the monthly gross fixed allowance corresponding to the number of months remaining until the expiry date of the term provided for in Art. 6 to the Contract.

The payment of this compensation is performed within 30 working days from the date of adoption of the revoking Resolution of the GMS. This compensation represents the only form of indemnity the Administrator is entitled to in case of undue revocation from office.

In case of revocation of the Administrator due to reasonable/justified grounds, the *Company* does not owe the Administrator any compensation for the non-executed period of the mandate.

The act of committing, by the Administrator, of any of the acts or measures referred to in Chapter XI of this Contract gives the General Meeting of Shareholders of the *Company* the right to terminate this Contract by fault of the administrator and the right to force the administrator to stop or remove the deed/action or the consequences thereof, return unlawfully acquired confidential

documents from their legitimate holder and, where appropriate, pay compensation for damages caused to the *Company* according to the legislation in force.

B. The Directors with mandate contract

The contracts of mandate of directors state that the party who fails to fulfill its contractual obligations partially or totally shall pay damages to the other party, whose amount will be determined based on specialized appraisals.

The company has the right to unreasonably revoke this contract of mandate, based on a Decision of the Board of Directors, sending written notice of 30 (thirty) working days communicated to the Director. In such a case, the Company is obliged to pay the Director a net compensation equivalent to the net fixed remuneration from the last month prior to revocation, multiplied by the number of months remaining from the term of Contract, but no more than 12 months. This net compensation will be paid in maximum 30 days from termination of the contract.

At the same time, the director's mandate can be revoked, based on a decision of the Board of Directors, with a written notice of 30 (thirty) working days communicated to him, in case of non-fulfillment or improper fulfillment by the Director of the assumed contractual obligations. Consequently, the Board of Directors analyses, on a quarterly basis, the fulfillment of the performance indicators and objectives and where they find a failure in the fulfillment of the global degree, chargeable to the Director, they may revoke the latter without any compensation.

In the situation where one of the Performance Indicators is achieved in a maximum proportion of 50%, or the Total Degree of Fulfillment of the Performance Indicators is $\leq 75\%$, the Board of Directors can unilaterally denounce the Mandate Contract, terminating it with just cause, the Agent not being entitled to any compensation for early termination of the contract.

11. Other information on the Mandate Contract

A. The Members of the Board of Directors

The Administrators have the right to:



- reimbursement of expenses related to implementation of the mandate, based on supporting documents, in the same amount corresponding to the position of Director General, such as, but not limited to: costs of accommodation, daily allowance, transportation and any other expenses related to the execution of the mandate and regardless they were caused by journeys in the country or abroad.
- the provision of logistic support equipment (telephone, tablet, laptop, car) necessary for the more effective performance of the duties.
- to benefit from professional training courses, both in the country and abroad, with the approval of the Board of Directors, the costs of which will be fully borne by the company, within the limits of the approved Budget.
- other rights according to mandate contracts or according to the law.
- "directors & officers liability" professional liability insurance policy, at the expense of the Company.
- specialized assistance, in accordance with the law, for the substantiation/motivation of the decisions made within the Board of Directors, as well as in the situation of the formulation of actions in claims by a third party and directed against the Administrator in connection with the fulfillment of the duties according to the Mandate Contract, the Articles of Incorporation, Rules on the Organization and Functioning of the BoD or the Legal Framework.

B. The Directors with mandate contract

The Directors with mandate contracts have the right to:

- benefit from 30 free (working) days per year, the leave vouchers are to be approved by the Chairman of the Board of Directors and from the related allowance, medical leave according to the law, per diem allowance and reimbursement of the delegation expenses related to work, paid days off for public holidays, specific festive days, the birth of a child, or, in case of the death of a family member, granted by analogy with those in the collective labor contract applicable to the company, and the related costs will be borne by the Company.
- reimbursement of the expenses related to the execution of the mandate regarding the representation in the Company's interest, such as, but not limited to: transport, per diem both

domestic and abroad accommodation expenses, business entertainment fund, plane tickets in economy/economy plus class or equivalent, based on supporting documents;

- company car with or without a driver (whose costs will be fully borne by the company), a business phone, laptop, office computer, office equipment, fax machine, stationery, as well as any other gear/equipment/gadgets that are specific to the level of representation of the position and that are necessary for the fulfillment of duties in connection with the mandate contract, all costs related to the use and operation of the aforementioned equipment, including the corresponding subscriptions, being insured and borne by the Company;
- other rights according to mandate contracts or according to the law;
- a space with an office functionality, corresponding to their position as Director General, with all the corresponding equipment and facilities;
- the services of a secretariat, whose personnel and logistics costs will be fully borne by the Principal;
- professional training courses, both in the country and abroad, with the approval of the Board of Directors, the costs of which will be fully borne by the company, within the limits of the approved Budget.
- benefit from professional liability insurance, the cost of which is borne by the Company.

12. Considerations justifying any scheme of annual bonuses or non-cash benefit

The Members of the Board of Directors and the directors with mandate contract do not benefit from bonuses or non-cash benefits.

13. The Potential anticipated or additional Pensions Schemes:

For none of the members of the Board of Directors or directors have been established additional or anticipated pension schemes.

The liability insurance policy for the administrators and directors with mandate contract is being concluded annually by the company.

The costs related to the managerial liability insurance policy of administrators and directors with mandate contracts in the aggregate are borne by the Company and fall within the maximum limit of the annual insurance premium approved by the OGMS Resolution. The amount will be allocated from the funding sources necessary to settle the professional liability insurance premiums provided for in the annual Revenue and Expenditure Budget.

The remuneration policy contributes to the Company's business strategy, as well as its sustainability and long-term interests.

The remuneration policy of administrators and directors with a mandate contract is subject to the approval of the Board of Directors and approval within the OGMS, following each significant change or at least once every 4 years according to the provisions of Art. 106⁷ of Law no. 24/2017, In accordance with Art. 39 Para. (3) from the GEO 109/2011 on the corporate governance of public enterprises, the Remuneration Policy for administrators and directors with a mandate contract within the unitary system is published on the Company's website by care of the Board of Directors.

This Remuneration Policy for administrators and directors with a mandate contract is endorsed in the Board of Directors meeting dated 28.02.2024 and will be submitted for approval to the OGMS.

CHAIRMAN OF THE BOARD OF DIRECTORS
CRISTIAN– FLORIN GHEORGHE

Endorsed by BoD Decision no.6/ 28.02.2024

Approved by the OGMS Resolution no...../