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Subject to endorsement in the BoD meeting dated 20.03.2024 and approval of the O.G.M.S dated 25.04.2024

**The Company CONPET S.A.**

**The Nomination and Remuneration Committee**

**No. 11532/ 20.03.2023**

### **ANNUAL REPORT**

**regarding the remuneration and other benefits granted to administrators and directors with contract of mandate, during the financial year 2023**  
**(Remuneration report)**

The annual report of the Remuneration Consultative Committee on the evaluation of the performances of the administrative and executive management of CONPET S.A. for the activity carried out in 2023 is elaborated in accordance with the provisions of Art. 55 para. (2) and (3) of Government Emergency Ordinance no. 109/2011 *on the corporate governance of public enterprises*, and the provisions of Art. 107 para. (1) and (2) of Law no. 24/2017 ANRE President's Order no. 24/2017 *on issuers of financial instruments and market operations*, and includes:

#### **I. General information**

##### **I.1 The legal framework regarding the remuneration policy and criteria for the administrators and Directors with mandate contract of the company CONPET S.A.**

In drafting this report the following was considered:

- **Applicable legal provisions**

- ✓ Art. 37 of GEO no. 109/2011 on the corporate governance of public enterprises, subsequent amendments and completions, on the remuneration of the BoD members.
- ✓ Art. 38 of GEO no. 109/2011, on the remuneration of directors of CONPET.
- ✓ Art. 39 of GEO no. 109/2011 on the benefits and/or other advantages granted to the BoD members and to the directors

✓ Art.34 of GEO no.109/2011 that provides the competency of the Nomination and Remuneration Committee in order to formulate proposals on the remuneration of the directors and the remuneration structure.

✓ Art. 106 and 107 of Law no. 24/2017

✓ Art.111, art.142.art.143 and art.153^18 of Law no.31/1990 on the settlement and approval of the remuneration due to the administrators and/or the directors.

• **CONPET S.A. Internal Regulations**

✓ The Articles of Incorporation, updated on 28.04.2023

✓ The Code of Corporate Governance of CONPET S.A.

✓ The Remuneration Policy approved by the OGMS of CONPET SA dated 28.04.2021.

• **OGMS Resolutions and BoD Decisions by which were appointed the members of the Board of Directors in office during 2023 and by which the contracts for their mandate were approved:**

- The OGMS Resolution no.7/14.12.2023 by which the mandate of the 7 provisional administrators was extended by 2 months (4 months' mandate), respectively between 22.12.2022 - 21.02.2023 (inclusive of). Gheorghe Cristian - Florin, Mr. Buică Nicușor - Marian, Mr. Albulescu Mihai - Adrian, Mrs. Kohalmi- Szabo Luminița - Doina, Mrs. Tănăsică Oana- Cristina, Mr. Gavrilă Florin- Daniel, Mr. Zaman Andrei - Mihai), namely during 22.12.2022 - 21.02.2023 (inclusive of).
- OGMS Resolution no.1/17.02.2023, by which it was approved the appointment in the capacity of provisional administrator of the following persons Gheorghe Cristian - Florin, Mr. Buică Nicușor- Marian, Ms. Kohalmi- Szabo Luminița - Doina, Ms. Tănăsică Oana - Cristina, Mr. Gavrilă Florin- Daniel, Mr. Zaman Andrei - Mihai, Ms. Barbu Irina – Mihaela, the mandate exercised being of 4 months, namely during 22.02.2023 - 21.06.2023
- The OGMS Resolution no.3/21.06.2023 by which was approved the extension, based on the provisions of art. 64^1 para. (5) of the Government Emergency Ordinance no. 109/ 2011 *on the corporate governance of public enterprises*, approved with amendments and additions via Law no.111/2016, of the duration of the mandate contracts of the Company's provisional

administrators, appointed by the OGMS Resolution no.1 of 17.02.2023 (*Gheorghe Cristian – Florin, Buică Nicușor – Marian, Kohalmi – Szabo Luminița – Doina, Tănăsică Oana – Cristina, Gavrilă Florin – Daniel, Zaman Andrei – Mihai, Barbu Irina - Mihaela*), with a period of 2 months, respectively from 22.06.2023 to 21.08.2023 (inclusive of), or until the completion of the selection procedure provided in GEO no. 109/2011 if this will take place earlier than the expiry date of their mandate.

- The OGMS Resolution no.4/18.08.2023, by which it was approved the election of the members of the Board of Directors of the company CONPET SA, with a mandate of 4 years, respectively the following persons, by the application of the cumulative voting method: mr. Gheorghe Cristian - Florin, Mr. Buică Nicușor- Marian, Ms. Kohalmi- Szabo Luminița - Doina, Ms. Tănăsică Oana - Cristina, Mr. Gavrilă Florin- Daniel, Mr. Zaman Andrei - Mihai, Mr. Dănilă Alin - Mihael, and was approved the mandate contract of the administrators proposed by the major shareholder.
  
- **The BoD Decision by which the directors with contract of mandate in office during 2023 were appointed and by which the contracts for their mandate were approved:**
- **The Director General:**
- The BoD decision no. 8/20.04.2021, of appointment of Mr Dorin Tudora in the capacity of Director General, following the performance of the recruitment procedure carried out as per the provisions of GEO no.109/2011, with mandate of 4 years, namely during 21.04.2021 – 20.04.2025.
- The BoD Decision no.23/22.08.2022 regarding the conclusion of Addendum no.3 to the Mandate Contract no.2/21.04.2021 of the Director General, having as object the amendment of the term of the mandate contract in order to reduce it, the term of office will be until 06.11.2023 (inclusive of) or until the completion of the selection procedure of the Director General, if this takes place earlier than 06.11.2023 (actual termination of the mandate took place on 20.10.2023, following the completion of the selection procedure for the directors with mandate contract).

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- Following the performance of the procedure for recruitment and selection of the Director General, Deputy Director General and Economic Director, in compliance with the provisions of GEO no. 109/2011 on the corporate governance of the public enterprises, the Board of Directors appointed Mr. Dorin Tudora in the capacity of Director General for a 4 years' mandate, starting 20.10.2023 until 19.10.2027, delegating to him the management of the company in accordance with the legal provisions in force, the Articles of Incorporation and the contract of mandate.

- **The Deputy Director General**

- BoD no.5/18.02.2019 of appointment of Mrs Mihaela – Anamaria Dumitrache as Deputy General Manager, following the procedure of recruitment and selection of the DDG carried out according to the provisions of the GEO no. 109/2011, with a mandate of 4 years, respectively for the period 18.02.2019 – 17.02.2023.
- The BoD decision no. 3/14.02.2023, of appointment of Mr Mihaela – Anamaria Dumitrache in the position of provisional Deputy Director General , with a mandate of 4 months, respectively the period 18.02.2023 – 18.06.2023 (inclusive of), later extended by 2 months, respectively the period 19.06.2023 – 19.08.2023, according to the Decision of the BoD no. 16/ 14.06.2023.
- BoD no. 21/09.08.2023 of appointment of Mrs Mihaela - Anamaria Dumitrache in the position of provisional Deputy Director General, with a mandate of 4 months, respectively the period 20.08.2023 - 20.12.2023 (the effective termination of the mandate took place on 20.10.2023, following the completion of the selection procedure of directors with mandate contract).
- The BoD decision no.31/19.10.2023 , by which, following the performance and completion of the recruitment and selection procedure of the Director General, Deputy Director General and Economic Director, performed in compliance with the provisions of GEO no.109/2011 *on the corporate governance of the public enterprises*, the Board of Directors appointed Ms. Mihaela - Anamaria Dumitrache in the capacity of Deputy Director General for a 4 years' mandate, starting 20.10.2023 until 19.10.2027, delegating to her the management of the company in accordance with the legal provisions in force, the Articles of Incorporation and the contract of mandate.

• **The Economic Director**

- The BoD decision no. 23/28.10.2022, of appointment of Mr Sanda Toader was appointed, by the BoD Decision no. 23/ 28.10.2022, in the position of provisional Economic Director, with a mandate of 4 months, respectively the period 07.11.2022 – 07.03.2023, later extended by 2 months, respectively the period 08.03.2023 – 08.05.2023, according to the Decision of the BoD no. 8/ 07.03.2023.
- The BoD decision no. 13/05.05.2023, of appointment of Mr Sanda Toader in the capacity of provisional Economic Director, with a mandate of 4 months, respectively the period 09.05.2023 – 09.09.2023, later extended with 2 months, respectively the period 10.09.2023 – 10.11.2023, according to the Decision of the BoD no. 26/ 05.09.2023 (the effective termination of the mandate took place on 20.10.2023, following the completion of the selection procedure of directors with a mandate contract).
- The BoD decision no.31/19.10.2023 , by which, following the performance and completion of the recruitment and selection procedure of the Director General, Deputy Director General and Economic Director, performed in compliance with the provisions of GEO no.109/2011 *on the corporate governance of the public enterprises*, the Board of Directors appointed Ms. Sanda Toader in the capacity of Economic Director for a 4 years' mandate, starting 20.10.2023 until 19.10.2027, delegating her the management of the company in accordance with the legal provisions in force, the Articles of Incorporation and the contract of mandate.

**I. 2.** The role and functions of the Nomination and Remuneration Committee, established within the Board of Directors of CONPET S.A., based on the Decision of the Board of Directors no. 16/2013b.

The Nomination and Remuneration Committee has the following main tasks:

a) In the field of the nomination activity:

According to the person in charge appointed by the GMS to organize the selection procedure of the administrators (the public guardianship authority or the Board of Directors), The Council coordinates the procedure or only assists the public guardianship authority during the process at the times provided for by the legislation.

Thus, if the selection procedure of the administrators is organized by the Board of Directors, the Nomination and Remuneration Committee assists the Board of Directors in establishing the principles of selection of the candidates for the capacity of administrator, elaborates/contributes to the elaboration of the selection plan, here included the terms of reference for the independent expert, of the profile and matrix of the board, of the criteria for the selection of the candidates for the position of administrator (based on the letter of expectations), carries out the final evaluation of the candidates selected in the short list and prepare the report for the final appointments by which it makes proposals to the Board.

The Committee has an important role in the selection of directors whose appointment is the responsibility of the Board of Directors. Thus, the Nomination and Remuneration Committee (Ro. CNR) establishes and submits to the approval of the Board the procedure for the selection of directors, elaborates the terms of reference for the independent expert, establishes the selection criteria for the directors, and, coordinates the selection process and elaborates the specific documents required by the applicable legislation in collaboration with the independent expert, carries out the final evaluation of the candidates for the position of directors for the appointment and conclusion of the mandate contract, elaborates the form and content of the directors mandate Contracts and proposes to supplementation/amendments thereof by Addenda.

a) In the field of the nomination activity:

CNR makes proposals for any policy in relation to the remuneration of the administrators and directors with mandate contract, in compliance with the remuneration policy submitted by Agency for Monitoring and Assessing the Performance of State-owned Enterprises (Ro. AMEPIP), including proposals regarding the amount and conditions of granting fixed and variable allowance due to the members of the Board of Directors, as well as the general limits of the remuneration of the directors with a mandate contract, in view of endorsing thereof by the Board of Directors and submission for approval to the General Meeting of Shareholders, make proposals on the remuneration of directors

within the general limits established by the GMS and by the law, elaborates the Policy on the remuneration of administrators and directors to be published on the company's website, draws up an annual report on the remunerations and other benefits granted to the administrators and directors to be presented within the meeting of the GMS, where the annual financial statements are approved, analyzes, evaluates and proposes to the Board of Directors any payment commitment or compensation that is to be provided in the Mandate Contracts of the administrators/directors.

a) In the field of the nomination activity:

CNR assist the Chairman of the Board of Directors in the evaluation process of the administrators' performance, assists the BoD Chairman in the identification of the needs of training and development of the administrators, periodically or at least annually assesses the independence of the members of the BoD., proposes to the Board of Directors changes in the structure of the advisory committees when it finds changes in the statute of the administrators or other relevant issues, assists the Board of Directors in the process of assessing the performance of directors.

On the date of this report, as per the statement prepared by each BoD member, of a total of 7 administrators, a number of 6 non-executive independent administrators, this aspect not bearing impact on the composition of the Consultative Committees, the reconfiguration thereof not being necessary.

d) Other attributions and responsibilities

CNR submits quarterly to the Boar of Directors reports on the activity, recurrently revises the internal Rules of the Committee and submits for the approval of the Board of Directors any amendment it considers necessary, autoevaluates annually the own performance of the BoD, analyses the amendment proposal in relation to the Collective Labor Agreement applicable at the level of the Company;, exercises other attributions provided by the law. In order to carry out the required tasks, it may request, if necessary, assistance from independent experts.

During 2023, the composition of the Nomination and Remuneration Committee, established by the Decisions of the Board of Directors, reveals the following:

The BoD decision no.17 dated 26.08.2022;

Albulescu Mihai - Adrian - President;  
BUICĂ Nicușor - Marian - member  
GHEORGHE Cristian - Florin - member;  
Kohalmi - SZABO Luminița - Doina - member  
Gavrilă Florin - Daniel - member.

BoD Decision no. 6/22.02.2023, reconfirmed by BoD Decision no. 17/22.06.2023:

Kohalmi - SZABO Luminița - Doina - member  
BUICĂ Nicușor - Marian - member;  
GHEORGHE Cristian - Florin - member;  
Gavrilă Florin - Daniel - member;  
ZAMAN Andrei - Mihai - member.

BoD Decision no. 22/ 18.08.2023

ZAMAN Andrei - Mihai - President:  
GHEORGHE Cristian - Florin - member;  
Tănăsică Oana - Cristina - member;  
DĂNILĂ Alin- Mihael- member;  
Kohalmi - SZABO Luminița - Doina - member  
(this being the composition of CNR on the date of this report)

The Nomination and Remuneration Committee is a permanent committee with an advisory role, directly subordinated to the Company's Board of Directors. This Committee is responsible for evaluation, advising and preparation of proposals for the nomination of the members of the Board of Directors and directors with mandate contract, as well and monitoring the implementation of the remuneration Policy at Company's level.

The Remuneration Report for 2022 has been approved by OGMS Resolution no.2/27.04.2022, with the mention in the Protocol of the meeting that the responsibility for the correctness, reality and completeness of the data and information contained in the C.N.R. Report as provided for in art. 107 of Law 24/2017 regarding the issuers of financial instruments and market operations, republished, is the responsibility of the administrative management of CONPET S.A.

The opinion resulting from the vote had an advisory character according to the provisions of Art. 107 Para. (6) of Law 24/ 2017, the result of the vote being published on the Company's website at the address [www.conpet.ro](http://www.conpet.ro), section "Investor relations/GMS documents" - O.G.M.S.dated 27.04.2023.

### **I. 3. Status of mandates of the administrators and Directors with mandate contract during 2023**

Regarding the Board of Directors, the following information related to the year 2023:

- During 01.01.2023 – 21.08.2023, the Board of Directors was constituted of 7 provisional administrators, with a term of office of 2 months (extension of duration following the Decision of the OGMS no. 4 of 18.12.2022), then provisional administrators with a term of office of 4 months, extended by 2 months.
- During 22.08.2023 – 31.12.2023, the composition of the Board of Directors was made up of 7 administrators, appointed by the OGMS Resolution no. 4/ 18.08.2023, following the completion of the procedure for the selection of administrators according to the provisions of GEO 109/2011.
- The structure of the Board of Directors was homogeneous and stable throughout 2023.
- For the provisional administrators, the OGMS approved only the award of the gross fixed monthly allowance and established its quantum, without granting the variable component of the remuneration.

Concerning the Directors with mandate contract, we note the following information regarding the year 2023:

- The Director General has had two mandate contracts, the Deputy General Manager had 4 mandate contracts (2 provisional) and the Economic Director had 3 mandate contracts (2 provisional).
- Following the completion of the selection procedure for the directors with mandate contract, by Decision C.A.n. 31/ 19.10.2023, the Board of Directors appointed the Director General the, Deputy Director General and the Economic Director, with a mandate of 4 years, starting with 20.10.2023 – 19.10.2027.

- During the provisional mandates, the Deputy Director General and the Economic Director benefited only from the granting of the gross monthly fixed allowance, with no variable remuneration component being provided.

According to the mandate contracts concluded and/or in progress in the financial year 2023, the administrators and directors of the Company have received the equivalent value of some rights representing benefits and other advantages, which in accordance with art. 39 of GEO no. 109/2011, must be recorded in the annual financial statements. For the year 2023, the values are detailed in Chapter II of the Remuneration Report.

The status of the provisional appointments of administrators and directors and the details of their allowance is an issue considered and mentioned in the Remuneration Policy.

Within the Remuneration policy it was provided the possibility of its revision, in the event of any significant change (appointment of administrators and directors with mandate contract following the selection and setting of the variable component) and at least once every 4 years from the date of its approval, according to Art. 92 index 1 of Law 24/ 2017, corroborated with art. 29, respectively Art. 25 of GEO no. 109/ 2011.

#### **Concerning the Board of Directors**

By OGMS Resolution no. 5/20.09.2022 has been approved the initiation of the selection procedure of the members of the Board of Directors at CONPET S.A., in accordance with the provisions of GEO no. 109/2011 on the corporate governance of public enterprises, approved with amendments and additions by Law no. 111/ 2016. The selection procedure is organized by the Ministry of Energy on behalf of the Romanian State shareholder.

During 22.08.2022 – 21.08.2023, the Board of Directors of the company was composed of provisional administrators, appointed by the OGMS resolutions.

By OGMS Resolution no. 4/18.08.2023, of the selection procedure of the members of the Board of Directors at CONPET S.A., in accordance with the provisions of GEO no.109/2011 on the corporate governance of public enterprises, have been appointed the company's administrators, with a 4-year mandate.

#### **For Directors with mandate contracts**

By OGMS Resolution no.23/22.08.2023 has been approved the initiation of the selection procedure of the members of the Board of Directors at CONPET S.A., in accordance with the provisions of GEO no.109/2011 on the corporate governance of public enterprises, approved with amendments and additions by Law no. 111/ 2016.

The selection procedure was carried out by the Nomination and Remuneration Committee assisted by an independent expert.

By the BoD Decision no. 31/19.10.2023, following the execution and completion of the selection procedure of the directors, in accordance with the provisions of Government Emergency Ordinance no. 109/2011 on corporate governance of public enterprises, directors – Director General, Deputy Director General and Economic Director, with a 4-year term of office.

## **II. Remuneration Report for 2023**

### **II I. Structure of the report**

The information in the remuneration report is structured by categories, according to the requirements of Art. 107 of Law no. 24/2017 corroborated with the provisions of Art. 55 Para. (2) and (3) of GEO no.109/ 2011, as follows:

- the total remuneration broken down by component, the relative proportion of fixed and variable remuneration, including an explanation of how the total remuneration complies with the remuneration policy adopted, including how it contributes to the long-term performance of the issuer and information on how the performance criteria have been applied;
- other rights, in the form of benefits and/ or advantages that, according to the law, are not part of the remuneration granted to the managers for the execution of the mandate;

- the annual amendment in remuneration, the issuer's performance and the average remuneration on the basis of the full-time equivalent of the issuer's employees who are not directors for at least the last 5 financial years, presented together in a manner that allows comparison;
- any remuneration received from any entity belonging to the same group;
- the number of shares and options in shares granted or offered, as well as the main conditions for the exercise of the related rights, including the strike price and the date, together with any changes thereto;
- information on the use of the possibility of recovering variable remuneration;
- the considerations justifying any scheme of annual bonuses or non-monetary advantages;
- information on any deviation from the procedure for implementing the remuneration policy referred to in Article 106 Para. (8) - (12) and on any derogations applied in accordance with Article 106 Para. (6), including explanations of the nature of the exceptional circumstances and an indication of the specific elements from which the derogation was made.

## II.2. Content of the report

### II 2. 1. Total remuneration broken down on components, the relative proportion of the fixed and variable remuneration

In 2023:

- the administrators and directors with mandate contract have received, for the activity carried out, a remuneration composed of monthly gross fixed allowance and variable component granted in accordance with the provisions of the mandate contract which they concluded with the company
- the provisional administrators and the Directors have received for the activity performed a fixed monthly allowance in accordance with the provisions of the contract of mandate concluded with the company;
- the fixed and variable allowance for the administrators of the company and the general limits on the remuneration of directors with mandate contract were approved by the OGMS;

- the remuneration of the directors with mandate contract (the monthly gross fixed allowance that is granted to the directors with a 4 years mandate contract) was established by the Board of Directors, in compliance with the general limits approved by the OGMS.
- the variable component was granted to administrators and directors with mandate contract (Director General, Economic Director and Deputy Director General) after approval of the financial statements for the financial year ended on 31.12.2022, being calculated pro-rata in correlation with the mandate period exercised in 2022.

## **1 Fixed remuneration**

### **a) Non-executive administrators:**

For the period 01.01.2023 – 21.02.2023 was equal to 1.36 times the average over the last 12 months of the monthly gross average salary for the activity carried out according to the core business recorded by the company, which was, at the class level according to the classification of activities in the national economy, communicated by the National Institute of Statistics prior to the appointment, respectively in the amount of 13,076.4 RON (established by the OGMS Resolution no. 5/20.09.2022 and according to the mandate contract, the mandate of the provisional administrators being of 4 months, respectively the period 22.08.2022 - 21.12.2022, extended by the OGMS Resolution no. 7/14.12.2022, namely with 2 months, until 21.02.2023).

For the period 22.02.2023 – 21.08.2023 was equal to 1.36 times the average for the last 12 months of the monthly gross average salary for the activity carried out according to the core business recorded by the Company (code NACE 4950) at the class level according to the classification of activities in the national economy, communicated by the National Institute of Statistics prior to the appointment, respectively in the amount of 13,502 RON (established by the Resolution of the OGMS no.1/17.02.2023 and according to the mandate contract, the mandate of the provisional administrators being of 4 months, namely the period 22.02.2023 - 21.06.2023 extended by the OGMS Resolution no. 3/21.06.2023, 2 months, respectively until 21.08.2023).

For the period 22.08.2023 – 31.12.2023 was equal to 2 times the average for the last 12 months of the monthly gross average salary for the activity carried out according to the core business recorded by

the company (code NACE 4950), at class level according to the classification of activities in the national economy, communicated by the National Institute of Statistics prior to the appointment, respectively in the amount of 21,398 RON (established by the OGMS Resolution no.. 4/ 18.08.2023 and according to the mandate contract, the mandate of the appointed administrators being of 4 years, respectively the period 22.08.2023 - 21.08.2027).

The payment of the monthly gross fixed allowance is made once a month, namely on the 26th of the current month, regardless of the number of meetings per month for which the payment is made.

**The total net fixed remuneration paid** between 01.01.2022 - 31.12.2022 to the members of the Board of Directors was 800,151 RON.

For the period 01.01.2023 - 21.08.2023, the administrators were not provided in the mandate contract the variable remuneration component.

#### **b) The Directors with mandate contracts**

The general limits for the monthly fixed indemnity of the directors with mandate contract were established by the Decision of the OGMS no.7/18.12.2018, between 5-6 times the average for the last 12 months of the monthly gross average salary for the activity carried out according to the main object of activity recorded by the company, at class level, according to the classification of activities in the national economy, communicated by the National Institute of Statistics prior to the appointment.

The general limits of the variable remuneration component for the directors with a mandate contract, namely the General Director, the Economic Director and the Deputy Director General, were fixed by the OGMS Resolution no. 3/23.04.2019, respectively, in the total gross annual of maximum 5% of the net profit realized annually, but not more than the amount of the gross fixed allowance related to the entire financial year payable to these directors, applicable from the date of their appointment by the BoD, as follows:

- the Director General: maximum 2% of the net profit annually realized, but no more than the value of the gross fixed allowance related to the entire financial year payable thereto.
- The Deputy Director General: maximum 1.5% of the net profit annually realized, but no more than the value of the gross fixed allowance associated to the entire financial year payable thereto
- Economic Director: maximum 1.5% of the net profit annually realized, but no more than the value of the fixed gross allowance associated with the entire financial year payable thereto.

By the OGMS Resolution no. 6/19.12.2023 there were established:

- the limits of the monthly fixed gross allowance of the directors with mandate contract, namely between 5 and 6 times the average over the last 12 months of the monthly gross average salary for the activity carried out 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 Institute of Statistics prior to the appointment.
- the limits of the gross annual variable component of the Directors with mandate contract, namely between 6 and 12 monthly gross fixed allowances for each year of mandate.

The amount of the monthly gross fixed allowance/variable component of the remuneration of the directors with a mandate contract was established by BoD Decision, within the general limits settled by the OGMS.

**The Director General:**

**For the period 01.01.2023– 19.10.2023, the monthly gross fixed allowance of the Director General** is in amount of 53,160 RON, i.e. 6 times the average for the last 12 months of the monthly average gross salary for the activity carried out according to the core business registered by the company, at class level as per the classification of activities in the national economy, communicated by the National Institute of Statistics prior to the appointment and was established by BoD Decision no. 8/20.04.2021.

**For the period 20.10.2023 - 31.12.2023, the monthly gross fixed allowance of the Director General** is in amount of 66,636 RON, i.e. 6 times the average for the last 12 months of the monthly average gross salary for the activity carried out according to the core business registered by the company, at class level, as per the classification of activities in the national economy, communicated by the National Institute of Statistics prior to the appointment and was established by BoD Decision no. 31/20.04.2021 and the mandate contract.

**Deputy Director General**

**For the period 01.01.2022– 17.02.2023, the monthly gross fixed allowance of the Deputy Director General** was in amount of 35,290 RON, i.e. 5 times the average over the last 12 months of the monthly average gross salary for the activity carried out according to the core business registered by the company, at class level according to the classification of activities in the national economy, communicated by the National Institute of Statistics prior to the appointment and was established by the BoD Decision no. 5/18.02.2019.

**For the period 18.02.2023– 16.08.2023, the monthly gross fixed allowance of the provisional Deputy Director General** is in amount of 50,072.5 RON, i.e. 5 times the average over the last 12 months of the average gross monthly salary for the activity carried out according to the core business registered by the company, at class level, according to the classification of activities in the national economy communicated by the National Institute of Statistics prior to the appointment and was established by the BoD Decision no.3/14.02.2023.

**For the period 20.08.2023– 19.10.2023, the monthly gross fixed allowance of the provisional Deputy Director General** is in amount of 53,495 Ron, i.e. 5 times the average for the last 12 months of the average gross monthly salary for the activity carried out according to the core business registered by the company, at class level, according to the classification of activities in the national economy, communicated by the National Institute of Statistics prior to the appointment and was established by BoD Decision no. 21/09.08.2023.

**For the period 20.10.2023 - 31.12.2022, the gross monthly fixed allowance of the Deputy Director General** is in amount of 55,530 RON, i.e. 5 times the average over the last 12 months of

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the average gross monthly salary for the activity carried out according to the core business registered by the company, at class level, according to the classification of activities in the national economy, communicated by the National Institute of Statistics prior to the appointment and was established by the BoD Decision no.31/19.10.2023 and the mandate contract. .

### **The Economic Director**

**For the period 01.01.2023– 08.05.2023, the monthly gross fixed allowance of the provisional Economic Director** is in amount of 48,649 RON, i.e. 5 times the average over the last 12 months of the monthly average gross salary for the activity carried out according to the core business registered by the company, at class level, according to the classification of activities in the national economy communicated by the National Institute of Statistics prior to the appointment and was established by the BoD Decision no. 23/28.10.2022.

**For the period 09.05.2023– 19.10.2023, the monthly gross fixed allowance of the Provisional Economic Director** is in amount of 51,005 RON, i.e. 5 times the average over the last 12 months of the average gross monthly salary for the activity carried out according to the core business registered by the company, at class level, according to the classification of activities in the national economy, communicated by the National Institute of Statistics before the appointment and was established by the BoD Decision no.13/05.05.2023.

**For the period 20.10.2023– 31.12.2023, the monthly gross fixed allowance of the Economic Director** is in amount of 55,530 RON, i.e. 5 times the average over the last 12 months of the average gross monthly salary for the activity carried out according to the core business registered by the company at class level according to the classification of activities in the national economy, communicated by the National Institute of Statistics prior to the appointment and was established by the BoD Decision no.31/19.10.2023 and mandate contract.

The amount of the monthly gross fixed allowance of Directors (including the provisional Directors) complies with the limit regulated in Chapter VIII of the remuneration Policy on the Remuneration of the Directors with mandate contract.

The payment of the monthly gross fixed allowance is made once a month, namely on the 11th of the month, at the latest, for the previous month.

**The total net fixed allowance paid** during 01.01.2022 - 31.12.2022 to the directors with mandate contract was 1,138,310 RON.

## **2 The variable component of the remuneration**

### **a) Non executive administrators:**

By the OGMS resolution no.6/ 19.12.2023 was approved the amount of the gross variable component of the remuneration of non-executive directors of the company, of 12 gross monthly fixed allowances for each year of mandate.

**For the period 01.01.2023 - 21.08.2023 the provisional administrators of the company were not established the variable component of the remuneration**

**For the period 22.08.2023 - 31.12.2023**, the administrators of the company benefit from a variable remuneration, calculated pro-rata in relation to the mandate period, in quantum of 12 monthly fixed allowances, granted under the law, respectively with the compliance with the provisions of the Revenues and Expenditure Budget approved in accordance with the applicable legal provisions in force and the established 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.

The payment of the variable component is made annually, within 15 days as of the approval, within the OGMS, of the annual financial statements audited 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 approved pursuant to the OGMS Resolution no. 6/19.12.2023.

The means of calculation and awarding of the variable component, as well as the revising conditions of the objectives and performance indicators were established by Addendum no.1 to the mandate Contract of the administrators by the OGMS Resolution no.6/19.12.2023.

**The means of calculation and awarding of the variable component of the administrators is the following:**

**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 (KPI)

The Total degree of achievement of the key performance indicators (GT<sub>ICP</sub>) is the amount of the degree of achievement of every KPI (GI<sub>ICP</sub>) weighted by the weighting coefficient (W<sub>ICP</sub>) related to every KPI.

The calculation formula is the following:

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

where:

GT<sub>ICP</sub> = Total annual degree of achievement of the KPI

W<sub>ICP</sub> = Weighting Coefficient (weight) for every KPI

GI<sub>ICP</sub> = Degree of achievement of the individual KPI

I<sub>i</sub> = individual indicator (Degree of Achievement %)

The degree of achievement of every KPI (GI<sub>ICP</sub>) is the degree of achievement of every KPI, considering the means of calculation provided at every KPI, subsequently weighted by the weighting coefficient (W<sub>i ICP</sub>) related to each KPI.

**The variable component** of the remuneration due to the Agent will be directly proportional to GT<sub>ICP</sub> 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.

**The variable component granted to the BoD members for the year 2022** was in total net amount of 350,910 RON and was paid after having been approved by OGMS Resolution no.2/27.04.2023.

For the variable component due to the BoD members for the year 2023, that is to be paid in 2023 it was established provision in amount of 662,030 RON (here included the contribution of the employer), calculated according to the number of days related to the mandate duration.

**The detailed structure of the net remuneration for each administrator** is the following:

Crt. No.	Name and Surname	Total net remuneration divided by components, paid in 2023	Relative proportion of the fixed remuneration	Relative proportion of the variable remuneration
1	Gheorghe Cristian Florin	Total 172,793 RON, o/w: 114,308 RON fixed component and 58,485 RON variable component related to 2022. The variable component which is to be paid in 2024 for the year 2023 is of 54,109 RON.	66.15%	33.85%
2	Albulescu Mihai Adrian	Total 71,871, o/w: 13,386 RON fixed component and 58,485 RON variable component related to 2022.	18.63%	81.37%

Crt. No.	Name and Surname	Total net remuneration divided by components, paid in 2023	Relative proportion of the fixed remuneration	Relative proportion of the variable remuneration
3	Buică Nicușor - Marian	Total 172,793, o/w: 114,308 Ron fixed component and 58,485 Ron variable component related to 2022. The variable component which is to be paid in 2024 for the year 2023 is of 54,109 Ron.	66.15%	33.85%
4	Gavrilă Florin – Daniel	Total 172,793, o/w: 114,308 Ron fixed component and 58,485 Ron variable component related to 2022. The variable component which is to be paid in 2024 for the year 2023 is of 54,109 Ron.	66.15%	33.85%
5	Kohalmi - Szabo Luminița - Doina	Total 114,307, o/w: 114,307 Ron fixed component The variable component which is to be paid in 2024 for the year 2023 is of 54,109 Ron.	100%	-
6	Zaman Andrei- Mihai	Total 114,307, o/w: 114,307 Ron fixed component The variable component which is to be paid in 2024 for the year 2023 is of 54,109 Ron.	100%	-
7	Tănăsică Oana - Cristina	Total 114,307, o/w: 114,307 Ron fixed component The variable component which is to be paid in 2024 for the year 2023 is of 54,109 Ron.	100%	-
8	Iacob Constantin – Ciprian	Total 58,485, o/w: 58,485 Ron variable component related to 2022.	(862,397)	100%

Crt. No.	Name and Surname	Total net remuneration divided by components, paid in 2023	Relative proportion of the fixed remuneration	Relative proportion of the variable remuneration
9	Popa Claudiu – Aurelian	Total 58,485, o/w: 58,485 Ron variable component related to 2022.	(862,397)	100%
10	Barbu Irina - Mihaela	Total 46,814, o/w: 46,814 Ron fixed component	100%	(862,397)
11	Dănilă Alin - Mihael	Total 54,106, o/w: 54,106 Ron fixed component  The variable component which is to be paid in 2024 for the year 2023 is of 54,109 Ron.	100%	-

### **b) The Directors with mandate contracts**

The provisional directors do not benefit from a variable component of the remuneration.

The general limits of the variable component of the remuneration for the directors with mandate contract, namely the Director General, the Economic Director and the Deputy Director General have been fixed by the OGMS Resolution no.3/23.04.2019 , in annual gross total quantum of maximum 5% of the net profit annually achieved, but not higher than the value of the fixed gross allowance related to the entire financial year, payable thereof, applicable starting with their nomination by the BoD, as follows:

- the Director General: maximum 2% of the net profit annually achieved, but no more than the value of the fix gross allowance related to the entire financial year payable thereto.
- Deputy Director General: maximum 1.5% of the net profit annually achieved, but no more than the value of the gross fixed allowance associated to the entire financial year payable thereof.

- Economic Director: maximum 1.5% of the net profit annually achieved, but no more than the value of the fixed gross allowance associated to the entire financial year payable thereof.

By the OGMS resolution no. 6/19.12.2023, there were established the limits of the annual variable gross component of the the Directors with mandate contract, namely between 6 and 12 gross fixed monthly allowance for each mandate.

**Starting 20.10.2023**, the General Director, the Deputy Director General and the Economic Director have benefited from a **variable component of the remuneration**, for each year of administration, which will be granted pro-rata with the period worked of the year, from the date of appointment in the capacity of Director by the Board of Directors. It will be included in the Budget of each financial year and will be paid after approval of the financial statements of the prior financial year, in relation to the fulfillment of the key performance indicators.

The amount of the annual variable component of the remuneration (12 monthly gross fixed allowance), method of calculation and the conditions for its granting 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 OGMS Resolution no. 6/19.12.2023 for the directors with mandate contract were established by the Board of Directors Decision no. 42/19.12.2023 and by Addendum to the Contract of mandate.

**The means of calculation and awarding of the variable component of the directors with mandate contract**

**The variable component** = The value of the variable component x the total Degree of fulfillment of the key performance indicators (**GTICP**)\*

\*) in case the total degree of fulfillment (GTICP) is > 100%, the total degree of fulfillment is limited to 100%

**The total degree of the fulfillment of the key performance indicators (GTICP) is the amount of the degree of achievement of each KPI (GIICP) weighted by the weighting coefficient WICP related to each KPI.**

The calculation formula is the following:

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

where:

$GT_{ICP}$  = Total annual degree of achievement of the KPI

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

$GI_{ICP}$  = Degree of achievement of the individual KPI

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 financial year corresponding or part of the associated financial year and is granted as follows:

In the event that:

- **$GT_{ICP} \geq 100\%$ , 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.;**
- **$80\% \leq GT_{ICP} < 100\%$ , the maximum variable remuneration component approved by the OGMS for each director with mandate contract is granted proportionally with the degree of fulfillment of the performance indicator;**
- **$GT_{ICP} < 80\%$ , no variable component is granted to directors with a mandate contract**

**The variable component granted to the directors with mandate contract (Director General,**

**Deputy Director General and Economic Director) for 2022** was in the total net amount of 849,225

Ron and was paid after the granting being approved by BoD Decision no. 9/21.03.2022, respectively within 15 days from the date of approval by OGMS Resolution no.2/28.04.2022 of the audited annual financial statements and of the presentation of the Annual Report of the Nomination and Remuneration Committee on the total degree of fulfillment of the KPIs, for the mandate period carried out in 2022, in accordance with the provisions of the mandate contracts.

**For the variable component of the members of the BoD for 2023 due to be paid in 2024, has been set up a provision in amount of 1,012,790 RON gross (including the contribution of the employer), calculated according to the number of days for the period of mandate.**

**The detailed structure of the net remuneration for each director with mandate contract in the financial year 2023 is the following:**

<b>Name and Surname</b>	<b>Total net remuneration divided by components, paid in 2023</b>	<b>Relative proportion of the fixed remuneration</b>	<b>Relative proportion of the variable remuneration</b>
TUDORA Dorin Director General	Total 765,183, o/w:  392,000 Ron fixed component and 373,183 Ron variable component related to 2022.  The variable component which is to be paid in 2024 for the year 2023 is of 391,817 RON.	51.23%	48.77%
- DUMITRACHE Mihaela - Anamaria	Total 662,904 RON, o/w:  387,642 RON fixed component and 275,262 RON variable component related to 2023.  The variable component which is to be paid in 2024 for the year 2023 is of 123,163 RON.	58.48%	41.52%
TOADER Sanda Economic Director	Total 559,448, o/w:  358,668 Ron fixed component and 200,780 Ron variable component related to 2022.  The variable component which is to be paid in 2024 for the year 2023 is of 76,783 Ron.	64.11%	35.89%

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**Financial and non-financial key performance indicators underlying the variable remuneration component of the administrators and Directors with mandate contract:**

**For the administrators of the Company**

According to the OGMS Resolution no.6/19.12.2023 there were approved the financial and non-financial performance indicators of the administrators (KPI) for the company's administrators, calculated in correlation with the administration Plan for the period 2023-2027, which will set the basis for the settlement and granting of the variable remuneration component of the administrators along the 2023 term of office.

The financial and non-financial performance indicators (ICPs) for the company's managers approved by the OGMS Resolution 6 of 19.12.2023, calculated in correlation with the Revenue and Expenditure Budget for 2023 and with the administration Plan for 2023 – 2027 will be the basis for establishing and granting the variable component of the the remuneration of administrators during the term of office.

The performance indicators, the targets and the fulfillment degree thereof can be amended under the law, in compliance with the procedures provided for the approval thereof.

**For Directors with mandate contracts**

By Decision of BoD no. 33/ 18.12.2018, the key performance indicators (KPIs) were approved for Directors with a 4-year mandate contract, as well as their targets and weights for the period 2018 - 2022, which were constituted annex to their mandate contract, according to the Addendum concluded to the mandate contract.

By the Decision of BoD no.8/ 20.04.2021 was appointed a new Director General, following the completion of the recruitment and selection procedure according to GEO.no.109/ 2011 for the vacant place by waiver of the former Director General to the mandate and was approved his mandate contract. The provisions of the mandate contract were completed by the addendum approved by the BoD Decision no.11/ 27.05.2021 on the variable remuneration component of the Director General. At the same time, the Board of Directors has approved the key financial and non-financial

performance indicators (KPI) for the period 2021 – 2025 (estimates for the period 2023 – 2025), which were set up as annex to the mandate contract of the Director General.

According to the OGMS Resolution no. 6/ 19.12.2023, the financial and non-financial performance indicators (KPIs) of the company, calculated in correlation with the administration Plan for the period 2023 - 2027, were approved.

The financial and non-financial performance indicators (KPIs) for company directors approved by the BoD Decision no. 42/ 19.12.2023, established following the OGMS Resolution. 6/19.12.2023 will set the basis for granting the variable component of directors' remuneration during the mandate contract.

The performance indicators, targets and the degree of their fulfillment may be modified according to the law and in compliance with the procedures provided for their approval.

### **Monitoring of the framing within the limits approved by OGMS of the key financial and non-financial performance indicators**

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

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

### **For the administrators of the Company**

The total degree of fulfillment of key performance indicators for 2023, underlying variable component granting, approved by the OGMS Resolution no. 6/19.12.202 provided in the mandate contracts of the administrators is **102.2 %**.

In structure, the degree of achievement of the performance indicators reveals the following:

<b>Key Performance Indicators</b>	<b>Degree of achievement of financial and non-financial key performance indicators 2023</b>		
	<b>according to the Contract of Mandate</b>	<b>Fulfilled</b>	<b>Variation</b>
<b>A. The key performance financial indicators</b>	<b>20.0%</b>	<b>22.2%</b>	<b>+2.2 p.p.</b>
<b>B. Non-financial key performance indicators</b>	<b>80.0%</b>	<b>80.0%</b>	<b>0.0 p.p.</b>
B1. Operational	20.0%	20.0%	0.0 p.p.
B2. of Corporate Governance	50.0%	50.0%	0.0 p.p.
B3. Oriented towards Public Services	10.0%	10.0%	0.0 p.p.
<b>Total degree of fulfillment of key performance indicators:</b>	<b>100.0%</b>	<b>102.2%</b>	<b>+2.2 p.p.</b>

The total performance of the key performance indicators was exceeded by 2.2 p.p., being favorably influenced by financial indicators.

### **For the Directors with mandate contract**

The performance indicators were established only for the periods in which the mandate contracts were concluded following the execution of the selection procedure according to GEO no.109/2011

From the report of monitoring the fulfillment of the financial and non-financial KPIs of the directors with mandate contract, subject to the approval BoD, results that, in 2023, the total degree of fulfillment of key performance indicators was of

- a) **105.4%** for performance indicators in the mandate period 01.01.2023 – 19.10.2023;
- b) **106.0%** for performance indicators in the mandate period 20.10.2023 – 31.12.2023.

**The mandate period 01.01.2023-19.10.2023**

In structure, the degree of achievement of the performance indicators reveals the following:

<b>Key Performance Indicators</b>	<b>Degree of achievement of key performance indicators Year 2023</b>		
	<b>according to the contract of mandate</b>	<b>Achievements</b>	<b>Variation</b>
A. Financial key performance indicators	50.0%	54.7%	+4.7pp
B. Non- financial key performance indicators	50.0%	50.7%	+0.7pp
B1. Operational	30.0%	30.7%	+0.7 p.p.
B2 Of Corporate Governance	20.0%	20.0%	0.0 p.p.
<b>Total degree of achievement of key performance indicators:</b>	<b>100.0%</b>	<b>105.4%</b>	<b>+5.4 p.p.</b>

**Period of mandate 20.10.2023-31.12.2023**

In structure, the degree of achievement of the performance indicators reveals the following:

<b>Key Performance Indicators</b>	<b>Degree of fulfillment of financial and non-financial key performance indicators Year 2023</b>		
	<b>according to the contract of mandate</b>	<b>Achieved</b>	<b>Variation</b>
<b>A. Financial key performance indicators</b>	<b>50.0%</b>	<b>56.0%</b>	<b>+6.0 p.p.</b>
<b>B. Non-financial key performance indicators</b>	<b>50.0%</b>	<b>50.0%</b>	<b>+0.0 p.p.</b>
B1. Operational	20.0%	20.0%	+0.0 p.p.
B2 Of Corporate Governance	25.0%	25.0%	0.0 p.p.
B3. Oriented towards public services	5.0%	5.0%	0.0 p.p.
<b>Total degree of achievement of key performance indicators:</b>	<b>100.0%</b>	<b>106.0%</b>	<b>+6.0 p.p.</b>

The total degree of achievement of the key performance indicators has been exceeded by 6.0 pp, being favorably influenced by the financial indicators.

## **II 2 2 Bonuses and other benefits in any form of benefits**

The members of the Board of Directors and the directors with mandate contracts do not benefit from bonuses and other benefits.

**II 2 3** The annual amendment of the remuneration, of the issuer's performance and average remuneration based on the full-time job equivalent of the issuer's employees who have not been in management positions, during the last 5 financial years, presented together in a manner which enables comparison.

For the financial years 2018 - 2023, the average remuneration granted to the BoD members and Directors with mandate contract and the annual gross average earnings/employee reveals the following:

### **CONPET SA administrators**

Year	Annual average gross remuneration (RON)	
	Fixed	Variable *
2018	151,909	56,083
2019	156,264	156,264
2020	156,264	156,264
2021	156,084	139,955
2022	154,713	85,693
2023	195,410	92,495

\* the average annual variable gross remuneration relates to the reference year, but payment is made in the year following the reference year

### **The Directors with mandate contracts**

Year	Annual average gross remuneration (RON)	
	Fixed	Variable *
2018	441,637	57,624
2019	419,311	419,311
2020	437,544	437,544
2021	464,187	430,956
2022	497,549	468,205
2023	626,315	330,169

\* the average annual variable gross remuneration relates to the reference year, but payment is made in the year following the reference year

It should be noted that the amount of fixed allowances granted has changed, both during each year (the statement showing the annual average value) and for each year of the reference period. The

changes in the value of the fixed allowance are due to the change in the reference value for its calculation, namely the monthly gross average salary for the activity carried out according to the core business recorded by CONPET S.A., respectively at the class level according to the classification of activities in the national economy, communicated by the National Institute of Statistics, as well as the modification of the calculation index of its amount as follows: for the period 01.01.2023 – 21.08.2023 the amount of the allowance was 1.36 times the monthly gross average salary announced by the National Institute of Statistics, and for the period 22.08.2023 – 31.12.2023 the amount of the allowance was twice the average monthly gross salary announced by the National Institute of Statistics.

#### Annual gross average earnings per employee

Year	Annual gross average earnings per employee (RON)
2018	78,564
2019	92,112
2020	96,948
2021	102,216
2022	112,140
2023	128,088

The average remuneration calculated on the basis of the full-time equivalent of the employees of the company for the period 2019 - 2023 is as follows:

Average remuneration based on the full-job equivalent of the Company's employees					
	2023	2022	2021	2020	2019
The evolution of the gross average earnings (total salary related expenses/average number of employees)	10,674 RON	9,345 RON	8,518 RON	8,079 RON	7,676 RON
Evolution of the	The salary increase of	12% salary increase	7% salary increase from	5% salary increase from	5% salary increase

salary increases	6% from 20.12.2023 established by the Collective Labor Contract 2022 - 2023	from 29.12.2022 set based on the Collective Labor Agreement 2022 - 2023	15.12.2021 set based on the Collective Labor Agreement 2021 - 2022	01.10.2020 set based on 2021 - 2021 Collective Labor Agreement 2021 - 2022	from 01.01.2019 set based on 2019 - 2020 Collective Labor Agreement and gross of 300 RON as of 01.10.2019
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**The presentation of the change in remuneration during the last 5 financial years** considered the following specific aspects:

- Starting with the financial year 2018 (from 22.08.2018 for the company's administrators and from 07.11.2018 for the Directors with a mandate contract), the BoD members and the Directors with mandate contract have benefited from remuneration consisting of both fixed and variable component remuneration, calculated based on the performance indicators provided in the contracts, awarded pro-rata during the term of office of the mandate contract;
- in the provisional periods, the remuneration of the administrators established by the OGMS and of the Directors with a mandate contract established by the Board of Directors did not contain a variable component.

The granting of the variable allowance of remuneration of administrators and directors with a mandate contract is subject to the fulfillment of performance indicators and objectives for each financial year. The Board of Directors has the obligation to monitor the classification of the KPI within the limits mentioned in the administration Plan of the key performance indicators approved by the OGMS and prepares and submits to shareholders an annual report for monitoring the classification of the administrators KPI within the limits set in the GMS approving the annual audited financial statements.

Company performance					
Indicators	2023	2022	2021	2020	2019
EBITDA (thousand RON)	134,706	133,253	119,486	115,594	109,391
Net profit (thousand RON)	61,617	61,664	51,929	60,847	58,877
Labor Productivity (Thousand RON/person)	383	356	303	291	279
Rate of return (%)	7.3	7.6	6.7%	8.0%	7.7%
Turnover (thousand RON)	485,115	472,233	412,787	406,928	407,822

**II 2 4 Any remuneration received from any entity belonging to the same group**

Not applicable.

**II 2 5 Information on the use of the possibility of recovering variable remuneration**

Not applicable.

**II. 2 6 Information on the duration of the contract, the notice period negotiated, the amount of damage - interests for unjust dismissal.**

- **Duration of the contract**

In 2023, the provisional administrators and the provisional Deputy General Manager and the Provisional Economic Director had mandates of a minimum duration of 4 months and a maximum of 6 months, as a result of their extension.

Following the completion of the selection procedure of the administrators, namely the directors, starting 22.08.2023, the company has had a new Board of Directors Made up of 7 administrators with a 4 years mandate.

Following the completion of the selection procedure of the directors, starting 20.10.2023, the company's directors (the Director General, the Deputy Director General and the Economic Director) appointed by the Board of Directors have a 4 years mandate.

All contracts concluded with the BoD members and with the Directors have duly ceased, following the recruitment and selection procedure of the administrators/Directors with contract of mandate, not

being recorded situations related to compensation awarding, the company not being bound to pay liquidated damages.

- **Notice deadlines and amount damages– interests**

The mandate contracts concluded during 2023 provided conditions regarding the period of notice and the quantum of the liquidated damages for the unjust revocation, as follows:

**For the provisional administrators**

- waiver of the administrator to the mandate by reasons not attributable to him/her, case where he has to send a 30 days prior notification to the *Company*;
- The immediate revocation of the administrator by the general meeting of the Company's shareholders for the culpable and unjustified failure to fulfill the obligations provided for in the Mandate Agreement;
- in case the revocation occurs without reasoned cause, the administrator is entitled to be paid liquidated damages, according to the Contract of Mandate, namely a compensation equivalent to a monthly gross fixed allowance for the period non-executed in the mandate contract, irrespective of the date on which the revocation occurs;
- in case of revocation for good reason/reasonable grounds of the administrator, the Company does not owe him any compensation for the non carried out period of mandate;
- termination of mandate, due to the occurrence of legal impediments.

The payment of this compensation is performed within 30 working days from the date of adoption of the decision of the General Meeting of Shareholders. This compensation represents the only form of indemnity to which the administrator has the right in case of revocation. In case of delay of performance of this payment, the Company owes the Administrator penalties of 0.01% of the compensatory amount for each day of delay.

In case of revocation due to founded/justified reasons of the administrator, the Company does not owe him any compensation for the unperformed period of the mandate.

### **For Directors with 4-years mandate contracts**

- waiver of the administrator to the mandate by reasons not attributable to him/her, by sending a 30 days prior notification to the *Company*;
- immediate revocation of the administrator, by the general meeting of shareholders of the Company, due to the culpable failure to comply with the obligations provided in the Contract of Mandate;
- 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 a compensation of a maximum of 24 monthly gross fixed allowances if the revocation occurs within the first 24 months of the mandate.
- in the situation where the revocation takes place during the last two years of the 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 CONTRACT of mandate.
- the payment of this compensation is performed within 30 working days from the date of adoption of the revoking decision of the General Meeting of Shareholders. This compensation represents the only indemnity form to which the Administrator has the right, in case of unreasonable removal from the post.
- in case of revocation on reasonable/justified grounds of the Administrator, the *Company* does not owe the Administrator any compensation for the non-executed period of the mandate.
- the failure/inappropriate fulfillment of the administrator's obligations related to monitoring the classification within the limits specified in the administration Plan of the key performance indicators approved by the OGMS and the monitoring of the key performance indicators approved by the OGMS in order to achieve the global indicator, respectively the obligations related to the preparation and presentation within the OGMS approving the financial statements

of an annual report on the KPI monitoring activity shall entail the responsibility of the administrator.

- in the contracts of mandate of the Company's administrators there are clauses providing that the party who does not execute totally or in part the contractual obligations shall pay to the other party liquidated - damages.

The contracts of mandate of the administrators with 4 years mandate have as annex the the financial and non-financial key performance indicators (KPI) and include mentions regarding the variable component, the limit related to the failure to fulfill the performance indicators and financial and non-financial performance indicators, which gives the right to the revocation of the administrators' mandate, as well as the means to award the variable component of the remuneration, according to the degree of fulfillment of the KPI (the minimum threshold of the award).

During 2023 there has been no revocation of the members of the Board of Directors

#### **For Directors with provisional mandate contract**

- waiver of the administrator to the mandate, for causes non- attributable to him;
- termination of mandate, due to the occurrence legal impediments;
- immediate revocation of the Director, by the Board of Directors, for failure to comply or unjustified performance of the obligations provided by the Contract of Mandate;
- in the event of the unjust revocation of the mandate granted by contract to the Director, he is entitled to the payment of liquidate-damages equivalent to the total of the gross monthly fixed allowances due for the remaining period not executed in the Contract Mandate (fixed allowances from which it would have benefited until the date of completion of the term for which this contract was concluded), which will be calculated and granted pro-rata, in relation to the period worked. The payment of compensation will be made in 30 days from the date of termination of the mandate.

#### **For Directors with 4-years mandate contracts**

- waiver of the Director to the mandate, with a 30 working days notice sent to the Company, without the performance of other formalities and without the intervention of the competent

authorities. At their discretion, the Principl may waive all or part of the right of notice, at the beginning or during this period;

- the unjustified termination of the contract by the Agent, based on a Decision of the Board of Directors, with a written notice of 30 (thirty) working days communicated to the Director. In such a case, the Company undertakes to pay to the Director a net compensation equivalent to the amount of the net fixed remuneration from the last month prior to the revocation, multiplied by the number of months remaining from the term of the Contract, but no more than 12 months. This net compensation will be paid in maximum 30 days from termination of the contract;
- the revocation of the mandate granted to the Director, based on a Decision of the Board of Directors, with a written notice of 30 working days communicated to the Director, in the event of its failure or improper performance of the contractual obligations undertaken;
- the occurrence of an incompatibility case or of a prohibition provided for in the contract or determined by an external situation
- the non-fulfillment/improper performance due to the fault of the Director (along with the other Directors with a mandate contract and the members of the Board of Directors) of the obligations regarding the monitoring of the key performance indicators approved by the OGMS in order to achieve the global indicator and obligations regarding the preparation and periodic (quarterly) submission to the BoD of a Report on monitoring the activity and obligations regarding the implementation, the continuous development and strengthening of the internal management control System, in order to achieve the established objectives, entails responsibility thereof.
- in the mandate contracts of the Company's directors there are clauses saying that the party that does not partially or fully execute its contractual obligations will pay the other party liquidated damages whose value will be established based of specialized expertise.

The contracts of the directors with a mandate of 4 years have as annex the key financial and non-financial performance indicators (KPI) and include mentions regarding the level of the variable component, the limit of non-fulfillment of performance targets and financial and non-financial performance indicators, giving the right to revoke their mandate, as well as the way to grant the

variable component of the remuneration, according to the degree of fulfillment of the KPI (minimum grant limit).

Throughout the year 2023, there hasn't taken place any revocation of the Directors with mandate contracts,

**II 2 7 Number of shares and share options granted and offered**

Not applicable.

**II 2 8 The considerations justifying any scheme of annual bonuses or monetary advantages;**

Not applicable.

**II 2 9 Any additional or anticipated pension schemes**

Not applicable.

**II 2 10 Information on any deviation from the procedure for implementing the Remuneration policy.**

Throughout the year 2023, there have been recorded no deviations from the procedure for applying CONPET remuneration Policy approved by the OGMS Resolution no. 1/28.04.2021.

To the extent that the conditions determined by the appointment of provisional administrators/directors with provisional mandate contract allowed the application of the provisions of the CONPET remuneration Policy, the company applied these provisions in conjunction with the relevant legal provisions.

**III. Measures**

In what concerns the review of the remuneration Policy and the submission for approval of the OGMS, the following aspects have been considered:

- update of the rights provided for in the mandate contracts for administrators and directors appointed for provisional terms of office, both in terms of the established remuneration and in terms of the categories of benefits/advantages that may be granted by the company;
- the inclusion of the provisions on the indicators and performance criteria after having been approved by the GMS/ BoD following the completion of the recruitment and selection procedure of the administrators/Directors, having as object the determination of the variable component of the remuneration and the way in which this component is granted;

- the inclusion of the information on the company's reporting obligations on the remuneration of administrators and Directors;
- other updated information/correlated with the applicable legislation

The Board of Directors of CONPET S. A., through the Nomination and Remuneration Committee, has elaborated, considering the remuneration Policy of the administrators and directors with mandate contract approved by the OGMS Resolution no.1 from 28.04.2024 and the remuneration Policy endorsed by the BoD Decision no.6/28.02.2024, this Annual Report - the remuneration Report, which includes the remuneration and other advantages granted to company managers during the financial year ended on 31.12.2023.

The remuneration report renders an overview of the remunerations, here-included all benefits, regardless of the form, awarded or due during the last financial year, to the management members as individuals, inclusive of those newly appointed and of the former managers, in accordance with the remuneration policy/

The remuneration report will be submitted to the consultative voting during the OGMS meeting dated 25.04.2023, will be published on the company's website at [www.conpet.ro](http://www.conpet.ro) and shall remain disclosed to the public 10 years as of its publishing, in compliance with the applicable legal provisions.

Based on the provisions of Art.55, para (2) of the Government Emergency Ordinance no.109/2011 on the *corporate governance of public enterprises*, subsequent amendments and completions, the Nomination and Remuneration Committee within the Board of Directors submits this Report for approval of the Ordinary General Meeting of Shareholders of CONPET SA.

### **The Nomination and Remuneration Committee**

*President:* *Andrei - Mihai Zaman*

*Members:* *CRISTIAN- FLORIN GHEORGHE*

*Alin - Mihael Dănilă*

*Oana - Cristina Tănăsică*

*Luminița - Doina Kohalmi - Szabo*