

CONPET S.A. PLOIESTI
No. _____

ENDORSED
General Director
Eng. Ilasi Liviu

SUBSTANTIATION NOTE

Performance Objectives and Criteria representing Annexes 1 and 1.1 to the Administration Contracts,

calculated based on the provisions of 2016 Revenues and Expenditure Budget

Information providing the basis for the calculation of the performance indicators stipulated in the annexes:

- Annex 1 „Performance Objectives and Criteria for the administrators along the Administration Contract;
- Annex 1.1 „Performance Objectives and Criteria for the administrators for 2016” are comprised in 2016 Revenues and Expenditure Budget.

Furtheron, we expose the means of calculating the performance indicators:

Annex 1

Performance Objectives and Criteria for the company administrators, for the period left of the Administration Contract are:

Objective / Performance Indicator	Calculation formula	MU	Indicators' Value		
			Achieved estimated in 2015	2016	2017
EBITDA	Operating profit	Thousand RON	62,243	71,266	73,460
	amortization +depreciation	Thousand RON	48,273	46,755	50,515
	EBITDA	Thousand RON	110,516	118,021	123,975
Decrease in the total number of technical breakdowns	Operating Expenses	Thousand RON	349,540	337,813	343,698
	Turnover	Thousand RON	381,353	373,024	379,564
	% in turnover	%	91,66%	90,56%	90,55%
Labour productivity growth	Operating revenues	Thousand RON	411,783	409,079	417,158
	Average no. of employees	persons	1,704	1,704	1,704
	Labor productivity	Thousand RON /person	242	240	245
Decrease in the total number of technical breakdowns		No. of technical breakdowns	56	54	52
Enhance visibility on the BSE		%	100%	100%	100%



Annex 1.1

Performance objectives and indicators for the company administrators related to 2016:

Crt. No.	Objective / Performance Indicator	Calculation formula	MU	Indicators' Value			
				Q I	Q II	Q III	Q IV
1	EBITDA	Operating profit+ amortization +depreciation	Thousand RON	14,958	35,268	55,224	71,266
			Thousand RON	11,689	23,377	35,066	46,755
		EBITDA	Thousand RON	26,647	58,645	90,290	118,021
2	Decrease in the total number of technical breakdowns	Operating expenses	Thousand RON	83,898	164,708	246,821	337,813
		Turnover	Thousand RON	91,248	184,159	277,609	373,024
		% in turnover	%	91,95%	89,44%	88,91%	90,56%
3	Labour growth productivity	Operating Revenues	Thousand RON	98,856	199,976	302,045	409,079
		Average no. of employees	persns	1,704	1,704	1,704	1,704
		Labor productivity	Thousand RON/person	58	117	177	240
4	Decrease in the total number of technical breakdowns		No. of technical breakdowns	14	27	40	54
5	Enhance visibility on the BSE		%		100%	100%	100%

The performance indicators distributed per quarters are presented cumulated as of the end of the year up to the end of each quarter.

For the General Director (executive administrator) shall be concluded, by the Board of Administration, an Addendum to the Contract of Mandate containing Annex 2.1. „Performance objectives and indicators for the General Director during the execution of the Contract of Mandate” and Annex 2 „Performance objectives and indicators for the General Director corresponding to 2016”, calculated based on the provisions of 2016 Revenues and Expenditure Budget.

Considering the above, we hereby request the approval of Annexes 1 and 1.1. and the conclusion of Addendum no. 7 to the Administration Contract, having as scope these annexes.

Economic Director
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