

*Recommended for endorsement in the BoA meeting dated \_\_\_\_\_ and recommended to analysis and approval in the OGMS dated \_\_\_\_\_*

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**REPORT**  
**of the Nomination and Remuneration Committee**  
**dated February 8, 2016**

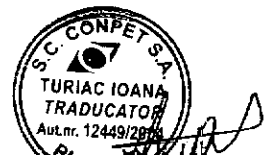
The Nomination and Remuneration Committee, set up pursuant to the Board of Administration Resolution no. 16/2013, nominated by BoA Resolution no.13/17.12.2015, in compliance with the provisions of Law no. 31/1990, republished, further amendments and completions, the updated Articles of Incorporation of the company CONPET S.A., Law no. 297/2004 regarding the capital market, further amendments and additions, with the following membership:

- Dan Weiler - Chairman
- Chiriac Cristiana – member
- Razvan – Stefan Lefter – member

met on February 8, 2016 for the elaboration of the proposal for the purpose to update the annexes comprising the performance objectives and indicators of the company's administrators, in correlation with 2016 Income and Expenditure Budget and the conclusion of an Addendum to the Administration Contracts of the non-executive administrators and, subsequent to OGMS meeting, to the Mandate Contract no.1/06.12.2013 of the General Director of the company CONPET S.A.

The incidental legal basis is:

- Law no.31/1990 republished, ulterior amendments and completions
- The Government Emergency Ordinance no.109/2011 regarding the corporate governance of the public enterprises, ulterior amendments and completions
- The administration contract concluded between the company and the administrators
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- Art.6, paragraph (1<sup>1</sup>) of the Government Ordinance no.26/2013 in view of strengthening the financial discipline at the level of certain economic operators to which the State or the territorial or administrative divisions are unique or majority shareholders or hold directly or indirectly a majority stake, subsequent amendments and additions.



The Committee has acknowledged the notes presented by the company regarding the fulfilment of the conditions provide by law, respectively the prior consultation of the trade union organization that had no objections to the draft 2016 Income and Expenditure Budget.

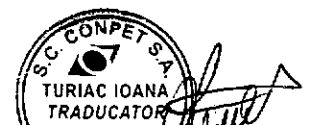
The administration contracts (administration) concluded between the administrators and the company stipulate in Art. 4 the followings:

“In view of fulfilling the scope of this Administration Contract, the Administrator can perform all the necessary diligence for the administration of the company’s assets, in the interest thereof, in order to carry out its core business and will exercise the attributions set out for him in the Articles of Incorporation and by this Administration Contract, in view of fulfilling the performance objectives and criteria set forth in Annex no.1 to this Report, together with the other members of the Board of Administration, and/or revised on annual basis, as the case may be, within 30 days from the approval date/revision of the income and expenditure budget”.

Furthermore, Art. No.9 of the Administration Contract stipulate the followings: “the Administrator undertakes, together with the others administrators, to fulfil the administration plan and GMS Resolutions, in view of meeting the performance objectives and criteria, established in Annex 1 to this Administration Contract. The performance objectives and criteria are being applied on the entire period of the administrator’s mandate; the values of the performance indicators are to be updated annually, pursuant to the previsions of the income and expenditure budget.”

Therefore, considering the recitals in the Substantiation Note no.3684/03.02.2016 related to the Budget, the approval by the OGMS of the draft 2016 Income and Expenditure Budget, as well as the proposals in the Substantiation Note no.1.1. to the administration Contracts comprising the performance Objectives and indicators for the company’s administrators, established in correlation with the Income and Expenditure Budget, the followings are being advanced:

- a) Annex no.1 to the administration Contract, comprising the performance Objectives and indicators for the non-executive administrators of the company along the duration of the Administration Contract and Annex no.1.1. to the administration Contract, including the performance Objectives and indicators for the non-executive administrators of the company, calculated based on 2016 Income and Expenditure data, shall be filled in accordingly, in correlation with 2016 Income and Expenditure Budget, recommended for approval in the next OGMS meeting.
- b) Annex no.2 to the Mandate Contract for the General Director – executive administrator of the company, comprising the performance Objectives and indicators for 2016 and Annex no.2.1 including the performance Objectives and indicators along the duration of the Mandate Contract, calculated based on 2016 Income and Expenditure data, shall be filled in accordingly, in correlation with 2016 Income and Expenditure Budget, being subsequently approved by the BoA and signed by the Chairman of the Board, following the approval of 2016 Income and



Expenditure Budget, together with Addendum no.9/2016 to the mandate contract no.1/2013 of the General Director.

The Nomination and Remuneration Committee has prepared this report by which is required the ENDORSEMENT, by the members of the Board of Administration and submittal for approval by OGMS of Annex no.1 and Annex no.1.1. to the Administration Contracts of the non-executive administrators, as well as the Addenda no.7/2016 related to the amendment of the Administration Contracts for the non-executive administrators of the company, comprising the performance Objectives and indicators for 2016, calculated in correlation with 2016 Income and Expenditure Budget.

Dan Weiler - Chairman

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Chiriac Cristiana - member

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Razvan – Stefan Lefter – member

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