

Adopted in the meeting of the Board of Directors of and for approval in the meeting of the Ordinary General Meeting of Shareholders of

The final form resulting from the debates in the Board of Administration meeting
The Nomination and Remuneration Committee
No. 37919/ September 19th 2017

**REPORT AS OF September 19th 2017
of the Nomination and Remuneration Committee**

The Nomination and Remuneration Committee founded based on the Decision of the Board of Directors no. 16/ November 28th 2013 and updated according to the provisions of Law no. 31/1990, republished, with subsequent amendments, the Articles of Association of Conpet S.A. Company, Law no. 297/2004 on the capital market, with subsequent amendments, in updated component by the Decision of the Board of Directors no. 15/December 17th 2015:

- Dan Weiler – chairman
- Răzvan Ștefan Lefter – member
- Chiriac Cristiana – member

has analyzed the legal provisions and, taking into account the debates and the proposals of the Board of Administration members of the meeting of September 19th 2017, established the form of the mandate contract and the level of the fix component of CONPET S.A. administrators' remuneration, proposals following to be submitted for approval to the Ordinary General Meeting of Shareholders, in accordance with the applicable laws, taking into account the fact that on November 28th 2017 the mandate contract of the administrators in position shall expire.

According to the provisions of art. 16 of CONPET S.A. Articles of Association, updated, corroborated with the provisions of art. 29 paragraph (11) of the Government Emergency Ordinance no. 109/2011 *on the corporate governance of public enterprises*, with subsequent amendments, the Nomination and Remuneration Committee submits to the approval of the Board of Directors and the approval of the Ordinary General Meeting of Shareholders, respectively, the following:

- a) the mandate contract form with fix component of the remuneration due to the administrators of CONPET S.A., as this shall be applicable for the period between November 29th 2017 – November 28th 2021, for the administrators of the company, with the observation that for the administrators appointed by the Ordinary General Meeting of Shareholders in case of an administrator function vacancy within the aforementioned 4 year mandate, the contractual clauses concerning the term of the mandate contract shall be adapted according to the law in force;

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- b) the mandate of shareholders' representative (the representative appointed by the public tutelary authority in the Ordinary General Meeting of Shareholders) to sign, in the name of the Ordinary General Meeting of Shareholders of CONPET S.A., the mandate contracts following to be concluded with administrators of the company.

Taking into account the provisions of the Government Emergency Ordinance no. 109/2011 *on the corporate governance of public enterprises*, as amended and supplemented by Law no. 111/2016, published in the Official Gazette of Romania, part I, no. 415/201.06.2016, the specifications contained in Appendix 1b "Mandatory elements of the mandate contract" of the Government Decision no. 722/2016 for the approval of the Methodological norms for applying some provisions of the Government Emergency Ordinance no. 109/2011 *on the corporate governance of public enterprises* and of Law no. 13/2017 on the approval of the Government Emergency Ordinance no. 51/2013 to amend and supplement the Government Emergency Ordinance no. 109/2011 *on the corporate governance of public enterprises*, published in the Official Gazette of Romania, part 1, no. 194/March 20th 2017, the Nomination and Remuneration Committee constituted at the level of the Board of Administration of CONPET S.A. has drawn up the mandate contract for the administrators of the company, in the form attached to this report.

Therefore, the member of the Nomination and Remuneration Committee have established the form and content of the mandate contract with fixed component of the remuneration due to the administrators, that shall be concluded with CONPET S.A. company as PRINCIPAL, by a representative of shareholders (for instance the representative of the tutelary authority – the Ministry of Energy) and the administrators of CONPET S.A. as PRINCIPALS, according to Appendix 1b of the Government Decision no. 722/2016 for the approval of the Methodological norms for applying some provisions of the Government Emergency Ordinance no. 109/2011 *on the corporate governance of public enterprises*, contract that shall be applicable during their mandate.

The Nomination and Remuneration Advisory Committee concludes the following:

- the Term of the mandate shall be 4 years, starting with November 29th 2017
- the form and content of the mandate contract complies with all legal provisions in force, the same being built according to Appendix 1b "Mandatory elements of the mandate contract" of the Government Decision no. 722/2016 for the approval of the Methodological norms for applying some provisions of the Government Emergency Ordinance no. 109/2011 *on the corporate governance of public enterprises* and of Law no. 13/2017 on the approval of the Government Emergency Ordinance no. 51/2013 to amend and supplement the Government Emergency Ordinance no. 109/2011 *on the corporate governance of public enterprises*.