

Annex 4

**OBJECTIVE AND PERFORMANCE INDICATORS OF THE ADMINISTRATORS
01.01-31.12.2017**

Crt. No.	Objective/ Performance Indicator	Performance Objective	MU	Period (01.01-31.12.2017)		Degree of performance (%)	Weighting coefficient	Degree of performance of performance indicators (%)
				As per Annex 1.1. Administration Contract	Achievements			
0	1	2	3	4	5	6	7	8=6x7
1	EBITDA	1% increase as compared to the previous level of the preceding year for 2014 and 2.5% for 2015-2017	Thousand RON	125,610	127,629	101.61%	25%	25.40%
2	Decrease of operating expenses	1.5% reduction as compared to the previous level of the preceding year starting 2015, when the level recorded in 2014 is smaller or equals the one recorded in 2013	%	88.00%	88.02%	99.98%	25%	24.99%
3	Labour productivity growth	Increase of the average revenue per employee by 3% per year the average of 2014-2017	Thousand RON/person	245	249	101.63%	25%	25.41%
4	Decrease in the total number of technical breakdowns	4% reduction, on average, per year, as compared to the level of 116 technical breakdowns registered in 2013	No. of technical breakdown	29	29	100.00%	10%	10.00%

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0	1	2	3	4	5	6	7	8=6x7
5	Enhance visibility on the BSE	Active tracking, by the brokerage houses, of CONPET evolution, materialized in analysis reports prepared by analysts working therein (50% weight in the indicator) for 2014 - 1 brokerage firm in TOP 10 as per the classification established by the BSE at the issue date of the report/for 2015&2017 – 2 brokerage companies in TOP 10 according to the classification established by the BSE at the issuing date of the report; Holding the position in Top 25 issuers according to capitalization given that there will not be considered the new companies to be included in the I st Tier of Bucharest Stock Exchange during the examined period 2014-2017 (50% weight in the indicator)	% in 100%	100%	100%	100%	15%	15%
Total – degree of achievement of the performance indicators								100.80%

*) **Note:** For 2017, the degree of achievement of the performance indicators was 100.80% calculated based on the financial data and information reported by the specialized directions within the Company.

On 20.03.2018, the Financial Management Control Department submitted to the Audit Committee and Board of Administration,

Information no. 10658/19.03.2018 regarding the means of achievement of the performance objectives criteria related to the administrators in 2017. From the submitted information results that the level of the indicator defined: "Decrease of the number of technical breakdowns" achieved on 31.12 .2017 is 44 technical breakdowns, compared to the 29 technical breakdowns taken into consideration at the calculation of the degree of achievement of the related indicator.

The Audit Committee analyzed the ascertainment provided in the Information by the Financial Management Control Department and recommended the Board of Administration to establish and reflect in the Financial Statements related to 2017, a provision for the variable allowance (subcomponent 1 related to 2017 Q4 and subcomponent 2) due to the non-executive administrators and the Director General, corresponding to a 100.80% degree of achievement of the performance indicators.

The Board of Administration took up the recommendation of the Audit Committee and decided upon the establishment and reflection, in the Financial Statement related to 2017, of the above-mentioned provisions.

The payment of these allowances is to be performed in the financial year 2018, only subsequent to the clarification, by the Control Body to the Director General, of the indicated disparity and the submission of the conclusions in the Board of Administration, together with the opinion of the technical specialists.

The quarterly and respectively annual levels of the performance indicators for the year 2017, annexes to the administration and mandate contracts, were settled based on the indicators in annexes 1 and 2 of the Income and Expenditure Budget drafted pursuant to the GO 26/2013 on strengthening the financial discipline at the level of several economic operators where the state or the administrative-territorial units are sole or majority shareholders or directly or indirectly hold a majority stake and the Order of the Ministry of Public Finances (OMPF) no.20/2016 on the approval of the format and structure of the income and expenditure budget, as well as the substantiation annexes thereof.

The performance indicators achieved at December 31, 2017 are calculated based on budgetary execution, drafted in compliance with GO 26/2013 and in the structure provided by the OMPF no.20/2016.

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