

Recommended for approval in the BoA meeting dated _____ and information in the OGMS meeting dated _____

CONPET S.A. COMPANY
Nomination and Remuneration Committee

ANNUAL REPORT OF
THE NOMINATION AND REMUNERATION COMMITTEE

**regarding the remuneration and other benefits granted to the administrators and
Director General during the financial year 2017**

CONPET S.A. was established under Law no.15/1990 regarding the reorganization of the state-owned economic unit as autonomous administrations and trade companies, subsequent amendments and completions, and the Government Decision no.1213/1990 on the set-up of joint stock commercial companies in the industry.

CONPET S.A. is the operator of the oil National Transport System, as defined and regulated by Petroleum Law no.238/2004, as subsequently amended and supplemented, and also by the Methodological Norms for applying the Petroleum Law, approved by Government Decision no. 2075/2004.

CONPET S.A. is a joint stock company as per the Companies Act no.31/1990, republished, subsequent amendments and completions, as well as according to the provisions of the legislation on the capital market.

In accordance with the provisions of Art.55 Para. (2) of the Government Emergency Ordinance no. 109/2011 regarding the corporate governance of public enterprises, as subsequently amended and supplemented, the Nomination and Remuneration Committee within the Board of Administration (BoA) must prepare an annual report on the remuneration and other benefits granted to administrators and directors during the previous financial year, provision that is to be found also in Art.20 Para (1) letter y) of the Articles of Incorporation, as duty of the Board of Administration.

The report is to be presented to the General Meeting of Shareholders which approves the annual financial statements and will include at least the following information:

- a) the remuneration structure, explaining the share of the variable and fixed component;
- b) the performance criteria underlying the variable remuneration component, the ratio of the achieved performance and remuneration;
- c) considerations justifying any annual bonus scheme or non-monetary benefits;
- d) any possible supplementary or anticipated pension schemes;
- e) information on the duration of the contract, the notice negotiated period, the amount of liquidated damages for unjust dismissal.

I. The legal framework regarding the policy and criteria for the remuneration of the administrators

a) **Non-Executive Administrators**

- Article 37 para. (1) of the Government Emergency Ordinance no.109/2011 on the corporate governance of the public enterprises, as amended and supplemented subsequently, which states: "The remuneration of the Board of Administration members or, if applicable, of the members of the supervisory board is determined by the General Meeting of Shareholders in the structure and limits provided in Para. (2) and (4)".

- Art. 17, para. (2) of the Government Emergency Ordinance no.109/2011 on the corporate governance of public enterprises, as amended and supplemented subsequently, which provides: "The remuneration of BoA non-executive members or of the members of the supervisory board consists in a monthly fixed allowance and a variable component. The fix allowance cannot exceed twice the average on the last 12 months of the monthly gross average earnings for the activity carried out as per the core business registered by the company, at the level of class according to the classification of the activities in the national economy communicated by the National Institute of Statistics prior to the appointment. The variable component is being settled based on several financial and non-financial performance indicators negotiated and approved by the general meeting of shareholders, apart from the ones approved for the executive administrators, determined in consideration of the methodology provided at Art.3¹ Para (5), tracking also the long-term sustainability of the company and the observance of the corporate governance principles. The quantum of the variable component of the non-executive member cannot exceed the maximum of 12 monthly fix allowances."

- Art. 37 para. (3) of the Government Emergency Ordinance no.109/2011 on the corporate governance of public enterprises, as subsequently amended and supplemented, which provides:

"The remuneration of the executive members of the board of administration or the supervisory council is made up of a fix monthly allowance that cannot exceed 6 times the average on the last 12 months of the salary earnings of the branch covered by the business, at the level class according to the classification of the activities in the national economy communicated by the National Institute of Statistics prior to the appointment and out of a variable component. The variable component is grounded on the financial and non-financial performance indicators negotiated and approved by the general meeting of shareholders, apart from the ones approved for the executive administrators, determined in consideration of the methodology provided at Art.3¹ Para (5)."

Art.37, para. (5) of the Government Emergency Ordinance no.109/2011 regarding the corporate governance of public enterprises, as subsequently amended and supplemented, which provides:

"The General Meeting of shareholders will provide, when settling the monthly fix allowance of each member of the board of administration or, if applicable, of each member of the supervisory council, determined as per Para (2) and (4), that the monthly fix allowance is being substantiated considering the specific liabilities, attributions within several consultative committees, with the number of meetings, performance objectives and criteria set out in the mandate contract. "

Art. 39 para. (1) of the Government Emergency Ordinance no. 109/2011 regarding the corporate governance of public enterprises, as subsequently amended and supplemented, which provides:

"The remuneration and the benefits offered pursuant to the law or the mandate contract of the administrators and directors within the unitary system, respectively to the members of the Supervisory Board and to the Executive Board members, in case of dualist system, shall be recorded in the annual financial statements and the annual report of the nomination and remuneration committee, the board of administration or the supervisory council and shall include the remuneration and other benefits granted by the company and its branches."

Art. 39 Para. (3) of the Government Emergency Ordinance no. 109/2011 on the corporate governance of public enterprises, as subsequently amended and supplemented, which provides:

"(2) The Policy and criteria for remuneration of administrators and directors in case of the unitary system, namely of the members of the Supervisory Board and of the Executive Board in case of dualist system, posted on the website of the public company through the carefulness of the BoA or as appropriate, of the Supervisory Board".

"-Art.142 para. (2) letter c) of Law no. 31/1990 regarding companies, republished, subsequent amendments and additions, which provides that the BoA has as core competency that cannot be delegated to the executive, the appointment and revocation of the directors and the settlement of the remuneration thereof.

Art.143 para. (1) and para (4) of Law no. 31/1990 on companies, republished, subsequent amendments and completions, which provides the BoA competence to delegate the Company management to one or more directors, appointing one of them Director General. In case by the articles of incorporation or a decision of the general meeting of shareholders this is being provided, the chairman of the company's board of administration can be appointed director general.

h). Executive Administrator/Director General

Art. 34 para. (2) of the Government Emergency Ordinance no.109/2011 regarding the corporate governance of public enterprises, as subsequently amended and supplemented, which provides the attribute of the Nomination and Remuneration Committee to formulate proposals on remuneration of the directors;

Art. 37 para. (4) of the Government Emergency Ordinance no.109/2011 regarding the corporate governance of public enterprises, as subsequently amended and supplemented, which provides:

"(3) the fixed monthly allowance of the executive members shall not exceed 6 times the average for the last 12-months of the average gross monthly salary earnings of the branch covered by the business, communicated by the National Institute of Statistics prior to the appointment".

Art. 38 para. (1), (2) and (3) of the Government Emergency Ordinance no. 109/2011 regarding the corporate governance of public enterprises, as subsequently amended and supplemented, which provides:

“(1)The remuneration of the directors is established by the BoA and shall not exceed the established remuneration level for the executive members of the BoA. It is the only form of remuneration for the directors who also act in the capacity of administrators.

(2) The remuneration consists of a fixed monthly allowance established within the limits stipulated in art. 37 para. (3), and of a variable component consisting of a share of participation in the net profit of the company, a pension scheme or another form of remuneration based on the performance indicators.

(3) The financial and non-financial performance indicators approved stand as elements in consideration to which is being determined the variable component of the remuneration for the company’s directors.

(4) The remuneration of the members of the executive board is being settled by the supervisory board. The dispositions of Para (1) and (2) are applicable also to the members of the executive board.

-Art. 39 para. (3) of the Government Emergency Ordinance no.109/2011 regarding the corporate governance of public enterprises, as subsequently amended and supplemented, which provides:

(3) The remuneration policy and criteria for the administrators and directors in case of unitary system, namely the members of the Supervisory Board and Executive Board members in case of dualist system, are made public on the website of the public company by the care of the BoA, or, where appropriate, of the Supervisory Board."

III a) The structure of remuneration, explaining the share of the variable and fixed component

a1) The members of the Board of Administration who had mandate up to 28.11.2017

The administrators in capacity up to 28.11.2017 have been elected upon Resolution no. 6/28.11.2013 of the General Meeting of Shareholders, for a 4 years mandate, in accordance with the Emergency Government Ordinance no. 109/2011 regarding the corporate governance of public enterprises, as amended and supplemented subsequently, except for Mr. Razvan Stefan Lefter, who has been appointed member of the Board of Administration pursuant to the OGMS Resolution no. 5/17.12.2015 following the resignation of Mr. Dinu Dragos Lucian.

By Resolution no. 2 /25.03.2014 of the General Meeting of Shareholders was established the monthly gross fixed allowance and subcomponent 1 of the variable component.

By Resolution no.3/27.03.2014 of the General Meeting of Shareholders was approved the company's administration contract for CONPET S.A. administrators in the form and contents of the Annex to the Order of the Minister delegate for Energy no. 217/2014.

The administration contract of Mr. Razvan Stefan Lefter was approved based on the OGMS Resolution no. 5/17.12.2015, in the form approved by way of OGMS Resolution no.3/27.03.2014, subsequent amendments, approved pursuant to OGMS Resolutions, here-included annexes 1 and 1.1.

As also mentioned in the Report of the Nomination and Remuneration Committee no.11146/20.03.2017 to the OGMS, given that Mr. Lefter Razvan Stefan was appointed non-executive provisional administrator upon the BOA Decision no. 12/29.09.2015, respectively member within two consultative committees constituted at the BoA level, by way of Decision no.13/16.10.2015, for the period the latter worked within the Board of Administration, are applicable the provisions of the administration contract concluded by Mr. Dinu Dragos Lucian in what concerns the remuneration to receive, in correlation with the performance objectives and indicators for 2015 applicable as of the appointment thereof by the BOA and up to the date of revocation, by the OGMS, from the capacity of non-executive provisional administrator.

The BoA members who had the mandate valid until 28.11.2017 had administration contracts where has been provided a remuneration as such:

1. The Monthly Fixed Allowance

The administrator has a gross monthly fixed allowance for executing the entrusted mandate, but not more than the average for the last 12 months of the average monthly gross salary earnings of the branch / sector activity covered by the business, announced by the National Institute of Statistics. The fixed allowance is being fixed annually according to the data provided by the National Institute of Statistics.

The mechanism for granting the fixed monthly allowance was the following:

- “the Chairman of the BoA and the members who are in at least 2 advisory committees established at the Board level have a fixed monthly allowance at the maximum value;
- the BoA members who are within an advisory committee established at the Board level have a fixed monthly allowance of 90% of the monthly fixed allowance at the maximum value;
- the BoA members who are not members of consultative committees established at the Board level

- I. have a fixed monthly allowance representing 85% of the monthly fixed allowance at the maximum value. The payment of remuneration is made once a month, notwithstanding the number of meetings held in the respective month.”

The total gross fixed remuneration paid during the period 1.01.2017-31.12.2017 to the members of BoA members selected under the terms of the Government Emergency Ordinance no.109/2011 regarding the corporate governance of public companies, subsequent amendments and completions, amounted to 275,880 RON.

2. The variable Component

The variable component is determined according to the goals achievement, respectively, the fulfilment of the performance indicators approved by the management Plan and has two subcomponents.

Annexes 1 and 1.1. to the administration contracts concluded by the non-executive administrators with the company, where the performance indicators and objectives are expressed per years and their distribution per quarters, is being updated in compliance with the provisions of the corresponding Budget of the year.

2.1. The First Sub-component of the Variable Component

The variable component is determined according to the goals fulfilment, namely the fulfilment of level of performance indicators (annex no.1) approved by the administration Plan and shall have two subcomponents.

The first *subcomponent* of the variable component, according to Article 18 of the administration contract, shall be established quarterly, according to the degree of fulfilment of the performance criteria and shall be established as a sum of the weighted average of the performance indicators (detailed below).

Based on the indicators established and the share thereof, it is being calculated a performance global quarterly indicator I_T .

Given that the I_T quarterly global indicator is achieved 100% or more, during the period for which the calculation is made, it will be paid quarterly, 100% of the first part value of the quarterly tranche corresponding to the first subcomponent of the variable component. If the quarterly global indicator I_T is performed under 100% in the period for which the calculation is made, it will be granted quarterly only 75% of the quarterly instalment related to the first sub-component of the variable component.

In this context, the gross amount of the variable subcomponent 1 granted in 2017, here included for quarter IV of the year 2016, to the non-executive members of the BoA of CONPET S.A. were paid in 2017 by the net amount of 214,104 RON, corresponding to the first variable sub-component (here-included for 2016 Q4), except for those related to 2017 Q4 which will be granted following the approval of 2017 financial year, in amount of 47,434 RON.

2.2 The Second Sub-component of the Variable Component

For the non-executive members of the BoA, upon the OGMS Resolution no. 2/28.04.2016, was approved the Sub-component 2 of the variable component of the non-executive administrators' allowance for 2017, as per the proposals contained in the Report of the Nomination and Remuneration Committee no.11148/20.03.2017, by the express mention that the value of this sub-component shall not exceed the value of the fixed allowance related to the entire financial year and shall fall within the provisions of the Revenues and Expenditure Budget approved as per the legal provisions. Consequently:

“For the year 2017, the Sub-component 2 of the variable component of the remuneration that is to be awarded to the non-executive administrator, will be determined according to the goals achieving and performance indicators

fulfilment and it is set at a level of 0.415% of the amount representing the difference between the actual net profit achieved and the net profit estimated for the financial year 2016, but will not exceed the value of the fixed allowance corresponding to the whole financial year, falling within the provisions of the revenues and expenditure budget approved as per the legal provisions. The payment shall be made following the approval of the annual financial statements.

Sub-component 2 of the variable component of the non-executive administrators' remuneration will be granted pro-rata for the period of the year employed under the administration contract, where the nonexecutive administrator contract terminates before the end of the financial year, due to one of the following clauses contained by the administration contract:

- Article 36.3 - revocation of the administrator from the GMS, provided that the revocation thereof not be due to his fault;
- Article 36.4 - Death of the administrator;
- Article 36.6 - the agreement of the Signatories;
- Article 36.7 - withdrawal of the administrator from the mandate, due to reasons not chargeable to him;
- Article 36.8 - interference of certain legal impediments (...) that exclude the administrator from exercising this capacity.

The value of sub-component 2 of the variable component paid in 2017 to the BoA members for the years 2016 was in gross amount of 218,946 Lei.

For the value of the subcomponent 2 of the variable component due to the BoA members for the year 2017 was established provision in amount of 114,005 RON, calculated according to the number of days related to the mandate period.

a2) The Members of the Board of Administration with mandate following 28.11.2017

By the OGMS Decision no.5/28.11.2017 were appointed in the capacity of provisional administrators of the company, following the election by cumulative vote method, with a mandate duration of 4 months or up to the completion of the selection procedure provided in the EGO no.109/2011 on the corporate governance of the public enterprises, approved with amendments and completions by Law no.111/2016, if the procedure takes place earlier than 4 months as of the appointment of the provisional administrators.

The provisional administrators have the gross monthly fixed allowance equal to 2 times the average for the last 12-months of the average gross monthly salary for the activity performed as per the core business registered by the company, at the level of class pursuant to of the branch covered by the business, announced by the National Institute of Statistics (NIS) prior to the appointment (NIS address no.34977/14.09.2017), the said allowance being recalculated based on the OGMS Decision no.1/05.03.2018, based on the provisions of Art.18 of EGO no.90/2017, for harmonization with the new binding social contributions due as per the Law no.227/2015, ulterior amendments and completions, as it has been amended by EGO no.79/2017 for the amendment and completion of Law no.227/2015 of the Fiscal Code, so that it should be maintained the level of the monthly fix net allowance valid at the appointment date.

The total gross fix remuneration paid during 28.11.2017-31.12.2017 to the members of the Board of Administration was of 71,470 RON.

a3) The Remuneration granted in 2017 to the executive administrator – director general with mandate up to 05.12.2017

1. Fixed Remuneration

Mr Liviu Ilasi was appointed member of the BoA of CONPET S.A., under the provisions of the Government Emergency Ordinance no.109/2011 regarding the corporate governance of public enterprises, subsequent amendments and completions, and by BoA Decision no.17 dated 06.12.2013, Mr Liviu Ilasi was appointed Director

General, being delegated the company management responsibilities, in accordance with art. 143 of Law no. 31/1990 regarding trade companies and Articles of Incorporation of the Company, for a period of 4 years.

Between the company and Mr. Liviu Ilasi was concluded the contract of mandate no. 1/06.12.2013, where were stipulated the following provisions:

“The mandatory benefits from a monthly gross fixed allowance set by the BoA in accordance with the legal provisions in force.

The gross monthly fixed allowance for the execution of the entrusted mandate is established in the amount equal to 6 times the average for the last 12-months of the average gross monthly salary of the branch covered by the business, announced by the National Institute of Statistics prior to the appointment of the Mandatory”.

The gross fixed remuneration granted to the Director General of CONPET S.A. for the year 2017 amounts to 280,800 RON.

2. The Variable Remuneration

As per the mandate Contract, the Director General also benefits from a payment of a variable component, which is determined according to the goals achievement, namely the fulfilment of the performance indicators approved by the Management Plan and has two subcomponents.

Annually, the performance indicators, as well as their allocation to quarters, Annexes to the concluded mandate contract are updated in accordance with the provisions of the Budget for the corresponding year.

The remuneration of the General Director for 2017 was established in compliance with the legal provisions, with the General Meeting of Shareholders Resolution no.2 /25.03.2014 (the general limits of the monthly fixed allowance and variable sub-component 1) and BoA Decision no.5/27.04.2017 for the variable sub-component 2, based on the Report no.11148/20.03.2017.03.2016 drafted by the Nomination and Remuneration Committee.

In order to give the first subcomponent of the variable component, the degree of fulfilment of the performance criteria will be determined quarterly, taking into account the weight of each indicator and of the variation compared to the set target.

Under the mandate contract no.1/2013, the value of the instalment of the first subcomponent of the variable component is equal to three gross monthly fixed allowances so that the total annual value of the first subcomponent be of 12 gross fixed monthly allowances.

In this context, the gross amount of the variable subcomponent 1 granted in 2017, also for quarter IV of the year 2016, to the Director General, was of 303,264 RON.

For the first subcomponent of the variable component related to Quarter IV 2017 was established provision, according to the number of days related to mandated period, in amount of 54,390 RON.

As per the BoA Decision no. 5/27.04.2017, of Addendum no.12/2017 to the Contract of Mandate no. 1/06.12.2013:

“For the year 2017, the Sub-component 2 of the variable component that is being awarded to the Director General - executive administrator, will be determined according to the goals achievement and performance indicators fulfilment and is set at a level of 2.5% of the amount representing the difference between the actual net profit achieved and the net profit estimated for the financial year 2015, but will not exceed the value of the fixed allowance corresponding to the whole financial year, determined as per the provisions of Article 12 of the Contract of Mandate. The payment shall be made following the approval of the annual financial statements.

The value of this sub-component shall fall within the provisions of the Revenues and Expenditure Budget approved as per the legal provisions.

All along the duration of the Mandate Contract, Sub-component 2 of the variable component of the Director General's remuneration will be granted pro-rata for the period of the year employed under the Contract of Mandate. Where the contract thereof terminates before the end of the financial year, due to one of the following clauses contained in Art.29 of the Contract of Mandate:

- 29.3 - revocation of the director by the BoA due to unreasoned failure to fulfill his obligations;
- 29.4 - Death of the director general;
- 29.6 - the agreement of the Signatories;
- 29.7 - withdrawal of the director from the mandate;
- 29.8 - interference of certain legal impediments, as defined at Article 2 letter d) of the contract.

The value of sub-component 2 of the variable component paid in 2017 to the Director General for the year 2016 is in gross amount of 218,948 RON.

a4) The remuneration granted in 2017 to the Director General, with mandate beginning 06.12.2017

By decision no.22/15.12.2017, the Board of Administration settles the monthly gross fix allowance of the Director General for the performance of the entrusted mandate, starting December 2017, in amount equal 6 times the average on the last 12 months of the gross average earnings for the activity carried out pursuant to the core business registered by the company, at the level of class as per the classification of the activities in the national economy, communicated by the National Institute of Statistics, prior to the appointment (the average of the period December 2016 – November 2017 for NACE group rev.2 “495 – transport via pipelines”, as per the address registered under no.36135/27.11.2017), namely in quantum of 30,762 Lei, namely 6 times the amount of 5,127 Lei.

The gross fix remuneration of the director general of the company CONPET S.A. for the month of December 2017 amounts to 27,344 RON.

III. b) the performance criteria substantiating the variable component of the remuneration, the ratio between the achieved performance and the remuneration;

In what concerns the achievement of the performance indicators in 2017, as compared to the level provided in the annex 1.1. to the Administration contract for the year 2017, namely in annex 2 to the mandate Contract of the Director General were registered the following results:

- 1.61% higher EBITDA, weighted degree of achievement 25.40%;
- 0.02% lower operating expenses, weighted degree of achievement 24.99%;
- Increase, by 1.63% % of the work productivity, weighted degree of achievement 25.41%
- Total number of technical breakdowns achieved 100%, weighted degree of achievement 10%;
- Enhancing visibility on the BSE - weighted degree of achievement 15%.

The fulfilment degree of the performance indicators of the non-executive administrators and the executive administrator – director general was of 100.80%, calculated based on the financial data and the information reported by the specialized entities within the Company.

On 20.03.2018, the Financial Management Control Department submitted to the Audit Committee and the Board of Administration the Report no.10658/19.03.2018 on the fulfillment manner of the performance objectives and

indicators for the administrators for the year 2017. Out of the presented report results that the level of the defined indicator: “The decrease of the number of technical breakdowns”, managed at 31.12.2017 is of 44 technical breakdowns, as compared to the 29 technical breakdowns considered when calculating the achievement degree of the respective indicator.

The Audit Committee analyzed the ascertainment presented in the Report by the Financial Management Control Department and recommended to the Board of Administration the establishment and reflection in the Financial Statements for the year 2017 of a provision for the variable allowance (subcomponent 1 related to quarter IV 2017 and subcomponent 2) of the non-executive administrators and director general, corresponding to a fulfillment degree of the performance indicators, of 100.80%.

The separate opinion of Mr. Lefter within the Nomination and Remuneration Committee, unassumed by the other two members is that the Report of the Financial Management Control Department is not final, the action being in progress and being possible to incur amendments along the way.

III. c) The considerations justifying any annual bonus scheme or non-monetary benefits;

The BoA members do not receive bonuses or non-monetary benefits.

III. d) Any likely supplementary or anticipated pension schemes;

For none of the BoA members have been established anticipated or supplementary pension schemes.

III. e) Information on the duration of the contract, the notice negotiated period, the amount of liquidated damages for unjust dismissal.

- **Contract duration**

On 28.11.2013 were appointed, by cumulative voting method, the members of the BoA based on the OGMS Resolution no.6, for a mandate of four years, in compliance with the provisions of the Emergency Government Ordinance no.109/2011 regarding the corporate governance of public enterprises, as subsequently amended and supplemented. The Administration Contract sets the responsibility of the parties and also the conditions of termination.

On 28.11.2013 were appointed, by cumulative voting method, the members of the BoA based on the Decision of the General Meeting of Shareholders no.5/28.11.2017, with a mandate for a period of 4 months, namely up to 28.03.2018, subsequently the duration of the mandate of the provisional administrators being extended by the Decision of the Ordinary General Meeting of Shareholder no.1/05.03.2018.

Pursuant to the BoA Decision no.17 dated 06 December 2013, Mr. Liviu Ilasi was appointed Director General, being delegated the company management attributions, in accordance with art. 143 of Law no. 31/1990 regarding the trade companies and the Articles of Incorporation of the company, for a period of 4 years. The mandate contract was concluded on 6 of December 2013 for a period of 4 years, which may be extended by decision of the Board of Administration.

Pursuant to the BoA Decision no.20/05.12.2017 of the Board of Administration, Mr. Dan-Baciu Silviu was appointed in the capacity of provisional Director General of CONPET S.A., starting 06.12.2017, with a mandate for a period of 4 months, namely up to 06.04.2018, delegating the company's management pursuant to the legal provisions in force and the Articles of Incorporation, considering the result of the vote on the proposal formulated in the Nomination and Remuneration Committee registered under no.49315/05.12.2017.

- **Periods of Notice**

For the administration contracts and the Director General's contract of mandate it is not set a deadline for notice.

- **The amount of liquidated-damages:**

- i) For the administration contracts**

If unjustified revocation of the Administrator, he is entitled to receive *a compensation from the Company* for the unexecuted period of the Administration Contract, regardless of the date on which the revocation occurs, but not more than 12 monthly fixed allowances, determined as follows:

- a) if the revocation occurs any time prior to the start of the last mandate year, the administrator will receive a compensation representing 12 monthly fixed allowances;
- b) if the revocation occurs in the last year of the contract, a compensation will be paid according to the number of months remaining until the end of the mandate, but not higher than 6 monthly fixed allowances.

Starting with the administration contracts concluding date, up until now, no BoA member revocation took place.

ii) The provisions of the mandate contract of the director general, who had mandate up to 05.12.2017

In case of unjustified revocation of the Director, he is entitled to receive from *the Company a compensation* equivalent to the total fixed allowances due for the period remained unexecuted from the Mandate Contract (the fixed allowances he would have benefitted from until the fulfillment of the contract expiry date).

The payment of such compensation shall be made within 30 working days from the date of termination of this Mandate Agreement.

This form of compensation of the Director is the only damage compensation in case of revocation interfering unjustified.

iii) The provisions of the mandate contract of the director general, who had mandate up to 06.12.2017:

In case of unjustified revocation of the mandate granted by this contract to the Director General, he is entitled to receive from *the Company a compensation* equivalent to the total fixed indemnities due for the period remained unexecuted from the Mandate Contract (the fixed allowances he would have benefitted from until the fulfillment of the contract expiry date) that will be calculated and granted pro-rata considering the worked period.

The payment of such compensation shall be made within 30 working days from the date of termination of this Mandate Agreement.

This form of compensation of the Director is the only damage compensation in case of revocation interfering unjustified.

III. f) Other information on the administration/mandate contract

The administrators and the Director General benefit from the settlement of the expenses related to the execution of the mandate based on documentary evidence and of a professional liability insurance, all along the duration of the mandate. The costs related to the insurance policy in aggregate are being borne by the company and the maximum limit of the insurance premium approved by the OGMS amounts to 18,000 Euro/year of insurance, corresponding to an insurance limit established at 12 million Euro in aggregate.

Pursuant to Art. 55 para. (2) of the Emergency Government Ordinance no.109/2011 on the corporate governance of the public enterprises, further amendments and additions, the Nomination and Remuneration Committee of the BoA shall submit this report to the General Meeting of Shareholders of CONPET S.A.

The Nomination and Remuneration Committee

Constantin Văduva - Chairman, S.S. illegible

Manuela – Petronela Stan – Olteanu – member

Razvan Stefan Lefter – member

