

## The Board of Administration Profile and the Candidate Profile

### a) Assessment of the contextual requirements - selection criteria:

- In the application of the provisions of Art.24 of the methodological norms, the analysis of the company's contextual requirements in general and of the board, in particular, are being performed based on:
- The legal regulations and recommendations of good practices;
- The company's strategic positioning set pursuant to Art. 25 para. (1) of the methodological norms, according to which, for the determination of the Board of Administration profile, are being considered : the regulating and market trends on average and long run, the business model, as well as the Company's management Strategy for the period 2018-2022.
- In compliance with the legal regulations provided by EGO no.109/2011, further amendments and completions, corroborated with the provisions of the Companies ' Act no. 31/1990 further amendments and completions, given also the provisions of the Articles of Incorporation of the Company, the Board of Administration is constituted of 7 members. At least two of the members of the Board must have economic or legal studies and at least 5 years experience in the economic, legal, accounting, audit or financial field and there cannot be more than two members amongst the civil servants or other categories of personnel from within the parent public authority or from other authorities or public institutions.

Moreover, the majority of members of the Board of Administration is made of non-executive and independent administrators, for the purposes of Art. 138<sup>2</sup> of Law no. 31/1990, republished, further amendments and additions.

The mandate of the administrators is set by way of the Articles of incorporation; the mandate of the administrators having fulfilled their duties accordingly can be renewed following an assessment process. The mandate of the administrators appointed following the termination, by all means, of the mandate of the initial administrators coincides with the duration left from the mandate of the administrator having been replaced. Furthermore, any natural person may concurrently exercise no more than 3 administrator/supervisory board member mandates in companies or public enterprises headquartered on the Romanian territory. The customized profile of CONPET S.A. Board of Administration must reflect the competencies, knowledge, tasks and experience necessary in view of a good governance, in relation to the contextual requirements and company objectives.

We hereby consider as optimum the following structure of the fields, knowledge, skills and abilities, which may provide the responsibility taking and role playing within the Board of Administration.

- 2 economists
- 2 jurists
- 3 engineers

### **REQUIREMENTS:**

- a) have the minimum of knowledge, skills, experience:
  - Higher education attested by a Bachelor diploma
  - 7 years of accumulated service
- b) be aware of the job duties; have a medium/long-term vision
  - Are being assessed by the Nomination and Remuneration Committee (NRC) who will make judgements related to the objectives assumed in the declaration of intent
- c) The capacity to take responsibility towards the committee, integrity and independence
  - Statutory declaration regarding:
    - The lack of conflict of interest
    - Independence for the purposes of Law 31
    - Criminal/tax record
- d) The knowledge needed, skills, capacity of constructive critical analysis, communication skills, financial culture
  - are being evaluated by NRC

The members of the Board of Administration shall exercise their mandate with prudence and diligence of a good administrator, with loyalty, in the benefit of the Company's interest and are bound not to divulge the confidential information and trade secrets of the company, they have access to in their administrators' capacity.

This obligation is also falling under their responsibility following the administrator's termination of office.

**b) The matrix of the Board profile**

For the application of the provisions of Art. 28 para. (3) and Art. 29 of the methodological norms, the aim of the numerical analysis within the matrix is to clarify the advantages and disadvantages, strong points, development areas and dimensions of the activity of the Board which are subject to improvement, albeit temporarily and must contain the followings:

- a) Definition of the criteria and setting indicators in connection therewith;
- b) Identification of the compulsory and facultative criteria;
- c) Definition of an evaluation grid common to all criteria;
- d) Weights for every criterion, according to importance;
- e) Grouping the criteria for comparative analysis;
- f) Specification of a collective minimum threshold for every criterion where necessary, if any or applicable;
- g) Weightings and weighted subtotals, totals, for criteria and for individual administrators.

Moreover, in compliance with the dispositions of art. 31-33 and Annex 1a of the methodological norms, the matrix of the profile of the Board differentiates between compulsory criteria and optional criteria, necessary for a Board based on competences, identified following the analysis of the contextual requirements and contains a collective minimum level of the competency indicators threshold, which reflect the minimum level of collective competence the individual members of the Board should possess together, so as the Board be capable to meet the Board's level of capacities, identified in the analysis of the contextual requirements.

The assessed criterion	Administrator 1 Economic Profile	Administrator 2 Legal Profile	Administrator 3 Generalist profile
<b>Education</b>			
Weight %	15%	15%	15%
Compulsoriness	Compulsory	Compulsory	Compulsory
Minimum level	3	3	3
<b>General background/accumulated service</b>			
Weight %	40%	40%	45%
Compulsoriness	compulsory	compulsory	compulsory
Minimum level	3	3	5
<b>Economic- financial background</b>			
Weight %	25%	0%	0%
Compulsoriness	Compulsory	optional	optional
Minimum level	5	1	2
<b>Legal background</b>			
Weight %	0%	30%	0%
Compulsoriness	optional	Compulsory	optional
Minimum level	2	5	2
<b>Experience in the sector</b>			
Weight %	15%	10%	35%
Compulsoriness	optional	optional	optional
Minimum level	2	2	3
<b>Personal profile</b>			
Weight %	5%	5%	5%
Compulsoriness	compulsory	compulsory	compulsory
Minimum level	4	4	4

**Rating: 1= Beginner, 2= Intermediate, 3= Competent, 4= Advanced, 5= Proficient**

- The profile of the Board in capacity: the analysis made revealed that the current Board of Administration is made of 3 economists, 1 generalist manager and 3 jurists.
- The profile of the new Board of Administration: we recommend the use of the following formulas : 2 economists, 2 jurists, 3 engineers

**c) Profile of each Board member:**

The candidate profile and the role thereof derives from the profile of the Board of Administration, set pursuant to the organizational structure and according to the objectives and expected results as derived from the company strategy.

**Administrator 1 - Generalist Profile, must have:**

- higher education studies, attested by a Bachelor diploma
- minimum 7 years of accumulated service
- minimum 5 years of experience in the particular field of study
- experience in energy industry
- knowledge of the strategic process, may assess the strategic options and risks, identify the strategic priorities and bring one's contribution to the Board by advancing strategic lines to the board, in order to render value and growth to the organization on the long run.
- risk management: understands the importance of the evaluation and mitigates the organizational risks and is being familiarized with the methodologies and processes in order to fulfill the risk management requirements.
- experience in relation to the local and central public authorities in Romania, as well as the regulating authorities in energy;
- management of the human capital - knowledge and experience in the strategic management of the human resources and may assist the Board in the evaluation of the company's human resources strategies, to observe the vision, values and objectives of the company.
- Understanding of the legal system, legal and regulatory environments the company operates into.
- personal competences:
  - Influence: ability to build constructive links and relationships inside and outside the organization in order to support the decision making in the benefit of the organization and for a future achievement of its purposes.
  - Interpersonal relations: successfully relates with others from various groups and in different situations, promoting good working relations.
  - Negotiation: effective in negotiating understandings resulting in desired benefits, in such way to prove respect and integrity.

Features:

- unimpaired personal and professional reputation
- ethics and integrity
- independence

**Administrator 2 - Economic Profile, must have:**

- higher education studies, attested by a Bachelor diploma in Economics
- minimum 7 years of accumulated service
- minimum 5 years of experience in the particular field of study
- experience in the energy industry
- experience in identifying business opportunities
- experience in financial audit, financial analysis, treasury, financial reportings
- experience in capital markets
- risk management: understands the importance of the evaluation and mitigates the organizational risks and is being familiarized with the methodologies and processes in order to fulfill the risk management requirements.
- Understanding of the legal system, legal and regulatory environments the company operates into
- personal competences:
  - Influence: ability to build good connections and relationships inside and outside the organization in order to support the decision making in the benefit of the organization and for a future achievement of its purposes.

- Interpersonal relations: successfully relates with others from various groups and in different situations, promoting good working relations.
- Negotiation: effective in negotiating understandings resulting in desired benefits, in such way to prove respect and integrity.

Features:

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- ethics and integrity
- independence

**Administrator 3 - Legal profile, must have:**

- higher education studies, attested by a Bachelor diploma in the legal field
- minimum 7 years of accumulated service
- minimum 5 years of experience in the particular field of study
- experience in the energy industry
- experience in identifying business opportunities
- risk management: understands the importance of the evaluation and mitigates the organizational risks and is being familiarized with the methodologies and processes in order to fulfill the risk management requirements.
- experience in aspects related to commercial law
- experience in relation to the local and central public authorities in Romania, as well as the regulating authorities in energy;
- personal competences:
  - Influence: ability to build good connections and relationships inside and outside the organization in order to support the decision making in the benefit of the organization and for a future achievement of its purposes.
  - Interpersonal relations: successfully relates with others from various groups and in different situations, promoting good working relations.
  - Negotiation: effective in negotiating understandings resulting in desired benefits, in such way to prove respect and integrity.

Features:

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