

Endorsed in BoA meeting dated 19.03.2019 and subject to approval of the OGMS dated 23.04.2019

CONPET SA PLOIESTI

The Nomination and Remuneration Committee

Reg.no. 10853/19.03.2019

ENDORSED,

dated 19.03.2019

of Administration

Florin

by BoA Decision no.8

the Chairman of the Board

Gheorghe Cristian-

THE REPORT

of the Nomination and Remuneration

dated 19.03.2019

on the settlement of the general limits of the variable component of the variable remuneration for

the Directors with mandate contract

The Nomination and Remuneration Committee within the Board of Administration of the company CONPET S.A., set-up based on the Decision of the Board of Administration no.16/2013 as per the provisions of the companies Law no.31/1990, republished, subsequent amendments and completions, the Articles of Incorporation of the company CONPET S.A., updated, corroborated with the provisions of Law no.297/2004 on the capital market, ulterior amendments and completions and the provision of the Emergency Government Ordinance no.109/2011 on corporate governance of public enterprises, ulterior amendments and completions, approved by Law no.11/2016 has reunited in the compeonce approved by BoA Decision no.20/28.08.2018, namely:

President: Mr. Albulescu Mihai – Adrian
Members: Mr. Gavrilă Florin – Daniel
Mr. Iacob Constantin – Ciprian
Mrs. Pavăl Karina
Mr. Meșca Darius – Dumitru

having as scope of meeting the settlement of the general limits of the variable component of the remuneration for the Directors with mandate-contract.

Following the carry-out of the recruitment and selection procedure of the Director General and the Financial (Economic) Director of CONPET S.A., in compliance with Art.35 of EGO no.109/2011 *on corporate governance of public enterprises*, by BoA Decision no.27/06.11.2019 Mr. Chiș Timur – Vasile has been appointed Director General of CONPET S.A. and Mrs. Toader Sanda has been appointed Economic Director, both of them holding mandate for a period of 4 years starting 07.11.2018 and up to 06.11.2022 (inclusive of).

Also, following the carry-out of the recruitment and selection procedure of the Deputy Director General of CONPET S.A., in compliance with the provisions of Art. 35 of EGO no.109/2011 *on corporate governance of public enterprises*, by BoA Decision no.5/18.02.2019 Mrs. Dumitrache Mihaela-Anamaria has been appointed Deputy Director General of CONPET S.A., with a 4 years mandate starting 18.02.2019 up to 17.02.2023 (inclusive of).

Considering:

- ✓ the provisions of Law no.31/1990 the Companies Law, republished subsequent amendments and additions, Art. 153 ^ 18 Para (2): the additional remuneration of the members of the Board of Administration or the supervisory council charged with specific attributions within the named body, as well as the directors remuneration, in unitary system, or the members of the directorate, in two-tier system, are being established by the board of administration, namely the supervisory council. The Articles of Incorporation or the general meeting of shareholders fix the general limits of all the remunerations granted in this manner. The Articles of Incorporation of CONPET SA provides at Art.15, Para (3), Letter e), the fact that OGMS approves the general limits of the company's directors remuneration.
- ✓ the provisions of the EGO no.109/2011 *on corporate governance of public enterprises*, subsequent amendments and completions, Art.38, Para (2): "The remuneration of the directors is made up of a fix monthly allowance and a variable component (provisions taken over also in the directors mandate contract)" and Para (3) "The financial and non-financial indicators approved stand as elements according to which is being determined the variable component of the remuneration for the company's directors".
- ✓ The OGMS Resolution no.7 from 18.12.2018, by which have been approved the general limits of the fix allowance of the directors with mandate contract."

is being proposed to OGMS the approval of the general limits of the variable component of the remuneration of the directors selected to the provisions of Art.35 of EGO no.109/2011 on

corporate governance of public enterprises, applicable for each year, as of the date of appointment thereof in the capacity.”

We hereby mention that, the general limits for the fix monthly allowance of the Directors with mandate contract, approved by the OGMS on 18.12.2018, are between 5 – 6 times the average of the last 12 months of the gross average earnings for the activity carried out as per the core business registered by the company, at level of class as per the classification of the activities in the national economy, communicate by the National Institute of Statistics prior to the appointment. The monthly fix allowance differs from a director to another, the Director General having the fix allowance equal to 6 times the average on the last 12 months of the gross average monthly earnings and the Director Economic and the Deputy Director General 5 times the average on the last 12 months of the gross monthly fix earnings.

Considering that, the financial performance objectives and indicators hold the highest share at the determination of the variable component, namely 50%, the non-financial operational indicators hold 30% and the corporate governance indicators account for 20% of the fulfilment of the financial indicators directly contribute to the fulfilment of the net profit undertaken by the administration plan and as per Art. 38, Para (2) of EGO no.109/2011: *the variable component may consist of a stake* in a company's net profit, The Nomination and Remuneration Committee submits for BoA endorsement and OGMS approval the general limits of the variable component of the directors with mandate contract, namely of the director general, the economic director and the deputy director general, in annual total gross quantum of maximum 5% of the annually net achieved profit, but no more than the value of the gross fix allowance related to the entire financial year payable to these directors, applicable as of the date of the appointment thereof by the BoA, as follows:

Director General: maximum 2% of the annually net achieved profit, bunt no more than the value of the fix gross allowance related to the entire financial year payable thereto;

Deputy Director General: maximum 1.5% of the annually net achieved profit, bunt no more than the value of the fix gross allowance related to the entire financial year payable thereto;

Economic Director: maximum 1.5% of the annually net achieved profit, bunt no more than the value of the fix gross allowance related to the entire financial year payable thereto;

The variable component awarded to the Directors with mandate contract is being determined according to the fulfilment of the performance indicators settled in the annex to the mandate contracts.

The payment will be executed following the annual financial statements, as per the provisions in the contracts of mandate.

The Nomination and Remuneration Committee

The President: *Mr. Albulescu Mihai – Adrian S.s illegible*

Members: *Mr. Gavrilă Florin – Daniel S.s illegible*

Mr. Ioacob Constatin – Ciprian S.s illegible

Mrs. Pavăl Karina S.s illegible

Mr. Meșca Darius – Darius S.s illegible