

Subject to endorsement in the BoA meeting dated 30.01.2020 and approved by the OGMS dated 05.03.2020

CONPET S.A.
"BOA and GMS Secretariat Bureau"
3161/27.01.2020

REPORT

By decision of the Ordinary General Meeting of Shareholders of CONPET SA (in second call) dated 30.09.2019, Mr. Buică Nicușor - Marian was appointed in the capacity of administrator of the Company CONPET SA, the duration of the mandate of the elected administrator starting from the date of the OGMS Resolution (30.09.2019) and up to the end of the mandate of the current Board of Administration (21.08.2022, inclusive of). By the same OGMS Resolution of 30.09.2019 the shareholders approved the contract of mandate that will end with the new member of the Board of Administration and it was also approved the appointment of the representative of the Ministry of Energy in the Ordinary General Meeting of Shareholders, to sign the contract of mandate of the administrator. Accordingly, it was issued and registered with the Trade Registry of the Prahova Court (certificate of registration of entries issued on 09.10.2019 under Resolution no. 19620/08.10.2019) and published in the Official Gazette Part IV, no. 4452/23.10.2019, as required by law, Decision no. 5/30.09.2019 of the Ordinary General Meeting of Shareholders (OGMS) of CONPET SA.

Given the majority shareholder had no authorized representative to attend the OGMS meeting convened on 27.09.2019 (in first call)/30.09.2019 (in second call) and did not submit vote by correspondence, in order to fulfill art. 7 of OGMS Decision no. 5/30.09.2019 and considering the provisions of art. 132 para. (1) of the Companies Act no. 31/1990 republished, with subsequent amendments and completions, according to which "Decisions taken by the general meeting within the law or the articles of incorporation are mandatory even for the shareholders who did not attend the meeting or voted against", CONPET SA performed arrangements to the tutelary authority the Ministry of Energy (managing the shares held by the Romanian State in CONPET SA at the time) in order to appoint a representative of the Ministry of Energy for signing the contract of mandate approved in art. 6 of the decision (address no. 38357/02.10.2019, registered in the Ministry of Energy under no. 193201/02.10.2019).

Subsequently, through the Emergency Ordinance no. 68/06.11.2019 it was established the Ministry of Economy, Energy and Business Environment by the reorganization of the Ministry of Economy and by merging the Ministry of Energy, Ministry for Business Environment, Trade and Entrepreneurship and the Ministry of Tourism and by takeover of the activities and structures from these ministries. Starting with the entry into force of this ordinance, the Ministry of Economy, Energy and Business Environment exercises the rights and fulfills the obligations arising from the quality of shareholder that the Romanian state has in CONPET SA.

According to art. 4, para. (3) from this normative act "The Ministry of Economy, Energy and Business Environment shall be authorized to mandate, by order of the minister of economy, energy and business environment its representatives in the general meetings of shareholders to economic operators ...". Given the legislative changes following the entry into force of EGO 68/2019, CONPET SA returned with the request to the Ministry of Economy, Energy and Business Environment - by letter no. 49253/18.12.2019

registered at the Ministry of Economy with no. 274598/18.12.2019 and at the Ministry of Energy with no. 193780/18.12.2019.

We mention that starting the date of appointment, by the Ordinary General Meeting of Shareholders (OGMS) dated 30.09.2019, of Mr. Buică Nicușor - Marian as administrator, he has exercised the mandate of administrator of CONPET SA participating along with the other administrators in the decision making related to the company's management in order to achieve the financial and non-financial performance indicators approved by the OGMS, based on the management plan. However, as on 30.09.2019 the contract of mandate was approved by OGMS Resolution no. 5/30.09.2019 and starting from the same date the administrator has exercised his rights and obligations arising from the quality of administrator and, however, the contract of mandate was not signed, the parties will agree that the contract of mandate shall take effect starting 30.09.2019, the date of appointment of Mr Buică Nicușor - Marian as administrator of the company CONPET SA.

Therefore, given the above mentioned, it requires the approval by the Board of Administration and by the Ordinary General Meeting of Shareholders to appoint a representative of the Ministry of Economy, Energy and Business Environment in the GMS of CONPET SA, on behalf of the majority shareholder the Romanian State for signing the contract of mandate of the administrator Buică Nicușor - Marian, indicating that the contract of mandate shall take effect on the date of appointing the administrator by OGMS Decision no. 5/30.09.2019 and until the end of the mandate of the current Board of Administration (21.08.2022, inclusive of).

Director General
PhD. Eng. Timur— Vasile CHIŞ

Head of Legal Service
Legal Adviser Cornel Bănică

Head of BOA and GMS Secretariat Bureau
Eng. Adina Modoran

CONTRACT OF MANDATE

Concluded today

I. Preamble

Considering:

- The Government Decision no.1213/1990 on the set-up of the trade companies in the industry, by the take-over of the entire assets and liabilities of ITTC Ploiești;
- The provisions of EGO no.109/2011 on corporate governance of public enterprises, approved with amendments and completions, by Law no. 111/2016 (“EGO no.109/2011”);
- The provisions of Law no. 31/1990 on trade companies, republished, further amendments and completions (“Law no.31/1990”);
- The provisions of Law no. 297/2004 on the capital market, further amendments and completions (“Law no.297/2004”);
- The provisions of Law no. 24/2017 regarding the issuers of financial instruments and market operations; (“Law no. 24/2017”);
- The Government Decision no.722/2016 for the approval of the Methodological Norms for the enforcement of certain provisions of EGO no. 109/2011 on the corporate governance of state-owned enterprises (“GD no.722/2016”);
- The updated Articles of Incorporation of the Company CONPET S.A. Ploiești;
- The provisions of art. 1913 - 1919, art.1924, as well as art.2009 et seq. of the Civil Code;
- The decision of the Ordinary General Meeting of Shareholders no.5 dated 22.08.2018 for approval of the contract between the company and the company’s administrators.
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and the fact that:

- by Decision no. 5 dated 30.09.2019 of the OGMS of CONPET SA nominated Mr. Buică Nicușor - Marian as member of the Board of Administration and he expressly accepted the nomination and will perform, along with the other members of the Board of Administrators, the powers provided by Law no. 31/1990, the Articles of Incorporation (“Articles of Association”), EGO no. 109/2011, Law no. 297/2004 and Law no. 24/2017;
- Law no.31/1990 and EGO no.109/2011 require the members of the Board of Administration that, along the duration of their mandate, be not in a legal employment relationship with the company;
- Is necessary to be established the rights and obligations of the signatory parties, in the context of a civil law legal relationship associated to the exercising of the capacity of member of the Board of Administration,

the parties agree to conclude this contract of mandate, following the agreement expressed by the signatory parties.

II. Contracting Parties

Art. 1. The company CONPET - S.A., trade company administered in a unitary system, headquartered in Ploiești, no.1-3, Anul 1848 street, Prahova county, registered at the Trade Register Office attached to Prahova Court with no. J29/6/1991, TIN - RO 1350020, represented by in the quality of Principal (“the Company”),

and

Mr. Buică Nicușor - Marian, Romanian citizen, born at _____, in _____, domiciled in _____ identified with _____ series _____, no. _____, personal identification number _____, as **administrator or agent** ("Administrator/Agent").

III. Definitions

Art. 2. In this Contract of Mandate the terms below shall bear the following meanings:

- a. **Articles of Incorporation** - the Articles of Incorporation of the Company CONPET SA (hereinafter called *Company*), approved by the Company's General Meeting of Shareholders, as it is in force at the date of this Administration Contract or as it will be amended/completed/redrafted, by decision of the General Meeting (Extraordinary) of the *Company*'s Shareholders;
- b. **Applicable legal framework** - the set of Romanian legal norms included in EGO no.109/2011, the Law of the companies no.31/1990, Law no. 297/2004, Law no. 24/2017, the Civil Code, the Fiscal Code, as well as in any other normative acts applicable in this Contract of Mandate applicable to the parties;
- c. **Conflict of interests** - any situations or circumstances determined/determinable under the applicable legal framework, the *Company*'s Regulation of organization and functioning ("ROF") and the Board of Administration Regulation of organization and functioning ("ROF BoA") where the personal interest, either directly or indirectly, is contrary to the Company's interest so that it affect or might affect its independence and impartiality in taking business decisions or carrying out in due time and objectively the tasks assigned in order to fulfill his mandate for the *Company*;
- d. **Inside information** - information of a precise nature which has not been made public, relating, directly or indirectly to one or more issuers or to one or more financial instruments and which, if it were made public, could have a significant impact on the price of those financial instruments or on the price of derivative financial instruments linked therewith;
- e. **Confidential information** - that is and include any information on the economic activity of the Company that are not public, according to the (i) law, (ii) the decisions of the General Meeting of Shareholders, (iii) the decisions of the Board of Administration and (iv) the internal regulations of the Company.

Confidential information refers mainly, but not limited, to:

- contract terms and any information on business partners, customers, investors or suppliers of the company and the conditions under which the Company carries out economic activities with each of them;
- software, algorithms, procedures or techniques used by the Company;
- information on the future plans of the Company, including, without limitation, plans for expansion in geographic areas, market segments or services;
- marketing strategies developed, investigated, acquired (from a third party or otherwise), or used by the Company;
- any other information acquired by the Administrator in the course of his mandate, which could reasonably be appreciated as reflecting the Company's vulnerabilities.

- f. **Impossibility of fulfilling the mandate/legal impediment** – (i) any circumstance that creates an unavailability of more than or equal to 90 consecutive calendar days, not providing the Administrator the possibility to perform his duties, personally or by proxy, except for the cases provided by the law (ii), detention, (iii) execution of a sentence involving deprivation of liberty, (iv) annulment of the general meeting of shareholders (ordinary) of the Company's shareholders for appointing the Administrator;
- g. **Remuneration** due to the Administrator - consists of a monthly gross fixed allowance and a variable component established on financial and non-financial negotiated performance indicators and approved by decision of the general meeting of shareholders, by observing the provisions of Art.153¹⁸ of Law no.31/1990 of the companies and Art.37 of EGO no.109/2011;
- h. **Force majeure** - stands for any external event, unpredictable, absolutely invincible and inevitable, which could not be foreseen at the moment of conclusion of this Contract of Mandate and that makes impossible the execution and, respectively, the fulfillment of the Contract of Mandate; such events are the followings: wars, revolutions, fires, floods or any other natural disasters, restrictions occurred

following quarantines, embargo, the enumeration not being exhaustive but declarative. Is not being considered force majeure an event similar to the ones mentioned above, which, without providing the impossibility for execution, makes extremely costly the execution of one party's obligations.

- i. **Business decision** - stands for any decision to adopt or not certain measures regarding the *Company* administration;
- j. **Fortuitous Event** - represents an event which could not be foreseen by the administrator, nor impeded from happening by the latter; are deemed similar to the fortuitous event the amendment of the legal, regulation framework and of the fiscal code in Romania existing when signing this Contract;
- k. **Financial and non-financial performance indicators** - performance indicators approved by the general meeting of shareholders, different from the ones approved for the executive administrators.
- l. **Legal Framework** - includes all the laws, regulations, decrees and any other applicable regulatory acts, issued by the national, international, regional, local public authorities or by other governmental authorities, here-included those applicable, given that the Company is listed at the Bucharest Stock Exchange.

IV. Scope of the Contract

Art. 3. By this Contract of Mandate, the Administrator is empowered to adopt, together with the other directors, all the measures needed to manage the *Company*, in accordance with the applicable legal framework in force and the Articles of Incorporation of the Company and of this Contract of Mandate, within the line of business of the *Company* and in compliance with exclusive powers reserved by Law no. 31/1990, EGO no. 109/2011, Law no. 297/2004, Law no. 24/2017 and the Articles of Incorporation, the Board of Administration, the Chairman of the Board of Administration and the General Meeting of Shareholders.

Art. 4. In order to fulfill the object of this Contract of Mandate, the Administrator will perform all documents necessary for the administration of the Company's goods in its interests, for the achievement of the core business and will exercise the attributions set for him by the Articles of incorporation and this Contract of Mandate.

Art. 5. The place where the Administrator shall fulfill the mandate is the registered office of the Company, mentioned in art. 1 of this Contract or the place where he operates as representative of the *Company*. The place of fulfilling the Mandate can be changed by the *Company and can be settled either at the headquarters of the Company's branches, or in another location established by the Company*. The decision related to the change of the place where the mandate shall be fulfilled will be communicated by the *Company*.

V. DURATION OF THE CONTRACT OF MANDATE

Art. 6. The Contract of Mandate shall be concluded for the period starting from 30.09.2019, up to 21.08.2022 (for the period of mandate until the date of the OGMS meeting convened for the election of a new member of the Board of Administration. This contract is valid provided that the administrator accepts the nomination.

VI. OBLIGATIONS OF THE ADMINISTRATOR

Art.7. The Administrator is obliged, **together with the other members of the Board of Administration**, to exercise the following main duties:

7.1. to acquire, respect and fulfill the administration plan approved by the Board of Administrators, which includes the administration component and the management component developed by the other directors with contract of mandate in order to achieve financial and non-financial performance indicators approved by the OGMS, together with the other administrators;

7.2. to acquire and achieve financial and non-financial performance indicators grounded on the administration plan and the letter of expectations and approved by the OGMS;

7.3. to determine the main lines of activity and approve the development strategy of the *Company*;

7.4. to constitute, without limitation, the advisory committees responsible for conducting investigations and making recommendations to the Board, as well as the nomination and remuneration committee and the audit committee, according to legal provisions in force;

7.5. to set the accounting policies and the financial control system, as well as the approval of the financial planning, as the case may be;

7.6. to approve the annual procurement program, approve/ endorse the minutes on the results of the Company's property inventory/public property of the state. (art 20 para. (1), letter o of the Articles of Incorporation);

7.7. to approve proposals for overall strategy development, refurbishment, modernization, economic and financial restructuring (Article 20 para. (1), letter u) of the Articles of Incorporation);

7.8. to approve the Collective Labor Agreement at company level (Article 20 para. (1) letter g) Articles of Incorporation);

7.9. to conclude legal acts in the name and on behalf of the *Company* in order to acquire goods for the company or to dispose, lease, change or constitute under warranty goods in the *Company's* patrimony, whose value exceeds half of the accounting value of the *Company's* assets at the conclusion of the legal act, only with the approval of the Extraordinary General Meeting of Shareholders (Article 20 para. (1), letter c of the Articles of Incorporation);

7.10. to approve the organizational structure and the personnel structure related thereof, the internal rules of organization and functioning of the *Company* (Article 20, para. (1) letter h) of the Articles of Incorporation);

7.11. to delegate the management of the *Company* to one or more directors, appointing one of them Director General, select, appoint and dismiss directors and the director general and to set their remuneration on the recommendation of the Nomination and Remuneration Committee;

7.12. to assess, on a quarterly basis, the activity of the directors with contract of mandate, both in terms of mandate contract performance, as well as in terms of compliance with and implementation of the management component included in the Administration plan;

7.13. to approve the Rules of organization and functioning of the Board of Administration;

7.14. to establish the tasks delegated in the competence of the executive management of the *Company*, respectively the Director General and other directors appointed on mandate to carry out operations of the *Company*;

7.15. to approve the conclusion of any contracts for which he has not empowered the Director General and the other directors within the limits provided by the Articles of Incorporation;

7.16. to issue an annual report on the business of the *Company* in compliance with art. 56 of EGO no. 109/2011;

7.17. to summon/or, as the case may be, to approve the convening of the General Meeting of Shareholders, to participate in the meetings of the General Meeting of Shareholders and to implement/to bring into effect the decisions of the General Meeting of Shareholders, to inform the shareholders regarding any action or event that might have a significant impact upon the situation of the *Company*;

7.18. to present, annually, to the General Meeting of Shareholders of the *Company*, within the period prescribed by the legislation in the field, the report on the business of the *Company*, the annual financial statements, including balance sheet and profit and loss account, to make recommendations on the allocation of profit and endorse the draft of the Revenues and Expenditure Budget of the *Company*;

7.19. to approve, within 90 days of the appointment of directors/director general the management component of the administration plan developed by them/him;

7.20. to settle the current bank borrowing level, of the short-term and medium-term trade credits and to approve the issuance/establishment of guarantees, according to the Articles of Incorporation;

7.21. to introduce, where appropriate, the request to open insolvency proceedings of the *Company*, according to the law;

- 7.22. to propose to the General Meeting of Shareholders of the *Company* augmentation of the share capital if the measure is necessary to provide business operation, establishment/dissolution of new units/subunits, mergers, demergers and the establishment of legal entities, with or without legal personality, in association with other people in the country/abroad;
- 7.23. to exercise the duties that had been delegated by the General Meeting of Shareholders of the *Company* according to Law. 31/1990 and any other functions provided by the legal framework or the Articles of Incorporation in his task;
- 7.24. to present, on a quarterly basis, within the Ordinary General Meeting of Shareholders, a report on the administration activity including also information referring to the execution of the contracts of mandate of the directors, details regarding the operational activities, financial records of the *Company* and the quarterly financial reports thereof.
- 7.25. to approve the level of professional liability insurance for the director general and the other directors appointed with mandate, if applicable, under the law;
- 7.26. to adopt, within 90 days of the appointment of administrators, a Code of ethics, to be published, by the courtesy of the Chairman of the Board of Administration, on the website of the *Company* and shall be reviewed annually if necessary, with the approval of the internal auditor, being republished;
- 7.27. to assign the time, knowledge and effort necessary to perform the tasks specific to the position of non-executive member of the Board of Administrators of the *Company*;
- 7.28. to attend the meetings of the Board of Administration and analyze/review the documents and information required to contribute actively to the discussions of the board and participate actively in the annual evaluation exercise of the Board of Administration;
- 7.29. to treat all shareholders equally and not take any special obligations to a shareholder or another about the *Company's* business;
- 7.30. to comply with the laws and regulations of the capital market on the status of inside information.

Art. 8. The administrator is, also, bound to:

- 8.1. not be related to the *Company* by an employment contract;
- 8.2. adopt all necessary measures to protect the *Company's* assets;
- 8.3. not conclude legal agreements with the *Company*, but on terms established by law;
- 8.4. ensure that the financial information produced by the *Company* is accurate and that financial control systems and of risk management are effective.

Art.9. The Administrator undertakes, together with the other administrators, to carry out the administration plan and the decisions of the GMS.

Art.10. The Administrator, together with the other administrators shall convene the General Meeting of Shareholders to approve any transaction, whether it occurs, individually or in a series of transactions, to have a value higher than 10% of the net asset value of the *Company* or higher than 10% of the turnover of the *Company* according to the latest audited financial statements, with the administrators or directors, employees, shareholders who own the company or with a company controlled by them, as well as spouses, relatives or in-laws up the fourth degree inclusive of the persons mentioned.

Art.11. The Administrator, along with the other administrators, shall inform the shareholders within the first General Meeting of Shareholders following the completion of the legal act, of any transactions concluded by the *Company* with:

- a) the persons referred to in art. 10, if the value of the transaction is below 10% of the net assets of the *Company* or higher than 10% of the turnover of the *Company* according to the latest audited financial statements;
- b) another company or public authority guardianship, if the transaction has a value, individually or in a series of transactions, of at least the equivalent of 100,000 EUR in RON.

Art.12. The Administrator, along with the other administrators, is obliged to submit the general meeting of shareholders in the half yearly and annual reports, in a separate chapter, the legal documents concluded under Art. 10 and Art. 11 stating the following: the parties that concluded the legal document, the closing date and nature of the act, description of the subject matter, the total value of the legal act, mutual claims, securities, terms and payment methods and any other essential information and material related to the respective legal acts, as well as any information necessary to determine the effects of those legal documents on the financial situation of the *Company*.

VII. Rights of the Administrator

Art.13. "The Administrator benefits from a monthly fixed gross allowance for the execution of the entrusted mandate in amount of 13,022 RON, equal with two times the average over the last 12 months of the monthly gross average earnings for the activity performed according to the core business registered by the *Company* (NACE Code 49), 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, according to the OGMS Resolution no. 5/22.08.2018, respectively the same amount approved by the OGMS for the other administrators.

Art.14. The payment of the remuneration is made once a month, namely on the 26th of the current month, regardless of the number of meetings per month for which the payment is made.

Art.15. The administrator also benefits by the payment of a **variable component**.

The variable component is determined and awarded according to the fulfillment of the objectives included in the administration plan and to the financial and non-financial performance indicators approved by the General Meeting of Shareholders Resolution no. 7/18.12.2018.

a) the financial and non-financial performance indicators for the administrators of the Company

15.1. The financial and non-financial performance indicators (KPIs) for the Company Administrators approved pursuant to the OGMS Resolution no. 7/18.12.2018, calculated in correlation with the amended Revenues and Expenditure Budget for 2018 and the Administration plan for the period 2018 - 2022 are provided in **Annex 1** to this Contract - **Financial and non-financial key performance indicators of the administrators** and will be the basis of the settlement and award of the variable component of the remuneration of the administrators all along the performance of the contract of mandate.

15.2. The performance indicators, the targets and degree of achievement thereof may be amended under the law and by the observance of the procedures provided for the approval thereof.

b) The variable component of the administrators' remuneration

15.3. The administrator benefits from a variable component of the remuneration in amount of 12 monthly fixed gross allowances, awarded under the law, respectively by the observance of the Revenues and Expenditure Budget approved in compliance with the applicable legal provisions in force and by the observance of the methodology established at Art. 15.5. to this Contract of Mandate.

15.4. The payment of the variable component will be made annually, in no more than 15 days as of the approval within the OGMS of the annual financial statements audited in compliance with IFRS and the presentation of the annual report of the Nomination and Remuneration Consultative Committee regarding the total degree of achievement of the financial and non-financial performance indicators approved pursuant to the OGMS Resolution no. 7/18.12.2018.

15.5. The means of calculation and awarding of the variable component of the administrators

The variable component = The value of the variable component set pursuant by the contract of mandate x Total Degree of achievement of the key performance indicators (KPIs).

Total Degree of achievement of the key performance indicators (TD_{KPI}) is the amount of the degree of achievement of every KPI (DA_{KPI}) weighted by the weighting coefficient (W_{KPI}) related to every KPI.

The calculation formula is the following:

$$GT_{ICP} = \sum_{i=1}^n GI_{iICP} \times W_{iICP}$$

where:

GT_{ICP} = Total annual degree of achievement of the KPI

W_{ICP} = Weighting Coefficient (weight) for every KPI

GI_{ICP} = Degree of achievement of the individual KPI

I_i = individual indicator (Degree of Achievement %)

The degree of achievement of every KPI (TD_{KPI}) is the degree of achievement of every KPI, considering the means of calculation provided at every KPI, subsequently weighted by the weighting coefficient (W_{i KPI}) related to each KPI.

The variable component of the remuneration due to the administrators will be directly proportional to the TD_{KPI} for the corresponding financial year or part of the corresponding financial year.

Also, in case that:

- TD_{KPI} ≥ 100%, the variable component of the remuneration is being awarded in amount of 12 monthly gross fixed allowances
- 80% ≤ TD_{KPI} < 100%, the variable component of the remuneration is being awarded proportionally
- TD_{ICP} < 80%, the variable component of the remuneration is not being paid.

15.6. The administrator together with the other members of the Board of Administration has the obligation to monitor the framing, within the limits mentioned in the Administration Plan, of the key performance indicators approved by the OGMS.

15.7. The administrator, together with the other members of the Board of Administration, has the obligation to prepare and submit to the OGMS an Annual Report regarding the monitoring activity mentioned at item 15.6. above, within the GMS for approval of the audited annual financial statements.

15.8. The failure to fulfill/the inappropriate fulfillment, due to the fault of the Administrator, of the obligations set at items 15.6 and 15.7 of this Contract of Mandate, falls under his liability.

15.9. In case of situations which may change significantly the results and sustainability, on the medium and long term, or if the payment of the variable component of the remuneration jeopardizes the capitalization of the public enterprise, this being entitled not to pay the calculated portion related to the previous years.

15.10. In case where all or part of the variable component is granted based on the data which subsequently prove to be inaccurate, the *Company* is obliged to ask for that portion of the variable component to be returned.

Art.16. To participate in a training program lasting at least a week/year, to have training sessions on corporate governance, legal and any other areas chosen by the shareholders on the *Company's* costs;

Art. 17. The company is committed to the Administrator to:

- a) reimbursement of expenses related to implementation of the mandate, based on supporting documents, in the same amount corresponding to the position of director general, such as, but not limited to: costs of accommodation, daily allowance, transportation and any other expenses related to the execution of the mandate and whether they were caused by journeys in the country or abroad;
- b) supply of equipment intended for logistical support needed to meet more effectively the duties and obligations in a proper and safe manner; if this happens, the Administrator undertakes to use such equipment as instructed by the *Company*.

Art.18. The administrator will benefit from an insurance policy type “directors & officers’ liability”. The *Company* shall bear and pay the cost of the insurance premiums.

Art.19. The administrator can benefit, along with other administrators, under the law, from specialized assistance to substantiate/ motivate decisions taken in the Board of Administrators, as well as legal assistance when formulating action claim by a third party against the Administrator in connection with performance of duties under this Contract of mandate, Articles of Incorporation, ROF, BoA or Legal Frame.

VIII. Rights of the Company

Art.20. The *Company* has the right to require the Administrator to exercise his mandate in the sole interest of the *Company* and to hold him accountable for the way he exercises this right.

IX. Obligations of the Company

Art. 21. The *Company* undertakes to pay all entitlements due to the administrator under this Contract of Mandate, including withholding and transfer in time the income tax and all other mandatory contributions, fiscal or of any other nature, which fall under the responsibility of the administrator, in his name and on his behalf.

Art.22. The company undertakes to provide full freedom to the administrator to fulfill the mandate/responsibilities/obligations, within the limits laid down in the Articles of Incorporation, this Contract of Mandate and applicable legal framework, as set out in Art. 3, art. 4 Art. 7 and art. 8 of the Contract of Mandate.

X. Liability of the parties

Art.23. The failure to perform and/or improper performance of the obligations undertaken by any of the signing parties of the Contract of Mandate herein shall incur the civil and contractual liability of the defaulting party, under the law.

Art.24. The party causing the termination of the Contract herein, under Art.25, is liable towards the other party by covering all the damages generated by the termination of the Contract of Mandate.

Art.25. The administrator is liable for any damage suffered by the *Company* as a result of default by the Administrator of the duties and obligations provided by the Contract of Mandate, the Articles of Incorporation, ROF, BoA, resolutions of the OGMS or legal Framework, in accordance with applicable legal provisions, as well as for failure of the administration plan in order to achieve the objectives contained therein and the financial and non-financial performance indicators.

Art.26. The administrator is not bound for prudence or care and shall not be liable if, when a business decision is made, he/she has reasonable reasons to consider that he/she acts in the interest of the *Company* and based on adequate information, and if a force majeure event does not occur, as defined by Art.2, letter j).

Art. 27. The *Company* is liable for the wrongful failure to perform the obligations undertaken by the Contract herein and shall cover the caused damages.

XI. Loyalty Confidentiality. Non-competition

Under this Contract, the Administrator is bound to:

Art.28. exercise his mandate with loyalty, prudence and diligence of a good administrator, always operating in the interests of the Company and the standards of care expected of a professional who provides services related to a non-executive position within the Board of Administrators of some companies having a core business identical or similar to that of the Company; The administrator does not infringe the obligation laid down above where, in making a business decision, he is reasonably entitled to consider (i) acting in the interests of the Company and (ii) deciding on the basis of adequate information.

Art. 29. a) keep confidential information and business secrets of the *Company*, to which had access through the documents submitted to the Board of Administrators, except where such use is required by law or necessary in relation to public authorities and/or participation of the Administrator in any dispute which concerns the *Company's* business;

b) use all confidential information on the *Company*, acquired during his appointment, except for information that is publicly available (not to be the result of unlawful acts, omissions or similar actions by the Administrator), only to fulfill tasks related to his position of non-executive administrator. The Administrator will not use this information for his own benefit, either directly or indirectly or for third parties. The Administrator will not disclose such information to any third party, unless it must do so in accordance with the legal framework and this Contract of mandate. This obligation applies during this contract of mandate and after its termination for a period of five (5) years (according to Article 19, para. (27) of the Articles of Incorporation);

c) not use in their own interest and not disclose any information to any unauthorized person by confidential nature or secret about the Company's business. In this regard, the Administrator undertakes to respect the confidentiality rules set out in Annex 1 to this Contract of Mandate;

d) operate so as to protect the image of the *Company*; to withhold public and free of even confidential information other than those which became public in any other way, on the *Company* or its business, likely to confuse and/or mislead the public, counterparties, persons involved in the Company's business and create a disadvantage thereof.

Art.30. a) avoid conflicts of interest concerning the *Company*, to inform the Board of Administration as soon as such a situation occurs and to refrain from participating in the deliberations and taking any decisions; the same shall apply if the person concerned is the husband/wife, relatives and in-laws up to the fourth degree inclusive of the Administrator;

- b) not use commercially, for himself or for another, the results of trials conducted by the Company alone or in partnership with entities that engage in business and enhancement of the scope of the *Company* or other classified information in relation thereto (the know-how or the like);
- c) not use the Company name for their own interest or the interest of another person;
- d) not seek or accept a business directly or indirectly linked to competing products with the ones of the Company from any of its customers wherever they are located.

Art. 31. a) during his mandate in the Company he will not: (i) acquire stakes that allow exercising control of a company from the same activity or a similar activity with the one of the Company or having commercial relations regularly with the Company, or (ii) act as an administrator, director, member of the managing board, auditor, censor, employee, agent or representative of a company that is a competitor of the Company or (iii) benefit in any way, in his own interest or in the interest of a third party who has the same core business or a similar object of activity to that of the company, similar services as those provided for the benefit of the Company;

b) while exercising his mandate with the Company, the Administrator undertakes not to take part in acts of unfair competition, either directly or indirectly, on their own behalf or on behalf of or for the benefit of a third party, inclusive of but not limited to the determination or attempt to cause any employee, consultant, supplier, buyer or independent contractor of the Company to terminate the relationship with the Company;

XII. FORCE MAJEURE

Art. 32. The parties are exempted from liability in case of force majeure, as it is defined in art. 2 letter h) of the present Contract of Mandate.

Art. 33. In case of force majeure, the parties will make joint efforts to mitigate any damage that may result from the occurrence of such cases.

Art. 34. The parties undertake also to inform each other, in writing, no later than five (5) days after the intervention of any force majeure and generally keep each other informed and timely on possible impediments likely to lead to difficulties in achieving the object of this Contract of Mandate.

XIII. DURATION OF THE CONTRACT OF MANDATE

Art. 35. This Contract of mandate may be amended only by written agreement of the Parties, expressed in an addendum.

Art. 36. This Contract of Mandate will be adapted according to the regulations subsequent to its conclusion and applicable thereto.

XIV. TERMINATION OF THE CONTRACT OF MANDATE

Art. 37. This Contract of Mandate terminates in the following situations:

37.1. expiry of the period for which it was concluded;

37.2. immediate revocation of the Administrator, by the General Meeting of the Shareholders for failure to comply or unjustified performance of the obligations provided by the Contract;

37.3. death of the Administrator;

37.4. insolvency or bankruptcy of the *Company*;

37.5. agreement of the Signatories;

37.6. waiver of mandate of the Administrator by reasons which cannot be attributable to him/her, by sending a notification at least 30 days before to the *Company*;

37.7. occurrence of legal impediments, as defined in Art. 2 letter f) of this Contract;

37.8. the failure to fulfill, for attributable reasons, of the financial and non-financial performance indicators, situation identified following the evaluation of the activity thereof.

37.9. breaching the integrity criteria, including those regarding the conflict of interest or/and non-compliance with the Code of ethics of the *Company*.

Art. 38. The mandate of the administrator can be revoked if there is a final judgment of a criminal conviction on (i) an offense against property by disregarding trust, a crime of corruption, embezzlement, a crime of forgery of documents, tax evasion, of an offense under Law no. 656/2002 on preventing and sanctioning money laundering, as well as on measures to prevent and combat terrorist financing, republished, (ii) an offense provided by Law 31/1990, of the companies, republished subsequent amendments and completions and Law no. 297/2004 regarding the capital market further amended and supplemented, or (iii) if there is a final criminal judgment of committing an intentional crime, under the criminal law. In these cases, removal of the mandate by the General Meeting of Shareholders shall not be deemed unjust dismissal.

Art. 39. In case the revocation occurs without reasoned cause, the administrator is entitled to pay liquidated damages, according to the Contract of Mandate.

In case of unjustified revocation, the administrator shall be entitled to receive from the *Company* a compensation equivalent to the monthly gross fixed allowance for the non performed period of the Contract of mandate, regardless the date the revocation occurs, but no more than 24 gross fixed allowances.

Where the revocation occurs in the last year of mandate, a compensation equivalent to the monthly gross fixed allowance shall be paid corresponding to the number of months remaining until the date of expiry of the term provided at art. 6 of the Contract.

Art. 40. The payment of this compensation is performed within 30 working days from the date of adoption of the revoking Decision of the GMS. This compensation represents the only form of indemnity to which the Administrator is entitled in case of undue revocation from office. In case of delay in performing this payment, the *Company* owes the Administrator penalties of 0.01% from the compensating amount for each day of delay.

In case of revocation on reasonable/justified grounds of the Administrator, the *Company* does not owe the Administrator any compensation for the non-executed period of the mandate.

Offense by the administrator of any of the acts or measures referred to in Chapter XI of this Agreement gives to the general meeting of shareholders of the *Company* the right to terminate this Contract by fault of the Administrator and the right to force the administrator to stop or remove the deed/action or consequences thereof, to return unlawfully acquired confidential documents from their legitimate holder and, where appropriate, to pay compensation for damages caused to the *Company* as required by law.

XV. Litigations

Art. 41. Any dispute arising between the Parties concerning the conclusion, performance, amendment, termination or interpretation of the provisions of this Contract of Mandate, which can not be settled amicably, shall be submitted for settlement to the competent courts of Romania.

XVI. Obligation of confidentiality between the parties

Art. 42. The parties undertake to keep confidentiality under legal and statutory provisions in force, on all data, information and documents received from the other party in the performance of this Contract of Mandate.

Art. 43. The parties may disclose information or documents relating to the performance of this Contract of Mandate for only those involved in its execution, who, in turn, are bound by the obligation not to use it for any purpose other than that related to the performance of the contract, obligation communicated to the latter by the signatories of this Contract of Mandate.

Art. 44. It is not considered obligation of confidentiality, disclosure of information in one of the following cases:

44.1. if the information were known by the party before being obtained from the other party and can prove it;

44.2. if disclosure of information was made after receiving the written consent of the other party;

44.3. if the information was known on its disclosure;

44.4. if the party disclosed the respective information to comply with legal provisions, or the courts.

XVII. Final provisions

Art.45. The administrator confirms that he meets all the requirements of the legal framework and the Articles of Incorporation to be appointed as non-executive administrator of the *Company* that is not in any event/position under Article 8 and in any of the incompatibility situations stipulated by EGO no. 109/2011 and Law no. 31/1990 or on competition laid down in Annex 2 hereto.

Art.46. This Contract is governed by and shall be construed in accordance with the Romanian law. For any matter not expressly provided in this Contract of Mandate, it will be completed by the Civil Code, the Articles of Incorporation, ROF BoA and applicable statutory provisions.

Art. 47. The Administrator agrees with processing of his personal data obtained by the *Company* from him/her (eg. data on the identity, address, occupation, personal identification number, etc.) for the purpose of or in connection with this Contract of Mandate.

Art.48. The administrator is not an employee, and this Contract of mandate is not a contract of employment.

Art.49. This Contract represents the entire agreement of the Parties and it supersedes any prior agreements, whether written or oral, between the parties relating to the subject matter hereof.

Art.50. If certain clauses of this contract of mandate come to no legal effect, validity of the remaining provisions of this contract will not be affected. In such cases, the Parties agree to renegotiate in good faith any clause which came to no legal effect, adding such clause in this contract in renegotiated terms.

Art.51. All notices/ correspondence between the Parties under this Contract of Mandate shall be made in writing and sent by fax, e-mail, registered letter or courier to the address indicated in Article 1 of this Contract of Mandate. Depending on the situation, the parties will choose in good faith and in a reasonable means of notice most appropriate from those set out in the first sentence of this article, so that notification should achieve their purpose and contribute to the fulfillment of the contractual obligations which are the responsibility of the parties.

Art. 52. If, at any time during this contract of mandate, one of the parties do not insist expressly to impose a specific provision of this Contract of Mandate, this should not be interpreted as a waiver by that party to such provision or right to enforce these provisions.

In witness thereof, we have concluded today, at in 2 (two) original counterparts, this Contract of Mandate, the parties declaring to having received, upon execution, one original counterpart.

This contract of mandate takes effect from the date of appointment of Mr. Nicușor Buică - Marian (30.09.2019) in the capacity of administrator of the company "CONPET" S.A. by OGMS Resolution no. 5 dated 30.09.2019 and up to the end of the mandate of the current Board of Administration (21.08.2022, inclusive of).

The company CONPET S.A.

By

appointed by

OGMS Resolution no. 1/05.03.2020
(Mandate order no...../.....)

Administrator

Mr. Buică Nicușor - Marian

FINANCIAL AND NON-FINANCIAL KEY PERFORMANCE INDICATORS OF THE ADMINISTRATORS:

| Crt no. | Performance indicator | Performance objective | MU | Target values | | | | KPI's weights for determining remuneration |
|---|---|--|---------------------|---|----------------------------|----------------------------|----------------------------|--|
| | | | | 2018 | 2019 | 2020 | 2021 | |
| A. FINANCIAL KEY PERFORMANCE INDICATORS: 25% | | | | | | | | |
| 1 | Outstanding payments | Level zero | thousand RON | 0 | 0 | 0 | 0 | 2% |
| 2 | The decrease of the operating expenses = (Operating expenses – Impairments of assets and provisions)/ Turnover | The maintenance of the share of expenses in the turnover at the level assumed by the Administration Plan | % | 80.8% | 82.6% | 82% | 81.5% | 81.3% |
| 3 | Adjusted EBITDA = Operating profit - write-back of the reserve out of the modernization quota + Expenses regarding the settlement of the modernization quota + Impairments of tangible and intangible assets, here included the revaluation differences). | Realization of adjusted EBITDA target assumed by the Administration Plan | thousand RON | 108,443 thousand RON | 90,316 thousand RON | 95,987 thousand RON | 98,872 thousand RON | 101,785 thousand RON |
| 4 | Labor Productivity | Realization of the labor productivity provided in the annual approved Budget | thousand RON / pers | 100% acc. to annual Budget | 100% acc. to annual Budget | 100% acc. to annual Budget | 100% acc. to annual Budget | 100% acc. to annual Budget |
| B. NON-FINANCIAL KEY PERFORMANCE INDICATORS: 75% | | | | | | | | |
| BI. OPERATIONAL: 25% | | | | | | | | |
| 5 | Framing within the specific consumptions for the crude oil transport (does not include the crude oil quantity lost during provoked breakdowns or in case of | The target value lower than the value of the maximal technological consumption, for crude oil | % | Domestic crude oil $\leq 0.361\%$ Lukoil imported crude oil $\leq 0.29\%$ Petrom imported crude oil $\leq 0.143\%$ Midia imported crude oil $\leq 0.108\%$ | | | | 3% |

| | | | | | | | | |
|---|--|---|--------|-----------------|-----------------|-----------------|-----------------|-----|
| | breakage resulting in contamination, where the owners do not have access for remedy). | | | | | | | |
| 6. | Monitoring the electricity average annual specific consumption for technological purposes | Maintenance of the annual average specific technological consumption at a level of max 3.3 Kwh/to | Kwh/to | Max. 3.3 Kwh/to | Max. 3.3 Kwh/to | Max. 3.3 Kwh/to | Max. 3.3 Kwh/to | 2% |
| 7 | Achievement of the investments financed out of the modernization quota | Min. realization 95% of the annual Investments financed out of the Modernization Quota | % | ≥95 % | ≥95 % | ≥95 % | ≥95 % | 20% |
| B2. OF CORPORATE GOVERNANCE: 50% | | | | | | | | |
| 8 | Implementation/development of the internal control management system in compliance with the legal requirements in force | 100% achievement of the actions included in the program | % | 100% | 100% | 100% | 100% | 20% |
| 9 | Duly reporting of the degree of achievement of the performance indicators of the company | Framing within the reporting deadlines | % | 100% | 100% | 100% | 100% | 20% |
| 10 | Growth of institutional integrity by inclusion of the measures to mitigate corruption as an element of the management plan | Minimum 90% achievement of the measures assumed by the approved Integrity Plan | % | ≥ 90 % | ≥90 % | ≥90 % | ≥90 % | 10% |