

Subject to endorsement in the BoD meeting dated 21.03.2022 and approval of the O.G.M.S dated 28.04.2022

**The Company CONPET S.A.**

**The Nomination and Remuneration Committee**

**No. 9954/18.03.2022**

## **ANNUAL REPORT 2021**

### **on remuneration and other benefits granted to administrators and directors with contract of mandate, during the financial year 2021 (Remuneration report)**

#### **I. Preamble**

The company CONPET S.A. was established under Law no.15/1990 on the reorganization of the economic units of state as autonomous and commercial companies, subsequent amendments and additions and the Government Decision no. 1213/1990 on the establishment of joint stock companies in the industry.

The Company CONPET SA is the operator of the Crude Oil National Transport System, as defined and regulated by the Petroleum Law no. 238/2004, subsequent amendments and additions as well as by the Rules of application of the Petroleum Law, approved by Government Decision no. 2075/2004.

The company CONPET SA is a limited liability company operating under Law no. 31/1990 regarding the companies, republished, subsequent amendments and additions as well as in accordance with the legislation on the capital market.

The present report is prepared in accordance with Art. 55 Para. (2) and (3) of Government Emergency Ordinance no. 109/2011 *on corporate governance of public enterprises*, subsequent amendments and additions (Law no. 111/2016), according to which:

The Nomination and Remuneration Committee within the Board of Directors should draft an annual report on the remuneration and other benefits granted to administrators and directors during the previous financial year, provision reflected in Art. 20 Para. (1) Letter y) of the Articles of Incorporation as a duty of the Board of Directors.

The report shall be submitted to the General Meeting of Shareholders approving the annual financial statements, is made available to the shareholders and contains the following information:

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- a) the remuneration structure, with an explanation of variable weight component and the fixed component;
  - b) the performance criteria underlying the variable remuneration component, the ratio of the performance achieved and remuneration;
  - c) considerations justifying any scheme of annual bonuses or non-cash benefits;
  - d) any supplementary pension schemes or anticipated;
  - e) information on the duration of the contract, the notice period negotiated, the amount of damage - interests for unjust dismissal.
  - f) interests for unjust revocation.

Also, this report is drawn up based on the provisions of Art. 107 of Law no. 24/2017 on issuers *of financial instruments and market operations*, according to which:

(1) The issuer shall draw up a clear and understandable remuneration report which shall provide a comprehensive overview of remuneration, including all benefits, notwithstanding the form, granted or due during the last financial year, to individual directors, including newly recruited and former directors in accordance with the remuneration policy set out in Article 106.

(2) The remuneration report shall contain, where appropriate, the following information on the remuneration of each manager:

- a) the total remuneration divided by component, the relative proportion of fixed and variable remuneration, an explanation of how the total remuneration complies with the remuneration policy adopted, including how it contributes to the long-term performance of the issuer and information on how the performance criteria have been applied;
- b) The annual amendment of the remuneration, of the issuer's performance and average remuneration based on the full-time job equivalent of the issuer's employees who have not been in management positions, during the last 5 financial years, presented together in a manner which enables comparison.
- c) any remuneration received from any entity belonging to the same group;
- d) the number of shares and options per shares granted and offered, as well as the main conditions for the exercise of the related rights, here included the strike price and date, together with any amendments thereof;
- e) information regarding the use of the possibility to recover the variable remuneration;
- f) information regarding any deviation from the procedure for the enforcement of the remuneration policy stipulated at Art. 106 para. (8) - (12) and regarding any derogation applied in compliance with

Art. 106 para (6), inclusive of the explanations regarding the nature of the exceptional circumstances and indication of the specific elements where from the derogation has been made.

## **II. Legal framework and internal framework on remuneration and other benefits granted to administrators and directors**

- **The legal framework and internal framework considered for determining the rules for remuneration of administrators and directors are as follows:**

### **A. Members of the Board of Directors**

#### ✓ *The Articles of Incorporation of the Company*

- Art. 15, Para (3), Letter b) - stipulates that the OGMS “*elects and revokes the administrators, according to the law.*”
- Art. 15, Para (3), Letter e) - stipulates that the OGMS “*sets the level of remuneration and any other amounts and benefits due to administrators for the financial year in progress [...].*”

#### ✓ *Law no. 31/1990 on the companies, republished, further amendments and completions*

- Art. 111, Para. (2), Letter c) - stipulates that the GMS is obliged “*to fix the remuneration due for the current board members, if it was not established by the Articles of Incorporation*”.
- Art. 153<sup>18</sup>, Para (1) - stipulates that “*Remuneration for the members of the Board of Directors [...] is determined by the Articles of Incorporation or by decision of the general meeting of shareholders.*”
- Art. 153<sup>18</sup>, Para (4) - stipulates that “*The General meeting, namely the Board of Directors [...] and, if the case may be, the Nomination and Remuneration Committee will make sure, when establishing remunerations or other benefits that they are justified in relation to specific duties of those persons and the economic situation of the company.*”

#### ✓ *GEO no.109/2011 on corporate governance of public enterprises, approved with amendments and completions, approved by Law no. 111/2016*

- Art. 37 Para (1) - stipulates that: “*The remuneration of the members of the Board of Directors [...] is being established by the general meeting of shareholders in the structure and within the limits provided at Para (2) and (4)*”.
- Art. 37 Para (2) - stipulates that: “*The remuneration of non-executive members of the Board of Directors [...] consists of a fixed monthly allowance and a variable component. The fix allowance may not exceed twice the average for the last 12 months of the average gross salary per month for*

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*work performed in compliance with the core business recorded by the Company at class level according to the classification of the national economy, announced by the National Statistics Institute prior appointment. The variable component is determined based on financial and non-financial performance indicators negotiated and approved by the general meeting of shareholders, other than those approved for the executives, determined in compliance with the methodology set out in Art. 3 ^ 1 Para. (5) and aimed at including long-term sustainability of the company and ensuring compliance with the principles of good governance. The quantum of the variable component of the administrators cannot exceed maximum 12 monthly fix allowances”.*

- *Art. 37 Para (4) - stipulates: “The variable component of the remuneration of the members of the Board of Directors [...] shall be revised annually, according to the level of achievement of the objectives contained in the administration plan and the achievement degree of the financial and non-financial performance indicators approved by the general meeting of shareholders, annex to the mandate contract”.*
- *Art. 37 Para (5) - stipulates that: “The General Meeting of Shareholders will ensure, when determining the fixed monthly allowance of each member of the board[...], determined under paragraph (2) and (4), that it is justified in relation to specific duties, responsibilities within some advisory committees, number of meetings, objectives and performance criteria set out in the contract of mandate. “*
- *Art. 39 Para (1) - stipulates that:  
“Remuneration and benefits provided by law or the contract of mandate to administrators and directors within the unitary system, respectively to the members of the Supervisory Board and the Executive Board, in the case of two-tier system will be recorded in the annual financial statements and annual report of the nomination and remuneration committee, the board of directors or the Supervisory Board and will include remuneration and other benefits granted by the company and by its subsidiaries.”*
- *Art. 39 Para (3) - stipulates that:  
“The policy and criteria for remuneration of administrators and directors, as regards the unitary system, namely of the members of the Supervisory Board and the Executive Board, as regards the two-tier system as well as the level of remuneration and other benefits offered to each administrator and director are made available on the internet page of the public undertaking, through the good care of the chairman of the Board of Directors or the Supervisory Board.”*

## **B. The Directors with mandate contracts**

### **✓ *The Articles of Incorporation of the Company***

- Art. 20, Para. (1), Letter l) - provides that the Board of Directors “*Appoints and revokes the director general of the company and sets remuneration thereof, remuneration whose overall limits are set by the Ordinary General Meeting of Shareholders. Sets the objectives and performance criteria for the Director General and Economic Director and regularly notes the progress of the fulfillment thereof; approves the global degree of fulfillment of the objectives and performance criteria of the Director General and Economic Director, for the previous year, correlated with the financial statements of financial year in question;*”
- Art. 15, Para (3), Letter e) - stipulates that the OGMS “*sets the remuneration level and any other amounts and advantages due to the administrators for the financial year in progress [...] as well as the general limits of the remuneration of the Director General.*”

### ***Law no. 31/1990 on the companies, republished, further amendments and completions***

- Art. 142 Para (2), Lt. c) - mentions among the core competencies of the Board of Directors, which can not be delegated to directors “*appointment and revocation of directors and determine their remuneration.*”
- Art.143, Para (1), (2), (3), (4) and (5) - stipulate that:
  - (1) *The Board of Directors may delegate the company’s management to one or more directors, appointing one of them in the capacity of Director General.*
  - (2) *Directors may be appointed from among the directors or outside the Board of Directors.*
  - (3) *If this issue is foreseen by the Articles of Incorporation or by a decision of the general meeting of shareholders, the chairman of the Board of Directors of the company may be appointed as Director General.*
  - (4) *If joint stock companies whose annual financial statements are subject to a legal obligation of financial auditing, delegating management of the company in accordance with Paragraph (1) is mandatory.*
  - (5) *According to this law, the director of the joint stock company is the only person to whom powers have been delegated by the company's management, in accordance with Paragraph (1). Any other person, regardless of the technical name of the position held within the company, is excluded from the rules of this law on joint stock company directors.*

- Art. 153 ^ 18 Para (2) - provides that “[...] *as well as remuneration of directors in the unitary system [...] are determined by the Board of Directors. The Articles of Incorporation or the General Meeting of Shareholders sets the general limits of all remuneration granted in this respect.*”
  
- ✓ ***GEO no.109/2011 on corporate governance of public enterprises, approved with amendments and completions, approved by Law no. 111/2016***
- Art. 34 Para. (2) - provides the competence of the Nomination and Remuneration Committee “*to make proposals on directors' remuneration*”.
- Art 38, Para (1) - provides that: *Remuneration of directors is set by the Board of Directors and shall not exceed the fixed remuneration set for executive members of the Board of Directors. It is the only form of remuneration for directors who also meet the quality of administrators.*
- Art 38, Para (2) - provides that: *Remuneration consists of a fixed monthly allowance established in the limits laid down in Art. 37 Para. (3), and of a variable component consisting of a share of participation in the net profits of the company, granting shares, stock options or an equivalent scheme, a pension scheme or other form of remuneration based on performance indicators.*
- Art 38, Para (3) - provides that: *Financial and non-financial performance indicators approved are elements against which is determined the variable component of remuneration for company directors.*
- Art 39, Para (1) - provides that: “*Remuneration and benefits provided by law or the contract of mandate to administrators and directors within the unitary system [...], will be recorded in the annual financial statements and annual report of the Nomination and Remuneration Committee, the Board of Directors and will include remuneration and other benefits granted by the company [...].*”
- Art. 39 Para (3) - stipulates that: (3) *Policy and criteria for the remuneration of administrators and directors for unitary system [...] as well as the level of remuneration and other benefits offered to each administrator and director are made public on the website of the public enterprise under the care of the Board of Directors or, where appropriate, the Supervisory Board .”*
  
- **OGMS Resolutions and BoD Decisions by which the members of the Board of Directors in office during 2021 were appointed and by which the contracts for their mandate were approved:**

- OGMS Resolution no. 5/22.08.2018 by which, following the completion of recruitment and selection procedure provided by GEO no. 109/2011 on corporate governance of public enterprises, approved with amendments by Law no. 111/2016, was approved the election of the members of the BoD by applying the cumulative voting method, respectively Mr. Iacob Ciprian – Constantin, Mr. Popa Claudiu– Aurelian, Mr. Gavrilă Florin – Daniel, Mr. Albulescu Mihai– Adrian, Mr. Gheorghe Cristian - Florin, Mr. Meșca Darius-Dumitru and Ms. Pavăl Karina and it is approved the form and content of the mandate contract as proposed by the majority shareholder.
- BoD Decision no. 17/04.07.2019 by which Mr. Buică Nicușor - Marian is appointed in the capacity of provisional administrator, taking into account the proposal from the shareholder DEDEMAN SRL, starting 05.07.2019 and until the OGMS meeting, on the vacancy due to waiver of office and administrator capacity of Ms. Pavăl Karina. However, through this decision, the Board of Directors approved the conclusion of the mandate contract of the provisional administrator, valid until the OGMS meeting, agreement with form and content similar to the contract approved by OGMS Resolution no. 5/22.08.2018 for the other administrators.
- Decision no. 5/30.09.2019 by which Mr. Buică Nicușor - Marian was appointed by the OGMS as administrator of the company CONPET SA and the contract of mandate thereof was approved.
- By BoD Decision no. 5/23.03.2021, the Board of Directors took note of the address received from Mr. Mesca Darius - Dumitru and registered at CONPET S.A. under no. 8119/ 08.03.2021 (brought to the attention of shareholders and investors by the company by Current report no. 8/08.03.2021 to the BSE and FSA), on the waiver of his administrator capacity pursuant to Article 37.7 of the Contract of mandate no. 33502/28.08.2018 concluded on 22.08.2018 (for reasons not attributable to the parties), supplemented by Addendum no. 1/2018, registered under no 49443/18.12.2018, the position of administrator being vacant starting 08.04.2021.
- BoD Decision no. 5/23.03.2021 by which Mrs. Kohalmi-Szabo Luminița - Doina, was appointed administrator of CONPET SA with a term of office starting 08.04.2021, until the convening of the General Ordinary Meeting of Shareholders, but no later than 07.08.2021, on the vacancy resulting from Mr. Meșca's waiver of mandate as administrator of the company. Appointment of the provisional administrator is carried out in accordance with Art. 137<sup>2</sup> Para. 1 of Law no. 31/1990 on companies, republished, with subsequent amendments and completions, Art. 19 Para. (4) of the Articles of Incorporation of CONPET SA and stood upon the conclusion of a mandate contract with the provisional administrator.

- OGMS Decision no. 2/04.08.2021 by which Mrs. Kohalmi Szabo Luminița - Doina was appointed in the capacity of provisional administrator of the Company CONPET S.A., with a term of office of 4 months, respectively as of the date of the OGMS Resolution (04.08.2021) until the date of 03.12.2021 (inclusive of) or until the completion of the recruitment and selection procedure provided for in GEO no. 109/2011 on corporate governance of public enterprises, if this takes place earlier than 4 months as of the appointment of the provisional administrator by the OGMS, and by which the contract mandate concluded thereto was approved.
- OGMS Decision no. 4/07.12.2021 by which Mrs. Kohalmi - Szabo Luminița - Doina was appointed in the capacity of provisional administrator of the Company CONPET S.A, with a term of office of 4 months as of the date of the OGMS Resolution, respectively as of 07.12.2021 until 06.04.2022 (inclusive of), or until the completion of the recruitment and selection procedure provided for in GEO no. 109/2011 on corporate governance of public enterprises, if this takes place earlier than 4 months as of the appointment by the OGMS of the provisional administrator, and by which the contract mandate concluded thereto was approved.

Note: All the members of the Board of Directors of CONPET SA are non-executive administrators.

- **The BoD Decisions by which the directors with contract of mandate in office during 2020 were appointed and by which the contracts for their mandate were approved:**

- BoD Decision no. 27/06.11.2018 by which, following the deployment of the recruitment and selection procedure of the Director General and the Financial Director (also called the Economic Director) carried out in accordance with the provisions of GEO no. 109/2011 *on the corporate governance of public enterprises*, the BoD appoints Mr. Chiș Timur – Vasile as Director General of CONPET SA and Mrs. Toader Sanda in the capacity of Economic Director of CONPET S.A., starting 07.11.2018, delegating the management of the company in accordance with the legal provisions in force, the Articles of Incorporation and the Contract of Mandate.
- BoD Decision no. 5/18.02.2019, by which, following the deployment of the recruitment and selection procedure of the Deputy Director General carried out in accordance with GEO no.109/2011 *on corporate governance of public enterprises*, the BoD appoints Mrs. Dumitrache Mihaela - Anamaria in the capacity of Deputy Director General starting 18.02.2019, delegating the management of the company in accordance with the legal provisions in force and the Contract of Mandate.



- BoD Decision no. 1/12.01.2021 which took note of the request of the General Director – Mr. Timur – Vasile Chiș, registered with the Company under no. 1106/11.01.2021, respectively, it is noted the waiver of Director General mandate entrusted by the Board of Directors, the mandate contract being terminated under the conditions of Art. 12.1. (c), with the indication that the notice period accepted by the BoD was until the end of 18.01.2021.
- BoD Decision no. 1/12.01.2021 which took note of the waiver to the Director General mandate – Mr. Chiș Timur - Vasile, entrusted by the Board of Directors (application registered with the Company under no. 1106/11.01.2021 and reported to the BSE and FSA by the Current Report no. 2/12.01.2021), the mandate contract ending under the conditions of Art. 12.1. (c), with the indication that the period of notice accepted by the BoD was until the end of 18.01.2021; at the same time, the BoD empowered Mrs. Mihaela Anamaria Dumitrache - Deputy Director General, to carry-on the attributions and responsibilities related to the Director General position (here-included the delegations awarded to him by the BoD), as of 19.01.2021, being delegated to her the company management in compliance with the legal provisions in force and the Contract of Mandate, until the appointment of a Director General.
- BoD Decision no. 3/05.02.2021, by which Mr. Tudora Dorin was appointed as provisional Director General starting 05.02.2021, until the completion of the recruitment and selection procedure of the Director General, according to the provisions of GEO no. 109/2011 on corporate governance of public enterprises, but not more than 4 months, respectively from 05.02.2021 to 04.06.2021 (inclusive of).
- BoD Decision no. 8/20.04.2021, by which, following the deployment of the procedure for the recruitment and selection of the Director General according to the provisions of GEO no. 109/2011 on corporate governance of public enterprises approved by Law no. 111/2016, subsequent amendments and completions, the BoD appointed Mr. Dorin Tudora in the capacity of Director General, with a term of office of 4 years, respectively starting 21.04.2021 until 20.04.2025 (inclusive of).

### **III. a) Remuneration structure, with an explanation of the weight of variable component and the fixed component**

During 2021:

- the administrators have received for their activity, a fixed monthly allowance in accordance with the provisions of the contract of mandate concluded with the company;

- the directors with mandate contracts have received for their activity, a fixed monthly allowance in accordance with the contract of mandate concluded with the company;
- the fixed and variable allowance for the administrators of the company and the general limits of the remuneration of directors with mandate contract were approved by the GMS;
- the fixed monthly gross allowance and the variable remuneration subcomponent for directors with mandate contract was approved by the Board of Directors;
- the variable subcomponent was granted to administrators and directors with mandate contract (Director General, Economic Director and Deputy Director General) after approval of the financial statements for the financial year ended at 31.12.2020;
- the administrators received professional liability insurance in the amount approved by the GMS;
- the directors received professional liability insurance in the amount approved by the GMS.

#### **A. Members of the Board of Directors**

The contract of mandate concluded with administrators in office during 2021, approved by the OGMS Resolution no. 5/22.08.2018 in the form and content proposed by the majority shareholder (and hence the OGMS Resolution no. 5/30.09.2019 for Mr. Buică Nicușor - Marian), provides a remuneration consisting in a monthly fixed allowance and a variable component established on financial and non-financial key performance indicators, negotiated and approved by OGMS Resolution no.7/18.12.2018, by observing the provisions of Art.153<sup>18</sup> of Law no.31/1990 of the companies and Art.37 of GEO no.109/2011.

The mandate contract concluded with the provisional administrator, Mrs. Kohalmi - Szabo Luminta - Doina, appointed by BoD Decision nr. 5/23.03.2021 and subsequently by the OGMS through OGMS Decisions no. 2/04.08.2021 and no. 3/07.12.2021 provides for a fixed gross monthly allowance for the execution of the mandate entrusted in the amount of 13,022 lei, equal to twice the average over the last 12 months of the average gross monthly salary for the activity carried out according to the company's core business (NACE code 49), at class level according to the classification of activities in the national economy, communicated by the National Institute of Statistics prior to the appointment, according to the OGMS Decision no. 5/22.08.2018, respectively the same amount approved by the OGMS for the other administrators.

#### **1. Fixed monthly allowance**

The gross fixed monthly allowance of administrators has been established according to Art. 7 of OGMS Resolution no. 5/22.08.2018. Thus, each administrator benefits from a monthly fixed gross allowance "in amount of 13,022 RON, equal to two times the average over the last 12 months of the monthly

gross average earnings for the activity performed according to the company's core business (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”.

The payment of the gross fixed monthly allowance is made once a month, namely on the 26<sup>th</sup> of the current month, regardless of the number of meetings per month for which the payment is made.

The net of the total fixed allowance paid between 01.01.2021 - 31.12.2021 to the members of the Board of Directors was of 639,175 RON.

## **2. Variable component**

According to Art. 15 of the Contract of Mandate, the administrators benefit also from the payment of a variable component of the remuneration amounting to 12 fixed monthly allowances granted under the law, respectively by the observance of the provisions of the Budget approved in accordance with the legal provisions in force and in compliance with the established methodology.

The variable component is being determined and awarded according to the fulfillment of the objectives and the financial and non-financial performance indicators approved by the General Meeting of Shareholders.

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 audited annual financial statements prepared 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 key performance indicators approved pursuant to the OGMS Resolution no. 7/18.12.2018.

The method of calculating and granting the variable component and the conditions for revision of the objectives and performance indicators were established by Addendum no. 1 to the Contract of mandate of the Administrators approved by OGMS Resolution no. 7/18.12.2018, the respective provisions being included in the contract of mandate of Buică Nicușor - Marian approved by BoD Decision no. 17/04.07.2019 (provisional administrator) and by OGMS Resolution no. 7/30.09.2019.

### **The means of calculation and awarding of the variable component of the administrators is the following:**

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

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

The calculation formula is the following:

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

where:

GT<sub>ICP</sub> = Total annual degree of achievement of the KPIs

W<sub>ICP</sub> = Weighting Coefficient (weight) for every KPIs

GI<sub>ICP</sub> = Degree of achievement of the individual KPIs

I<sub>i</sub> = individual indicator (Degree of Achievement %)

The degree of achievement of every KPI (GI<sub>ICP</sub>) is the degree of achievement of every KPI, considering the means of calculation provided at every KPI, subsequently weighted by the weighting coefficient (W<sub>i KPI</sub>) related to each KPI.

**The variable component** of the remuneration due to the administrators will be directly proportional to the

GT<sub>ICP</sub> for the corresponding financial year or part of the corresponding financial year.

Also, in case that:

- GT<sub>ICP</sub> ≥ 100%, the variable component of the remuneration is being awarded in amount of 12 monthly gross fixed allowances
- 80% ≤ GT<sub>ICP</sub> < 100%, the variable component of the remuneration is being awarded proportionally
- GT<sub>ICP</sub> < 80%, the variable component of the remuneration is not being paid.

**The variable component paid to the members of the Board of Directors for 2020** was in the total amount of 639,891 RON and was paid after approval, by OGMS Resolution no.1 dated 28.04.2021, of the granting of the variable component payable to directors for the mandate period during 2020, in accordance with the terms of the contract of mandate.

For the variable component of the board members for 2021 a provision in amount of 1,117,172 RON has been set up (with the contribution of the employer), calculated according to the number of days for the period of mandate.

The variable component for the year 2021 will be paid to the administrators after approval by the GMS of the annual financial statements, based on the fulfillment of the objectives and performance indicators thereof.

**The detailed structure of the net remuneration for each administrator** is the following:

Fixed allowance 2021

Variable remuneration due to  
2020, paid in 2021

Mr. Iacob Ciprian – Constantin	91,416 RON	91,413 RON
Mr. Popa Claudiu – Aurelian	91,416 RON	91,413 RON
Mr. Gavrilă Florin– Daniel	91,416 RON	91,413 RON
Mr. Albulescu Mihai– Adrian	91,416 RON	91,413 RON
Mr. Gheorghe Cristian– Florin	91,416 RON	91,413 RON
Mr. Meșca Darius-Dumitru	24,632 RON	91,413 RON
Mr. Buică Nicușor – Marian	91,416 RON	91,413 RON
Mrs. Kohalmi - Szabo Luminița - Doina	66,047 RON	0 RON

## **B. The Directors with mandate contracts**

The contract of mandate concluded with the Director General and the Economic Director, approved by BoD Decision no. 27/06.11.2018 and respectively concluded with the Deputy Director General, approved by BoD Decision no. 5/18.02.2019 provides, in Art. 5 of the Contract of mandate: The Director General/Economic Director/Deputy Director General benefit from **a remuneration composed of fixed gross monthly allowance** for the execution of the mandate entrusted (...) and from a **variable component of remuneration**, according to the provisions stipulated by GEO no. 109/2011 approved by Law nr. 111/2016, with subsequent amendments and completions.

### **1. Fixed monthly allowance**

The general limits of the fixed remuneration of directors with mandate contract have been set by OGMS Resolution no. 7/18.12.2018.

The fixed monthly gross allowance of the provisionally appointed Director General established by BoD Decision no. 3/05.02.2021 was in the amount of 40,416 lei, for the provisional period starting from the date of appointment.

The monthly fixed gross allowance of the Director General appointed following the deployment of the procedure for the recruitment and selection thereof established by BoD Decision no. 8/20.04.2021 is in the amount of 53,160 lei, i.e. 6 times the average for the last 12 months of the average gross monthly salary for the activity carried out according to the company's core business, at class level, according to the classification of activities in the national economy, communicated by the National Institute of Statistics prior to the appointment, with applicability starting from the date of appointment.

The monthly fixed gross allowance of the Economic Director set by BoD Decision no.33/18.12.2018, amounting to 33,680 RON, that is 5 times the average for the last 12 months of the average gross salary per month for the activity carried out according to the company's core business, at class level, according to the classification of the activities of the national economy, announced by the National Institute of Statistics prior to the appointment (NIS address no. 42779/05.11.2018), effective starting from the date of signing the addendum to the contract of mandate.

The monthly fixed gross allowance of the Deputy Director General set by BoD Decision no.5/18.02.2019, given the limits of the fixed allowance remuneration of directors with mandate contract, established by OGMS Resolution no. 7/18.12.2018, is in the amount of 35,290 RON, that is 5 times the average for the last 12 months of the average gross salary per month for the activity carried out according to the company's core business, at class level, according to the classification of the activities of the national economy, announced by the National Institute of Statistics prior to the appointment (NIS address no. 5780/12.02.2019 and calculation note no. 6359/18.02.2019 prepared by the Human Resources Department), effective starting from the date of signing the addendum to the contract of mandate.

**Total net fixed allowance paid** during the period 01.01.2021 - 31.12.2021 to the directors with mandate contract was of **842,504 RON**, as follows:

## **2. Variable component**

According to the provisions of the contract of mandate, the Director General, Deputy Director General and the Economic Director, benefit from a **variable component of remuneration** for each year of administration, granted under the law, respectively to comply with the provisions of the Revenues and Expenditure Budget approved in accordance with the legal provisions in force.

The variable component shall be granted pro-rata depending on the period of execution starting the date of appointment in the capacity of Director by the Board of Directors. It will be included in the Budget of each financial year and be paid after approval of the financial statements of the prior financial year, in relation to the fulfillment of the key performance indicators.

The variable component of the remuneration will be granted pro-rata with the period of the year employed under the contract of mandate and in case the contract of mandate ceases before the end of the financial year of an year due to one of the following clauses stipulated in art. 12.1 of the contract of mandate:

- expiry of the period for which the contract of mandate was concluded;

- waiver of mandate by the trustee, under the conditions specified in the contract of mandate and for reasons non-attributable thereof;
- agreement of the parties;
- occurrence of incompatibility or prohibition stipulated in the contract of mandate or due to an external situation of it;
- death.

Payment of the variable component is made annually, no later than 15 days from the date of approval in the OGMS of the audited annual financial statements prepared in accordance with IFRS and the presentation of the annual report of the Nomination and Remuneration Consultative Committee regarding the total degree of fulfillment of financial and non-financial key performance indicators for the company's administrators, with reference to the report of the Director General, Economic Director and Deputy Director General on the total degree of fulfillment of financial and non-financial key performance indicators approved by BoD Decision no. 33/18.12.2018.

The amount of variable component remuneration, method of calculation and the conditions for its granting according to the degree of fulfillment of financial and non-financial performance indicators, in conjunction with the general limits of the variable remuneration component approved by OGMS Resolution no. 7/18.12.2018 for directors with mandate contract (Economic Director and Deputy Director General) were established by the Board of Directors during 2019 by Addenda to the contract of mandate and respectively, they were included in the mandate contract of the Director General.

**The variable component granted to the directors with a mandate contract** (Director General, Deputy Director General and Economic Director) for 2020 was in the total net amount of 795,415 lei and was paid in 2021 after being approved by BoD Decision no. 5/23.03.2021 its granting, respectively within 15 days from the date of approval by OGMS Resolution no. 1/28.04.2021 of the audited annual financial statements and the presentation of the Annual Report of the Nomination and Remuneration Committee on the total degree of fulfillment of the KPIs, for the mandate period carried out in 2020, in accordance with the provisions of the mandate contracts.

For the variable component of the directors with contract of mandate related to 2021, a provision in amount of 1,321,960 RON gross has been set up (with the contribution of the employer), calculated according to the number of days for the period of mandate.

**The detailed structure of the net remuneration for each director with mandate contract is the following:**

	Fixed allowance 2021	Variable remuneration due to 2020, paid in 2021
Mr. CHIS Timur Vasile, Director General (01.01 - 18.01)	13,004 RON	283,720 RON
Mrs. Anamaria Dumitrache Deputy Director General	275,256 RON	275,262 RON
Mrs. TOADER Sanda Economic Director	236,616 RON	236,433 RON
Mr. TUDORA Dorin Director General (05.02 - 31.12)	317,628 RON	0 RON

**III. b) I. Financial and non-financial key performance indicators underlying the variable component of remuneration:**

According to OGMS Resolution no. 7/18.12.2018 the financial and non-financial key performance indicators of administrators were approved (KPIs) for the administrators of the company, calculated in conjunction with the Administration Plan for the period 2018-2022, which will be used for determining and granting the variable remuneration component of administrators during the execution of the contract of mandate. The performance indicators, targets and degree of achievement thereof may be amended under the law and by the observance of the procedures provided for the approval thereof.

By BoD Decision no. 33/18.12.2018 the key performance indicators (KPIs) for the Director General and the Economic Director, the targets and their weights thereof for the period 2018-2022 were approved, which constitute Annex 1 to their contract of mandate, concluding Addendum no. 1 to the contract.



By BoD Decision no. 8/19.03.2019 was approved Addendum no. 1 to the contract of mandate of the Deputy Director General, covering the financial and non-financial key performance indicators (KPIs), included in Annex no.1 thereto, and some mentions of the variable remuneration component.

By BoD Decision no. 10/09.04.2019 was approved Addendum no. 2 to the Contract of mandate of directors covering some changes/additions to the contractual provisions (limit of failing to achieve performance objectives and financial and non-financial performance indicators entitling the revocation of the mandate of directors).

By OGMS Resolution no.3/23.04.2019 were established the general limits of the variable component for the directors with mandate contract, namely the Director General, the Economic Director and the Deputy Director General according to the report of the Nomination and Remuneration Committee no.10853/19.03.2019, in total annual gross amount of maximum 5% of the annually achieved net profit, but not higher than the value of the fixed gross allowance related to the entire financial year, payable thereof, applicable starting with their nomination by the BoD, as follows:

- **Director General:** maximum 2% of the net profit annually achieved, but no more than the value of the fixed gross allowance associated to the entire financial year payable thereto.
- **Deputy Director General:** maximum 1.5% of the net profit annually achieved, but no more than the value of the fixed gross allowance associated to the entire financial year payable thereto.
- **Economic Director:** maximum 1.5% of the net profit annually achieved, but no more than the value of the fixed gross allowance associated to the entire financial year payable thereto.

By BoD decision no. 11/23.04.2019 was approved the Addendum no. 3/2019 on the contract of mandate of directors, concerning the general limits on the variable component of remuneration of directors with mandate contract in conjunction with OGMS Resolution no. 3/23.04.2019 and detailing the methodology for calculating and granting it.

By BoD Decision no.8/20.04.2021 the Director General was appointed, following the deployment of the recruitment and selection procedure according to GEO no. 109/2011 and the mandate contract was approved thereof. The provisions of the mandate contract having as object the variable component of the remuneration of the Director General were complemented by the addendum approved by BoD Decision no. 11/27.05.2021, together with the management component of the Management Plan 2018 – 2022 of CONPET S.A. and with the financial and non-financial key performance indicators (KPIs) for the period 2021 – 2025 (estimates for the period 2023 – 2025), which were constituted Annex 1 to the mandate contract of the Director General.

**Monitoring of the compliance with the limits approved by the OGMS of the financial and non-financial key performance indicators.**

On a quarterly basis, the financial and non-financial key performance indicators, both for administrators and directors with contract of mandate have been evaluated and monitored. The purpose of this quarterly assessment was to identify in advance any negative deviations from targets and to take measures in order to improve the level of the indicator.

The total and individual degree of achievement of the financial and non-financial key performance indicators was presented in the quarterly reports of monitoring the framing of the key performance indicators in the limits approved by the OGMS.

**For the administrators of the Company**

From the report of the directors with mandate contract on the fulfillment of financial and non-financial KPIs of administrators, presented to the BoD, results that in 2021 the total degree of fulfillment of key performance indicators underlying the granting of the variable component is of **102.3 %**.

In structure, the degree of achievement of KPIs in 2021 reveals the following:

Key Performance Indicators	Degree of achievement of financial and non-financial key performance indicators		
	according to the contract of mandate	Achieved year 2021	Variation
<b>A. Financial key performance indicators</b>	<b>25.0%</b>	<b>26.8%</b>	<b>+1.8 pp</b>
<b>B. Non- financial key performance indicators</b>	<b>75.0%</b>	<b>75.5%</b>	<b>+0.5 pp</b>
B1. Operational	25.0%	25.5%	+0.5 pp
B2. of Corporate Governance	50.0%	50.0%	0.0 pp
<b>Total degree of achievement of the performance indicators</b>	<b>100.0%</b>	<b>102.3%</b>	<b>+2.3 pp</b>

The total degree of achievement of the key performance indicators has been exceeded by 2.3 pp, being favorably influenced by the financial key performance indicators by 1.8 pp and by the non-financial key performance indicators by 0.5 %.

**For Directors with mandate contracts**

From the report of monitoring the achievement of financial and non-financial KPIs of directors with mandate contract, subject to approval of the BoD, results that, in 2021, the total degree of fulfillment of key performance indicators approved by BoD Decision no.33/18.12.2018, granting underlying variable component, is of **104.1 %**.

In structure, the degree of achievement of the performance indicators reveals the following:

Key Performance Indicators	Degree of achievement of key performance indicators		
	according to the contract of mandate	Achievements period 01.01.2021- 31.12.2021	Variation
A. Financial key performance indicators	50.0%	53.3%	+3.3pp
B. Non-financial key performance indicators	50.0%	50.8%	+0.8pp
B1. Operational	30.0%	30.8%	+0.8 pp
B2. of Corporate Governance	20.0%	20.0%	0.0 pp
<b>Total degree of achievement of key performance indicators:</b>	<b>100.0%</b>	<b>104.1%</b>	<b>+4.1 pp</b>

The total degree of achievement of the key performance indicators has been exceeded by 4.1 pp, being favorably influenced by the financial key performance indicators by 3.3 pp and by the non-financial key performance indicators by 0.8 %.

### **III.c) The Considerations justifying any scheme of annual bonuses or non-monetary advantages;**

The Members of the Board of Directors, the Director General, Economic Director and the Deputy Director General do not benefit from bonuses or non-cash benefits.

### **III.d) The Potential anticipated or additional Pensions Schemes;**

No anticipated and additional schemes have been established for any of the members of the Board of Directors or directors.

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

- **Duration of the contract**

#### **A. Members of the Board of Directors**

The term of office of the members of the BoD, appointed by OGMS Resolution no. 5/22.08.2018, namely: Mr. Gheorghe Cristian - Florin, Mr. Iacob Constantin– Ciprian, Mr. Popa Claudiu– Aurelian, Mr. Gavrilă Florin – Daniel, Mr. Albulescu Mihai– Adrian, Mr. Meșca Darius - Dumitru, is of 4 years, starting 22.08.2018 up to 21.08.2022 (inclusive of).

The term of office of the administrator appointed by OGMS Resolution no. 5/22.08.2018, namely Mr. Buică Nicușor – Marian is starting from the date of the OGMS resolution (30.09.2019) and up to the end of mandate of the current Board of Directors (21.08.2022, inclusive of).

The term of office of the provisional administrator appointed by BoD Decision no. 5/23.03.2021, respectively Mrs. Kohalmi - Szabo Luminița - Doina, was of 4 months (the period 08.04.2021 - 07.08.2021). The term of office of the provisional administrator, appointed by OGMS Resolution no. 2/04.08.2021, respectively Mrs. Kohalmi - Szabo Luminița - Doina, was 4 months (the period 04.08.2021 - 03.12.2021). The term of office of the provisional administrator, appointed by OGMS Resolution no. 4/07.12.2021, respectively Mrs. Kohalmi - Szabo Luminița - Doina, is from the date of the OGMS Resolution (07.12.2021) until the date of 06.04.2022 (inclusive of) or until the completion of the recruitment and selection procedure provided for in GEO no. 109/ 2011 on corporate governance of public enterprises, if this takes place earlier than 4 months as of the appointment of the provisional administrator by the OGMS.

### **B. The Directors with mandate contracts**

The term of office of Mr. Chiș Timur – Vasile – Director General and Mrs. Toader Sanda - Economic Director, appointed by BoD Decision no. 27/06.11.2019, following the procedure of recruitment and selection of the Director General and Financial Director (known as Economic Director) carried out in accordance with GEO no. 109/2011 *on corporate governance of public enterprises*, is of 4 years, namely up to 06.11.2022 (inclusive of).

Pursuant to BoD Decision no. 1/12.01.2021, the BoD took note of Mr. Chiș Timur – Vasile's waiver of Director General mandate, entrusted by the Board of Directors (application registered with the Company under no. 1106/11.01.2021 and reported to the BSE and FSA by the Current Report no. 2/12.01.2021), the mandate contract ending under the conditions of Art. 12.1. (c), with the indication that the period of notice accepted by the BoD was until the end of 18.01.2021; at the same time, the BoD empowered Mrs. Mihaela Anamaria Dumitrache - Deputy Director General, to carry-on the attributions and responsibilities related to the Director General position (here-included the delegations awarded to him by the BoD), as of 19.01.2021, being delegated to her the company management in

compliance with the legal provisions in force and the Contract of Mandate, until the appointment of a Director General.

The term of office of Mrs. Dumitrache Mihaela Anamaria - Deputy Director General, appointed by BoD Decision no. 5/18.02.2019, following the deployment of the recruitment and selection procedure of the Deputy Director General carried out in accordance with GEO 109/2011 *on corporate governance of public enterprises*, is of 4 years, namely up to 17.02.2023 (inclusive of).

Based on BoD Decision no. 3/05.02.2021, Mr. Tudora Dorin was appointed as provisional Director General starting 05.02.2021, until the completion of the recruitment and selection procedure of the Director General, according to the provisions of GEO no. 109/2011 on corporate governance of public enterprises, but not more than 4 months, respectively from 05.02.2021 to 04.06.2021 (inclusive of).

Following the deployment of the recruitment and selection procedure of the Director General according to the provisions of GEO no. 109/2011 on corporate governance of public enterprises approved by Law no. 111/2016, with subsequent amendments and completions, by BoD decision no. 8/20.04.2021, Mr. Dorin Tudora was appointed in the capacity of Director General, with a term of office of 4 years, respectively starting 21.04.2021 until 20.04.2025 (inclusive of).

- **Notice terms**

#### **A. Members of the Board of Directors**

In the contracts of mandate of the members of the BoD, Art. 37.7. is stipulated that termination of the contract of mandate of the administrator may also take place by waiver of the administrator to the mandate, by no attributable reasons to him, in which case it must provide *the Company* a notice of 30 days.

By address registered in CONPET SA under no. 21798/04.06.2019, Ms. Paval Karina notified the company about waiving the mandate of administrator from reasons not attributable to the parties, effective immediately and without requiring any other formality after the passage of 30 days provided for by Art. 37.7. from its registration in CONPET SA.

By address registered in CONPET SA under no. 8119/08.03.2021, Mr. Meșca Darius - Dumitru notified the company about waiving the mandate of administrator from reasons not attributable to the parties, effective immediately and without requiring any other formality after the passage of 30 days provided for by Art. 37.7. from its registration in CONPET SA.

### **B. The Directors with mandate contracts**

According to the contract of mandate concluded with directors, they have the right to waive mandate, with a notice of 45 (forty-five) working days for the Principal without further formalities and without the intervention of competent courts.

Concurrently, there are being provided the reversal conditions of the mandate thereof, by granting a written notice of 60 days.

By address registered in CONPET SA under no. 1106/11.01.2021, Mr. Chiș Timur - Vasile notified the company about waiving the mandate of Director General from reasons not attributable to the parties, the BoD taking notice of the latter pursuant to BoD Decision no.1/12.01.2021, respectively starting 18.01.2021 (inclusive of) established by mutual agreement.

- **Quantum of liquidated damages**

### **A. Members of the Board of Directors**

In the contracts of mandate of the BoD members, at Art. 39 is being specified: In case the revocation occurs without reasoned cause, the administrator in question is entitled to be paid 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 from the Contract of Mandate provides that: The payment of this compensation is performed within 30 working days from the date of adoption of the revoking decision of the General Meeting of Shareholders. This compensation represents the only compensation form to which the Administrator

has the right, in case of unreasonable removal from the capacity. In case of delay of performance of this payment, the Company owes the Administrator penalties of 0.01% of the compensatory amount for each day of delay.

In case of revocation due to founded/justified reasons of the Administrator, the Company does not owe him any compensation for the unperformed period of the mandate.

Starting the date of completion of the mandate contracts and up to date, no revocation of the members of the BoD took place.

### **B. The Directors with mandate contracts**

At Art. 9.3 from the contracts of mandate of directors it is stated that the party who fails to fulfill its contractual obligations partially or totally shall pay damages to the other party, whose amount will be determined based on specialist expertise.

Upon unjustified revocation of the Contract, based on a decision of the Board of Directors, granting written notice of sixty (60) working days communicated to the Trustee, he will be paid a net compensation equivalent to the value of the net fixed remuneration from the last month prior to revocation, multiplied by the number of months remaining in the term of the contract, as provided for in contracts.

Concurrently, the directors can be revoked without any damage in case it is identified the unfulfillment of the performance objectives and indicators, based on a quarterly analysis, namely an unfulfillment of the global degree thereof, as compared to the contractually established limits.

According to Addendum no. 3 dated 23.04.2019 to the contract of mandate of directors, the parties agreed that:

- the limit of failing to achieve the performance objectives and financial and non-financial indicators from Annex 1 to the Contract of mandate entitling the Principal to revoke the mandate of the Trustee by the contract, for reasons attributable to the Trustee, is of at least 25% of the overall degree of fulfillment of the indicators.
- the weights of objectives and financial and non-financial performance indicators, corresponding to the global fulfillment degree greater than or equal to 75%, does not affect the calculation for determining the variable remuneration component as approved by the Board of Directors.

### **III. f) Other information on the Mandate Contract**

The Administrators, Director General, Economic Director and Deputy Director General receive reimbursement related to execution of the mandate regarding the representation in the interest of the Principal, such as, but not limited thereto: transportation, daily allowance, accommodation costs, both in the country and abroad based on supporting documents, as well as professional liability insurance for the entire period of the mandate, its value being borne by the company.

For 2021, the company's administrators and, respectively, the directors with a mandate contract had professional civil liability insurance concluded with Asiom Vienna Insurance Group S.A. (contracts extended by Addenda until 30.09.2021 and subsequently 31.12.2021), the sources of financing necessary for the settlement of the insurance premiums for managerial liability being within the maximum cumulative limit of the annual insurance premium approved by the OGMS for administrators and respectively by the BoD for the directors with mandate contract, approved by the OGMS Resolution no. 3/23.04.2019.

The costs related to the legal civil liability insurance policy of the administrators in aggregate were borne by the company, the total amount paid being 16,520 EURO (installment 3 - 3,550 Euro, installment 4 - 3,550 Euro, September - 1,500 Euro and October - December 2021 - 7,920 Euro).

The costs related to the legal civil liability insurance policy of the directors with mandate contracts in aggregate were borne by the company, the total amount paid being 14,000 EURO (installment 3 - 3,050 Euro, installment 4 - 3,050 Euro, September - 1,300 Euro and October - December 2021 - 6,600 Euro). By OGMS Resolution nr. 3/09.11.2021 for 2022 it was approved the conclusion of a single insurance policy for the company's administrators and directors with a mandate contract, with the minimum insured amount (compensation limit) of 12,000,000 Euro, in aggregate, and the maximum limit of the annual insurance premium of 34,000 Euro/year.

#### **IV. Information included in the Remuneration Report, structured given the provisions of Art. 107 of Law no. 24/ 2017:**

a) The structure of the remuneration of the company's management for the year 2021 - the administrators and directors with mandate contract.



<b>Name and Surname</b>	<b>Total remuneration divided by components, paid in 2021</b>	<b>Relative proportion of the fixed remuneration</b>	<b>Relative proportion of the variable remuneration</b>
Chiș Timur - Vasile Director General Period November 2018 - January 2021	Total 507,221 RON, o/w: 22,229 RON fixed component (for the period 01.01 – 18.01.2021 inclusive of) and 484,992 variable component related to 2020. The variable component which is to be paid in 2022 for the year 2021 is 22,229 RON.	4.38%	95.62%
TOADER Sanda Economic Director Period November 2018 - November 2022	Total 808,320 RON, o/w: 404,160 RON fixed component and 404,160 RON variable component related to 2020. The variable component which is to be paid in 2022 for the year 2021 is 404,160 RON.	50%	50%
DUMITRACHE Mihaela - Anamaria Deputy Director General Period February 2019 - February 2023	Total 846,960 RON, o/w: 423,480 RON fixed component and 423,480 RON variable component related to 2020. The variable component which is to be paid in 2022 for the year 2021 is 423,480 RON.	50%	50%
TUDORA Dorin Director General Period April 2021 - April 2025 previously: February 2021 - April 2021 - provisional Director General	Total 542,693 RON representing fixed component. The variable component which is to be paid in 2022 for the year 2021 is 443,000 RON.	100%	-
Gheorghe Cristian - Florin Chairman of the BoD Period August 2018 - August 2022	Total 312,528 RON, o/w: 156,264 RON fixed component and 156,264 RON variable component related to 2020. The variable component which is to be paid in 2022 for the year 2021 is 156,264 RON.	50%	50%
Albulescu Mihai - Adrian BoD Member Period August 2018 - August 2022	Total 312,528 RON, o/w: 156,264 RON fixed component and 156,264 RON variable component related to 2020. The variable component which is to be paid in 2022 for the year 2021 is 156,264 RON.	50%	50%

<b>Name and Surname</b>	<b>Total remuneration divided by components, paid in 2021</b>	<b>Relative proportion of the fixed remuneration</b>	<b>Relative proportion of the variable remuneration</b>
Buică Nicușor- Marian BoD Member Period July 2019 - September 2019 provisional administrator September 2019 - August 2022	Total 312,528 RON, o/w: 156,264 RON fixed component and 156,264 RON variable component related to 2020. The variable component which is to be paid in 2022 for the year 2021 is 156,264 RON.	50%	50%
Gavrilă Florin – Daniel BoD Member Period August 2018 - August 2022	Total 312,528, o/w: 156,264 RON fixed component and 156,264 RON variable component related to 2020. The variable component which is to be paid in 2022 for the year 2021 is 156,264 RON.	50%	50%
Iacob Constantin – Ciprian BoD Member Period August 2018 - August 2022	Total 312,528, o/w: 156,264 RON fixed component and 156,264 RON variable component related to 2020. The variable component which is to be paid in 2022 for the year 2021 is 156,264 RON.	50%	50%
Popa Claudiu – Aurelian BoD Member Period August 2018 - August 2022	Total 312,528, o/w: 156,264 RON fixed component and 156,264 RON variable component related to 2020. The variable component which is to be paid in 2022 for the year 2021 is 156,264 RON.	50%	50%
Meșca Darius-Dumitru BoD Member Period August 2018 - April 2021	Total 198,368 RON, o/w: 42,104 RON fixed component and 156,264 RON variable component related to 2020. The variable component which is to be paid in 2022 for the year 2021 is 42,104 RON.	21.23%	78.77%
Kohalmi - Szabo Luminița - Doina BoD Member Period April 2021 - April 2022, except for 04 – 06 December 2021	Total 112,900 RON, representing fixed component of the remuneration	100%	-

b. The annual amendment of the remuneration, of the issuer's performance and average remuneration based on the full-time job equivalent of the issuer's employees who have not been in management positions, during the last 5 financial years, presented together in a manner which enables comparison.

	Annual amendment Financial year 2021/2020		Annual amendment Financial year 2020/2019		Annual amendment Financial year 2019/2018		Annual amendment Financial year 2018/2017		Annual amendment Financial year 2017	
	Fixed Remuneration As per the contract of mandate	Variable remuneration as per the contract of mandate	Fixed Remuneration As per the contract of mandate	Variable remuneration as per the contract of mandate	Fixed Remuneration As per the contract of mandate	Variable remuneration as per the contract of mandate	Fixed Remuneration As per the contract of mandate	Variable remuneration as per the contract of mandate	Fixed Remuneration as per the contract of mandate	Variable remuneration as per the contract of mandate
<b>Directors with mandate contracts</b>										
Ilași Liviu Director General 06.12.2013 – 05.12.2017	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	30,301 RON monthly fixed gross remuneration, where have been included all social contributions in amount of 5,029 RON.	727,227 RON where have been included all social contributions in amount of 120,700 RON.
BACIU SILVIU Provisional Director General 06.12.2017 – 06.11.2018	n/a	n/a	n/a	n/a	n/a	n/a	36,884 RON monthly fixed gross remuneration, up to 05.10.2018 39,900 RON as of 06.10.2018	n/a	36,884 RON monthly fixed gross remuneration, where have been included all social contributions in amount 6,122 RON.	n/a
Chiș Timur - Vasile Director General Until January 2021	n/a	n/a	n/a	n/a	n/a	n/a	33,000 RON monthly fixed gross remuneration, up to 09.11.2018, respectively 40,416 RON as of	484,992 RON	n/a	n/a

	Annual amendment Financial year 2021/2020		Annual amendment Financial year 2020/2019		Annual amendment Financial year 2019/2018		Annual amendment Financial year 2018/2017		Annual amendment Financial year 2017	
	Fixed Remuneration As per the contract of mandate	Variable remuneration as per the contract of mandate	Fixed Remuneration As per the contract of mandate	Variable remuneration as per the contract of mandate	Fixed Remuneration As per the contract of mandate	Variable remuneration as per the contract of mandate	Fixed Remuneration As per the contract of mandate	Variable remuneration as per the contract of mandate	Fixed Remuneration as per the contract of mandate	Variable remuneration as per the contract of mandate
							18.12.2018, subsequently left unamended.			
TOADER Sanda  Economic Director	n/a	n/a	n/a	n/a	n/a	n/a	monthly fixed gross remuneration 27,000 RON dated 09.11.2018, respectively 33,680 RON from 18.12.2018, subsequently left unamended.	404,160 RON	n/a	n/a
DUMITRACHE Mihaela - Anamaria  Deputy Director General	n/a	n/a	n/a	n/a	Monthly fixed gross remuneratio n 35,290 RON dated 18.02.2019, subsequently left unamended.	423,480 RON	n/a	n/a	n/a	n/a
TUDORA Dorin	Fixed gross remuneration	637,920 RON	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

	Annual amendment Financial year 2021/2020		Annual amendment Financial year 2020/2019		Annual amendment Financial year 2019/2018		Annual amendment Financial year 2018/2017		Annual amendment Financial year 2017	
	Fixed Remuneration As per the contract of mandate	Variable remuneration as per the contract of mandate	Fixed Remuneration As per the contract of mandate	Variable remuneration as per the contract of mandate	Fixed Remuneration As per the contract of mandate	Variable remuneration as per the contract of mandate	Fixed Remuneration As per the contract of mandate	Variable remuneration as per the contract of mandate	Fixed Remuneration as per the contract of mandate	Variable remuneration as per the contract of mandate
Director General as of February 2021	40,416 RON dated 05.02.2021 as provisional Director General. Fixed gross remuneration 53,160 RON dated 21.04.2021, subsequently left unamended.									
<b>The Board of Directors</b>										
Weiler Dan Chairman of the BoD	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	5,012 RON monthly fixed gross remuneration, where have been included all social contributions in amount of 832 RON.	120,284 RON where have been included all social contributions in amount of 19,964 RON.
Chiriac Cristiana BoD Member	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	5,012 RON monthly fixed gross remuneration, where have	120,284 RON where have been included all social

	Annual amendment Financial year 2021/2020		Annual amendment Financial year 2020/2019		Annual amendment Financial year 2019/2018		Annual amendment Financial year 2018/2017		Annual amendment Financial year 2017	
	Fixed Remuneration As per the contract of mandate	Variable remuneration as per the contract of mandate	Fixed Remuneration As per the contract of mandate	Variable remuneration as per the contract of mandate	Fixed Remuneration As per the contract of mandate	Variable remuneration as per the contract of mandate	Fixed Remuneration As per the contract of mandate	Variable remuneration as per the contract of mandate	Fixed Remuneration as per the contract of mandate	Variable remuneration as per the contract of mandate
									been included all social contributions in amount of 832 RON.	contributions in amount of 19,964 RON.
Bugică Radu BoD Member	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	5,012 RON monthly fixed gross remuneration, where have been included all social contributions in amount of 832 RON until the date of 27.11.2017 and 12,314 RON dated 28.11.2017 monthly fixed gross allowance, where have been included all the social contributions in amount of 2,104 RON, priory left unamended.	120,284 RON where have been included all social contributions in amount of 19,964 RON.

	Annual amendment Financial year 2021/2020		Annual amendment Financial year 2020/2019		Annual amendment Financial year 2019/2018		Annual amendment Financial year 2018/2017		Annual amendment Financial year 2017	
	Fixed Remuneration As per the contract of mandate	Variable remuneration as per the contract of mandate	Fixed Remuneration As per the contract of mandate	Variable remuneration as per the contract of mandate	Fixed Remuneration As per the contract of mandate	Variable remuneration as per the contract of mandate	Fixed Remuneration As per the contract of mandate	Variable remuneration as per the contract of mandate	Fixed Remuneration as per the contract of mandate	Variable remuneration as per the contract of mandate
Gheorghe Roxana Elena  BoD Member	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	5,012 RON monthly fixed gross remuneration, where have been included all social contributions in amount of 832 RON.	120,284 RON where have been included all social contributions in amount of 19,964 RON.
Lefter Razvan Stefan  BoD Member	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	5,012 RON monthly fixed gross remuneration, where have been included all social contributions in amount of 832 RON until the date of 27.11.2017 and 12,314 RON dated 28.11.2017 monthly fixed gross allowance, where have been included all the social	120,284 RON where have been included all social contributions in amount of 19,964 RON.

	Annual amendment Financial year 2021/2020		Annual amendment Financial year 2020/2019		Annual amendment Financial year 2019/2018		Annual amendment Financial year 2018/2017		Annual amendment Financial year 2017	
	Fixed Remuneration As per the contract of mandate	Variable remuneration as per the contract of mandate	Fixed Remuneration As per the contract of mandate	Variable remuneration as per the contract of mandate	Fixed Remuneration As per the contract of mandate	Variable remuneration as per the contract of mandate	Fixed Remuneration As per the contract of mandate	Variable remuneration as per the contract of mandate	Fixed Remuneration as per the contract of mandate	Variable remuneration as per the contract of mandate
									contributions in amount of 2,104 RON, priority left unamended.	
Văduva Constantin BoD Member	n/a	n/a	n/a	n/a	n/a	n/a	Monthly fixed gross remuneration 12,754 RON dated 17.05.2018, subsequently left unamended.	n/a	12,314 RON monthly fixed gross remuneration, where have been included all social contributions in amount of 2,104 RON	n/a
Stan – Olteanu Manuela Petronela BoD Member	n/a	n/a	n/a	n/a	n/a	n/a	Monthly fixed gross remuneration 12,754 RON dated 17.05.2018, subsequently left unamended.	n/a	12,314 RON monthly fixed gross remuneration, where have been included all social contributions in amount of 2,104 RON	n/a
Spînu Antonio - Adrian BoD Member	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	12,314 RON monthly fixed gross remuneration, where have been included	n/a



	Annual amendment Financial year 2021/2020		Annual amendment Financial year 2020/2019		Annual amendment Financial year 2019/2018		Annual amendment Financial year 2018/2017		Annual amendment Financial year 2017	
	Fixed Remuneration As per the contract of mandate	Variable remuneration as per the contract of mandate	Fixed Remuneration As per the contract of mandate	Variable remuneration as per the contract of mandate	Fixed Remuneration As per the contract of mandate	Variable remuneration as per the contract of mandate	Fixed Remuneration As per the contract of mandate	Variable remuneration as per the contract of mandate	Fixed Remuneration as per the contract of mandate	Variable remuneration as per the contract of mandate
									all social contributions in amount of 2,104 RON, priority left unamended	
Matei Ion– Cristian BoD Member	n/a	n/a	n/a	n/a	n/a	n/a	Monthly fixed gross remuneration 12,314 RON dated 01.01.2018, respectively 12,754 RON from 17.05.2018, subsequently left unamended.	n/a	n/a	n/a
Ilași Liviu BoD Member	n/a	n/a	n/a	n/a	n/a	n/a	Fixed gross remuneration in amount of 12,754 from 17.05.2018	n/a	n/a	n/a
Gheorghe Cristian - Florin Chairman of the BoD	n/a	n/a	n/a	n/a	n/a	n/a	Monthly fixed gross remuneration 13,022 RON dated 22.08.2018, subsequently	156,264 RON	n/a	n/a

	Annual amendment Financial year 2021/2020		Annual amendment Financial year 2020/2019		Annual amendment Financial year 2019/2018		Annual amendment Financial year 2018/2017		Annual amendment Financial year 2017	
	Fixed Remuneration As per the contract of mandate	Variable remuneration as per the contract of mandate	Fixed Remuneration As per the contract of mandate	Variable remuneration as per the contract of mandate	Fixed Remuneration As per the contract of mandate	Variable remuneration as per the contract of mandate	Fixed Remuneration As per the contract of mandate	Variable remuneration as per the contract of mandate	Fixed Remuneration as per the contract of mandate	Variable remuneration as per the contract of mandate
							left unamended.			
Pavăl Karina  BoD Member up to 04.07.2019	n/a	n/a	n/a	n/a	n/a	n/a	Monthly fixed gross remuneration 13,022 RON dated 22.08.2018, subsequently left unamended.	156,264 RON	n/a	n/a
Albulescu Mihai - Adrian  BoD Member	n/a	n/a	n/a	n/a	n/a	n/a	Monthly fixed gross remuneration 13,022 RON dated 22.08.2018, subsequently left unamended.	156,264 RON	n/a	n/a

	Annual amendment Financial year 2021/2020		Annual amendment Financial year 2020/2019		Annual amendment Financial year 2019/2018		Annual amendment Financial year 2018/2017		Annual amendment Financial year 2017	
	Fixed Remuneration As per the contract of mandate	Variable remuneration as per the contract of mandate	Fixed Remuneration As per the contract of mandate	Variable remuneration as per the contract of mandate	Fixed Remuneration As per the contract of mandate	Variable remuneration as per the contract of mandate	Fixed Remuneration As per the contract of mandate	Variable remuneration as per the contract of mandate	Fixed Remuneration as per the contract of mandate	Variable remuneration as per the contract of mandate
Buică Nicușor- Marian BoD Member	n/a	n/a	n/a	n/a	Monthly fixed gross remuneratio n 13,022 RON dated 04.07.2019, subsequently left unamended.	156,264 RON	n/a	n/a	n/a	n/a
Gavrilă Florin – Daniel BoD Member	n/a	n/a	n/a	n/a	n/a	n/a	Monthly fixed gross remuneration 12,754 RON dated 17.05.2018 and 13,022 RON as of 22.08.2018, subsequently left unamended.	156,264	n/a	n/a
Iacob Constantin – Ciprian BoD Member	n/a	n/a	n/a	n/a	n/a	n/a	Monthly fixed gross remuneration 12,754 RON dated 17.05.2018 and 13,022 RON as of 22.08.2018,	156,264 RON	12,314 RON monthly fixed gross remuneration, where have been included all social contributions in amount of	n/a

	Annual amendment Financial year 2021/2020		Annual amendment Financial year 2020/2019		Annual amendment Financial year 2019/2018		Annual amendment Financial year 2018/2017		Annual amendment Financial year 2017	
	Fixed Remuneration As per the contract of mandate	Variable remuneration as per the contract of mandate	Fixed Remuneration As per the contract of mandate	Variable remuneration as per the contract of mandate	Fixed Remuneration As per the contract of mandate	Variable remuneration as per the contract of mandate	Fixed Remuneration As per the contract of mandate	Variable remuneration as per the contract of mandate	Fixed Remuneration as per the contract of mandate	Variable remuneration as per the contract of mandate
							subsequently left unamended.		2,104 RON dated 28.11.2017.	
Popa Claudiu – Aurelian  BoD Member	n/a	n/a	n/a	n/a	n/a	n/a	Monthly fixed gross remuneration 12,754 RON dated 17.05.2018 and 13,022 RON as of 22.08.2018, subsequently left unamended.	156,264 RON	12,314 RON monthly fixed gross remuneration, where have been included all social contributions in amount of 2,104 RON	n/a
Meșca Darius-Dumitru  BoD Member until April 2021	n/a	n/a	n/a	n/a	n/a	n/a	Monthly fixed gross remuneration 13,022 RON dated 22.08.2018, subsequently left unamended.	156,264 RON	5,012 RON monthly fixed gross remuneration, where have been included all social contributions in amount of 832 RON.	120,284 RON where have been included all social contributions in amount of 19,964 RON.
Kohalmi - Szabo Luminița - Doina  BoD Member Provisional	Monthly fixed gross remuneration 13,022 RON dated	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a



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Capital social subscris și vărsat 28 569 842,40 lei

	<b>Annual amendment Financial year 2021/2020</b>		<b>Annual amendment Financial year 2020/2019</b>		<b>Annual amendment Financial year 2019/2018</b>		<b>Annual amendment Financial year 2018/2017</b>		<b>Annual amendment Financial year 2017</b>	
	Fixed Remuneration As per the contract of mandate	Variable remuneration as per the contract of mandate	Fixed Remuneration As per the contract of mandate	Variable remuneration as per the contract of mandate	Fixed Remuneration As per the contract of mandate	Variable remuneration as per the contract of mandate	Fixed Remuneration As per the contract of mandate	Variable remuneration as per the contract of mandate	Fixed Remuneration as per the contract of mandate	Variable remuneration as per the contract of mandate
administrator since April 2021	08.04.2021, subsequently left unamended									

The variable allowance to which have been entitled the executive and non-executive members of the Board of Directors selected in compliance with GEO 109 and who had contract of mandate during 28.11.2013-27.11.2017, was constituted by the observance of the mandate contracts, of 2 subcomponents:

- the first subcomponent is awarded quarterly, at the level of the fixed allowance related to quarter if the global degree of fulfillment of the performance criteria and indicators contained in the administration/mandate contracts, recorded a value  $\geq 100\%$ . As per the contracts of mandate, where the level of the global degree of fulfillment of the performance indicators stands below 100%, subcomponent 1 is being awarded in proportion of 75% of the fixed allowance related to quarter.
- the second subcomponent is being awarded annually and is being set at a level of 0.416% (for every non-executive administrator), respectively 2.5% (for executive administrator - director general) of the amount representing the difference between the effectively achieved net profit and the estimated net profit for 2017 financial year, but no more than the value of the fixed allowance related to the entire annual financial year. Pursuant to the contracts of mandate, subcomponent 2 is being determined according to reaching objectives and fulfillment of the performance indicators....” and the payment thereof is being made following the approval of the annual financial statements.

The award of the variable component is conditioned by the fulfillment of the performance indicators and objectives.

<b>Company performance</b>					
<b>Indicators</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Adjusted EBITDA (thousand RON)	119,486	115,594	109,391	123,740	150,007
Net profit (thousand RON)	51,929	60,847	58,877	60,676	74,388
Labor Productivity (Thousand RON/person)	303	291	279	256	247
Return on Assets (%)	6.7%	8.0%	7.7%	8.1%	9.9%

<b>Average remuneration based on the full-job equivalent of the Company's employees</b>					
	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
The evolution of the gross average earnings (total salary related expenses/average number of employees)	8,518 RON	8,079 RON	7,676 RON	6,547 RON	5,314 RON*
Evolution of the salary increases	7% salary increase from 15.12.2021 set based on 2021 - 2022 Collective Labor Agreement	5% salary increase from 01.10.2020 set based on 2020 - 2021 Collective Labor Agreement	5% salary increase from 01.01.2019 set based on 2019 - 2020 Collective Labor Agreement and gross of 300 RON as of 01.10.2019	15% salary increase from 01.01.2018 set based on 2018 - 2019 Collective Labor Agreement and 3%	5.5% salary increase from 01.10.2017 set based on 2017 - 2018 Collective Labor Agreement

				increase as of 01.10.2018	
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*\*) for comparison given the entry into force as of 01.01.2018 of the GEO 79/2017, this was reinstated with all social contributions paid by the company.*

c) any remuneration received from any entity in Romania who belongs to the same group and who is controlled by the company/is affiliated to the company - not applicable

d) the number of shares and options per shares granted and offered, as well as the main conditions for the exercise of the related rights, here-included the strike price and date, together with any amendments thereof - not applicable.

e) information regarding the use of the possibility to recover the variable remuneration.

In the contracts of mandate of the Company's directors and administrators there are clauses regarding the fact that, the party who does not execute totally, or in part the contractual obligations shall pay to the other party liquidated - damages whose value shall be established based on specialized expertise.

The contracts of mandate of the administrators and directors having as annex the financial and non-financial key performance indicators (KPI) and including mentions regarding the variable component of the remuneration, here-included the limit related to the failure to achieve the performance objectives and financial and non-financial performance indicators who gives the right to the revocation of the directors' mandate, as well as the means to award the variable component of the remuneration thereof, according to the degree of fulfillment of the KPI (and the minimum threshold of the award).

f) information regarding any deviation from the procedure for the enforcement of the remuneration policy stipulated at Art. 106 para. (8) - (12) and regarding any derogation applied in compliance with Art. 106 para (6), inclusive of the explanations regarding the nature of the exceptional circumstances and indication of the specific elements where from the derogation has been made - not applicable.

The Board of Directors of the Company CONPET S.A. by the Nomination and Remuneration Committee prepared, in compliance with the remuneration policy of the administrators and directors with mandate contract approved pursuant to OGMS Resolution no. 1 dated 28.04.2021, this Annual report - the Remuneration report, which includes the remunerations and other advantages granted to the company's management during the financial year ended 31.12.2021.

The remuneration report renders an overview of the remunerations, here-included all benefits, regardless of the form, awarded or due during the last financial year, to the management members as

individuals, inclusive of those newly appointed and of the former managers, in accordance with the remuneration policy.

The remuneration report will be submitted to the consultative voting during the OGMS meeting dated 28.04.2022, will be published on the company's website and will remain disclosed to the public 10 years as of the publishing thereof, in compliance with the applicable legal provisions.

According to the provisions of art. 55, para (2) of the GEO no. 109/2011 on corporate governance of public enterprises, subsequent amendments and completions, the Nomination and Remuneration Committee within the BOD submits this report to the General Meeting of Shareholders of CONPET SA..

#### **The Nomination and Remuneration Committee**

*President*                      *Mr. Albuлесcu Mihai - Adrian*

*Members:*                      *Mr. Popa Claudiu – Aurelian*  
*Mr. Gavrilă Florin – Daniel*  
*Mr. Buică Nicușor- Marian*  
*Mrs. Kohalmi- Szabo Luminița– Doina*