

**The Board of Directors
CONPET S.A.**

**ACTIVITY REPORT
FOR THE PERIOD OF MANDATE
2018– 2022**

Report prepared in compliance with Art 29, Para. 14 of GEO no.109/2011 on the corporate governance of public enterprises, with subsequent amendments and completions

Gheorghe Cristian- Florin
Non-Executive Administrator

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1. General Information

Mandate duration	Mandate contract 22.08.2018 - 21.08.2018
Appointment act/mandate	OGMS Resolution no.5/22.08.2018 - BoD member
Capacity in the Board of Directors	Non-Executive Administrator Chairman of the Board of Directors - appointed by Decision no.20/28.08.2018
Consultative Committees within the Board of Directors to which he belongs	-

Short biography	<i>Education and training</i> 2017: Prince2 Graduate - Foundation Certificate in Project Management 2002: Diplomatic Engineer in Economic Engineering, Bioterra University - Engineering and Agrotouristic Management Faculty, Bucharest (Romania) 1993: Industrial School Group Metaloglobus Graduate, Bucharest (Romania) <i>Professional experience</i> 2021-to date: Director General, General Directorate Markets for Electricity and Natural Gas, Efficiency and Risks, Ministry of Energy 2020- 2021: Director General - Department for Energy, Ministry of Economy, Energy and Business Environment 2018- 2020: Director General, General Directorate Rich Gas and Natural Gas, Ministry of Energy. 2017: Senior Counselor, General Directorate for Energy Policies, Ministry of Energy 2018- to date: Member in the Board of Directors of the company CONPET S.A. Ploiesti, Chairman of the Board of Directors 2017- to date: Member in the Board of Directors of the company OIL TERMINAL S.A., Chairman of the Board of Directors 2018- 2020: Member in the Board of Directors – ACROPO (The Competent Authority for Regulation of Offshore Oil Operations at the Black Sea 2017: Personal advisor to the Minister of Energy - Advising the Minister on some aspects related to all activities related to energy products 2015- 2016: Member in the Board of Directors of the company OIL TERMINAL S.A., President of the Audit Committee of the company OIL TERMINAL S.A. (Coordination of the Audit Committee) Type of activity and business sector: manipulations - performing services related to the receipt, loading, unloading of crude oil, petroleum, petrochemical, chemical products as well as other finished products or liquid raw materials for import, export and transit. 2016- 2017: Director General SC BENECAR AUTO SRL. 2013- 2016: Parliamentary advisor on environmental topic – Chamber of Deputies - Deputy Remus Cernea 2014- 2016: Director General, SC AS PETROL RECYCLE S.R.L., management of the executive activity of the
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	company. Type of activity and business sector: Treatment and disposal of hazardous waste, oil residues 2008- 2014: Marketing Director SC S.C. EURO METAL TRADING S.R.L., management and coordination of activities regarding the foreign trade in ferrous waste 2006- 2008: Marketing Director SC AS METAL COM S.R.L. I.M.G.B. platform Type or sector of activity: recovery and processing of ferrous and non-ferrous waste 2004: Director General SC AVIS CONSULTING SRL Type or sector of activity: Human resources recruitment 2000- 2003: Marketing Director SC AR METAL S.R.L. Type or sector of activity: recovery and processing of ferrous and non-ferrous waste.
Documents that include assignments of the Board of Directors (BoD) and the Chairman of the BoD.	• Law no. 31/1990 on the companies, republished further amendments and completions; • GEO no.109/2011 on corporate governance of public enterprises, subsequent amendments and completions (assignments regarding reporting); • Law 24/2017 – on the issuers of financial instruments and market operations, with subsequent amendments and additions; • The Articles of Incorporation of CONPET S.A. Updated - Chapter V, Art. 19 and 20; • The concluded Mandate Contract; • Regulations for Organization and Functioning (ROF) of the BoD which contain information about: organization and functioning of the BoD; assignments of the BoD, working method, liability of directors; • Corporate Governance Regulation of CONPET S.A., containing information about: - The administration system and corporate governance structures - Organization and assignments of the General Meeting of Shareholders; - Structure of the Board of Directors;

	- Role and Liabilities of the Board of Directors - Appointment of the members of the Board of Directors; - Remuneration of the members of the Board; - Consultative Committees set up at the level of the Board of Directors; - The Director General; - Rights of shareholders; - Transparency, financial reporting, internal control and risk management - Conflict of Interest and Transactions with Involved Persons - The Regime of Corporate Information - Social and Environmental Responsibility • The Internal Rules on the Organization and Functioning of the Consultative Committees established within the Board of Directors of the company, containing information on: - Structure of the Consultative Committees - Composition of the Consultative Committee - Powers of the Consultative Committees The Consultative Committees created within the Board of Directors are responsible for the carrying out of analyses and elaboration of recommendations for the Board of Directors in specific fields, by presenting to the Board monthly reports of their activity. The Ethics Code of CONPET S.A., by which the employees know and support the ethical values and values of the entity, observe and apply the ethics, integrity regulations, avoidance of conflicts of interests, prevention and reporting of fraud, corruption acts and reporting irregularities within the Company.
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Company's organization The Board of Directors	The Company CONPET S.A is managed in unitary administration system. The current Board of Directors is composed of 7 members and was selected and appointed according to the provisions of GEO no. 109/2011 for corporate governance of public companies, subsequent amendments and completions. In order to carry out, in optimal conditions, the activity of the administrative management, at the level of the company was established the BoD and GMS Secretariat Bureau, which provides the secretariat for all the activities specific to the fulfillment of the BoD's/GMS duties, in accordance with the provisions of GEO no. 109/2011, of Law nr. 24/2017 on issuers of financial instruments and market operations and ASF Regulation no. 5/2018 with subsequent amendments and completions. The BoD activity is carried out according to the legal regulations incidental to the activity of the Company and the applicable procedures. For documentation of activities during the mandate period of the Board of Directors, the following documents are archived chronologically, according to the legal provisions in force, to the Secretariat Bureau of the BoD and the General Meeting of Shareholders: - The agenda for each of the BoD meetings - The reports of BoD meetings - Decisions of the BoD with the documents at the basis of these decisions (reports, information notices) - Reports of the Consultative Committees within the BoD - Convening Notices of the OGMS and EGMS - Reports of the OGMS and EGMS meetings. - Decisions of the OGMS and EGMS, together with the documents that were the basis for taking the decisions - Other documents/letters received by the BoD, GMS for information/analysis/disposal of measures. The entire activity I have carried out with the other administrators was under the full responsibility, professional ethics, integrity and transparency, efficiency and competitiveness, with sustainability of the activity and in agreement with the provisions of the Articles of Incorporation of the company, the Mandate Contract and the good practices of corporate governance.
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Policies and procedures regarding the organization and carrying out of the Board of Directors activities	The activity of the Board of Directors was carried out in accordance with the Articles of Incorporation, the Organization and Functioning Regulation of the BoD, the Internal Organization and Functioning Regulation of the Consultative Committees, the Applicable Legal Framework on the organization and deployment of the BoD and GMS meetings, the Corporate Governance Regulation, the Policy for the remuneration of the administrators and directors with a mandate contract of CONPET S.A. and other existing internal policies and procedures within the Company, which concerns the sponsorship policy, risk management, document archiving, dividend policy, risk management procedure, internal and external communication policy, conflict of interest management policy. While at regional, European and national level a particular emphasis is laid on the assurance of increase of transparency in business, elimination of corruption and implementation of the best practices of corporate governance in administration and management of majority state-owned companies, the Anti-Bribery Policy was developed and approved in March 2021.
Transparency	In order to ensure a correct and timely information of all the parties interested in the company's activity, the BoD has supervised the communication and public information activity, so that it is in agreement with the reporting requirements of CONPET S.A., as a company listed on the Bucharest Stock Exchange and the sole operator of transport via pipelines of crude oil, rich gas and liquid ethane. The directions pursued with priority in this respect aim at issues such as: • Permanent alignment of the web page of the company to transparency requirements and dissemination of information, imposed by the good practices of corporate governance; • Realization of public communications and financial reports compliant with the provisions of normative acts incidental to activity; • Ensuring a correct, complete, timely information and of an equal and non-discriminatory treatment in providing information to all CONPET S.A. shareholders; • Ensuring an efficient logistical support for organizing and conducting the BoD and GMS meetings;

	• Conducting the dissemination of BoD decisions in accordance with the established process procedures; • Publication, according to the legal provisions of convening notices and decisions of the General Meeting of Shareholders, of the materials for meetings of the General Meeting of Shareholders (GMS) on the website of the company; • Maintenance of a permanent communication with the top management of the company; • Improvement of internal and external relational system of the company.
The Internal Control Management System documentation, financial reporting and self-assessment of the Board of Directors	• Administration Plan of CONPET during the period 2018 – 2022. • Report on the activity of administrators elaborated according to the provisions of GEO no. 109/2011, with subsequent amendments and completions, as follows: - quarterly – presented to the OGMS to take note of the activity of the administrators - annually – subject to the approval of the OGMS once the annual financial statements are approved and the management discharge of the administrators - performance indicators report - quarterly, half-yearly, annual financial reports according to IFRS-EU - Report of the statutory auditor - Management statement on financial statements - Assessment report according to the Internal Management Control System - Statement on the Conformity with the Provisions of the Corporate Governance Code issued by the Bucharest Stock Exchange • Declaration of accession to the National Anti corruption Strategy for the period 2016 - 2020 • Statement regarding the assumption of the organizational integrity agenda in the coordinates of the National Anti corruption Strategy 2021 - 2025.

COMPANY'S OVERVIEW

CONPET is operator of the Crude oil National Transport System via pipelines The company is listed at the Bucharest Stock Exchange, under COTE symbol.

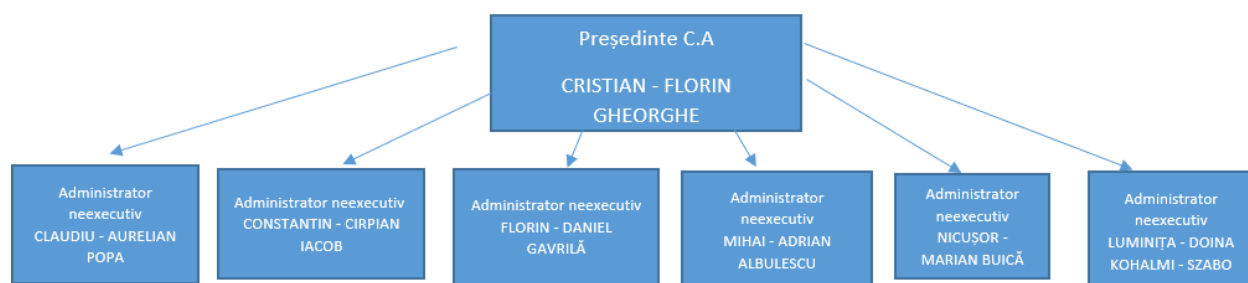
CONPET is the concessionaire of the operation of the crude oil, rich gas, condensate and ethane National Transport System, based on the oil Concession Agreement concluded with the National Agency for Mineral Resources

CONPET mission is the operation of the National Transport System via Pipelines under safe and secure conditions, free access to the system's available capacity to all the inquirers, authorized legal persons, under equal conditions, on a non-discriminatory and transparent basis as well as accessing the related markets corresponding to the segments of the value chain of the oil industry.

THE BOARD OF DIRECTORS

The Board of Directors is led by a chairman appointed by the members of the Board of Directors. The Chairman of the Board of Directors cannot be the Director General of CONPET S.A., according to the statute. The Board of Directors has delegated the management of the company to the General Director of CONPET S.A., he represents the company in relation to third parties.

Structure of the Board of Directors



At the date of this report, the composition of the Board of Directors (BoD) of CONPET S.A. is the following:

Name and Surname	Capacity in the Board	The legal ground on which he was elected/appointed	Duration of mandate
Gheorghe Cristian-Florin	Non-executive Administrator Chairman of the BoD	OGMS Resolution no. 5/22.08.2018 - administrator BoD Decision no. 20/28.08.2018 - Chairman of the BoD	22.08.2018-to date 28.08.2018-to date
IACOB Constantin – Ciprian	Non-Executive Administrator	OGMS Resolution no. 5/22.08.2018	22.08.2018-to date

Name and Surname	Capacity in the Board	The legal ground on which he was elected/appointed	Duration of mandate
POPA Claudiu – Aurelian	Non-Executive Administrator	OGMS Resolution no. 5/22.08.2018	22.08.2018-to date
GAVRILĂ Florin – Daniel	Non-Executive Administrator	OGMS Resolution no. 5/22.08.2018	22.08.2018-to date
ALBULESCU Mihai - Adrian	Non-Executive Administrator	OGMS Resolution no. 5/22.08.2018	22.08.2018-to date
BUICĂ Nicușor-Marian	Provisional administrator	BoD Decision no. 17/104.07.2019	05.07.2019-30.09.2019
	Non-Executive Administrator	OGMS Resolution no. 5/30.09.2019	30.09.2019 - to date
Kohalmi - SZABO Luminița Doina	Provisional Administrator	BoD Decision no. 5/23.03.2021	08.04.2021-04.08.2021
		OGMS Resolution no. 2/04.08.2021	04.08.2021-03.12.2021
		OGMS Resolution no. 4/07.12.2021	07.12.2021-06.04.2022
		OGMS Resolution no. 2/28.04.2022	28.04.2022-to date

Table 1 – Composition of the Board of Directors of the Company CONPET S.A.

Changes in the structure of the Board of Directors during the term of mandate

By BoD Decision no. 17/04.07.2019, the BoD appointed as provisional Mr. Nicușor - Marian, Buică in the capacity of administrator on the vacancy due to waiver of mandate and the capacity of administrator of Ms. Pavăl Karina, starting 05.07.2019 and until the date of convening of the OGMS (30.09.2019). The appointment of the provisional administrator was carried out in accordance with Art. 137² Para. 1 of Law no. 31/1990 on companies, republished, with subsequent amendments, Art. 19 Para. (4) of the Articles of Incorporation of CONPET S.A., following the analysis of the proposal in the address submitted by the shareholder DEDEMAN S.R.L., registered with the company under no. 26647/04.07.2019.

By Decision no. 5/30.09.2019, Mr. Buică Nicușor- Marian was appointed by the OGMS as administrator of the company CONPET S.A., the term of office of the appointed administrator being 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).

On 23.03.2021, the Board of Directors took act of the Notification received from Mr. Meșca Darius - Dumitru, based on which he communicates his waiver to the administrator mandate as per Art. 37.7 of the Mandate Contract, concluded on 22.08.2018 (due to causes non-attributable to the parties), the administrator position remaining vacant starting with 08.04.2021. On the vacancy

was appointed, by BoD Decision no. 5/23.03.2021, Mrs. Kohalmi - Szabo Luminița - Doina acting as provisional administrator, in compliance with the provisions of Art. ¹³⁷ 2 para. 1 of Law no. 31/1990 on the companies, republished, further amendments and completions and of Art.19 para. (4) of the Articles of Incorporation of CONPET S.A., with a duration of mandate starting 08.04.2021 until the meeting of the Ordinary General Meeting of Shareholders, but no later than 4 months, after the appointment, by the OGMS, of the provisional administrator, respectively up to the 07.08.2021.

Subsequently, Mrs. Luminița - Doina Kohalmi - Szabo was appointed by OGMS Resolution no. 2/04.08.2021 as provisional administrator of CONPET S.A., with a term of office of 4 months, respectively from the date of the OGMS Resolution (04.08.2021) up to 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 the corporate governance of public enterprises, but no later than 4 months as of the appointment of the provisional administrator by the OGMS.

By OGMS Resolution no. 4/07.12.2021, Mrs. Luminița - Doina Kohalmi - Szabo 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 the corporate governance of public enterprises, if this takes place earlier than 4 months as of the appointment, by the OGMS of the provisional administrator.

By OGMS Resolution no. 2/28.04.2022, Mrs. Luminița – Doina Kohalmi - Szabo 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 28.04.2022 until 21.08.2022 (inclusive of) - the date of expiry of the current mandate of the Board of Directors, 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.

2. Administration Plan of CONPET during the period 2018 – 2022

2.1. The company's mission, vision and values

CONPET mission is the operation of the National Transport System via Pipelines under safe and secure conditions, providing free access to the system's available throughput to all the inquirers, authorized legal persons, under equal conditions, on a non-discriminatory and transparent basis.

Company's vision

CONPET vision targets the maintenance of its position of strategic player in the Romanian oil industry, acting as crude oil, ethane and rich gas carrier by pipelines and by rail.

The company values have been identified and are oriented for:

- ✓ ongoing learning and training;
- ✓ concern for people and environment;
- ✓ openness and quality improvement;
- ✓ flexibility and dynamism;

- ✓ communication and cooperation.

2.2. Strategic development objectives

The strategic objectives established and assumed by the administrators through the Administration Plan, for the period 2018-2022, were defined in strong correlation with the strategic directions, the vision and expectations of the tutelary authorities, namely the ones of the shareholders and stands within the contextual lines of the Energy Strategy of Romania drawn-up for 2018-2030, with perspective to 2050.

For strengthening the market position and the development of the core business, the company, by the Board of Directors, has set the following strategic objectives:

- I Increasing efficiency and improvement of the activity performance**
- II Development of new activities, related and non-related to the core business**
- III Defining the Company as a regional player**
- IV Outstanding management of the human resources**
- V Implementation and development of the corporate government principles**

CONPET S.A. is the sole operator of the National Transport System of Crude Oil via pipelines, having concluded with NAMR a concession Agreement for a period of 30 years.

The company ensures the fulfillment in conditions of efficiency, transparency, safety, non-discriminatory access, and competitiveness of the national strategy aimed at the energy field, in compliance with the national and European legislation and standards of quality, performance, environment and sustainable development.

CONPET S.A. has a unitary administration system being led by a Board of Directors consisting of 7 members. Thus, the company administrators were selected professionally, and the new Board of Directors took over the mandate regarding the administration of CONPET S.A., immediately proceeding to the elaboration of the Management Plan of the company for the period of mandate 2018- 2022, as provided by Art. 30 Para. (1) of GEO 109/2011 on the corporate governance of public enterprises, subsequent amendments and completions.

Since the Administration Plan of CONPET S.A. for the period 2018 - 2022 represents a very important tool of the strategic planning regarding the management of the company, a company listed on the Bucharest Stock Exchange, we paid maximum attention together with the other administrators to the objectives we had in order to clearly establish the necessary steps for the operational efficiency of the activity and we managed that, in its draw up and implementation, the administration plan be governed by a responsible, professional and ethical attitude towards all stakeholders (shareholders, employees, partners, community, state authorities and institutions, media, etc.).

The administration plan of CONPET S.A. for the period 2018 - 2022 was approved by BoD Decision no. 29/13.11.2018.

Empowering the importance for the country and the Company of the assumed missions, the private, professional management of CONPET S.A. has committed to ensure an efficient, transparent and efficient corporate governance, which, by making the most of the existing and future opportunities, will allow the Company to achieve excellence in business, its transformation into a crude oil transport operator via pipelines with international recognition in the field of energy, a leader on the energy market in the region, thus contributing to the definition of Romania as an important energy corridor in the field of pipeline transport to Europe.

The administration plan of the national transport operator of crude oil via pipelines drawn up for the period 2018-2022 confirms the strategic vision of directors regarding: the sustainable development directions of the company, optimization of economic financial and operational performances, increase in viability of the company in the national and international energy context under continuous change.

Building on all the current and future opportunities with maximum efficiency, by the Administration Plan for the period 2018 - 2022, we thoroughly structured the strategic directions of action regarding the administration of resources, operational and management processes of the company for the realization with maximum efficiency of the performance objectives established and for the changing of CONPET S.A. in a company with international recognition in the field of crude oil transport via pipelines.

The administrators of CONPET S.A. have considered that, by the objectives set in the Administration Plan of the company for the period 2018 - 2022, objectives taken up and undertaken by the director general and the executive management, in the Management Plan, the Company will achieve the goals regarding the efficiency of activity of the Company and its redefinition according to requirements of modern performance standards and competitiveness on regional, European and international level.

With an experience of over a century in the field of transport of crude oil via pipelines, strategic activity of national economy, CONPET S.A. is one of the great national companies in which the corporate governance model successfully works.

The results obtained during the period 2018 - 2022 are based on the measures and approaches of the BoD regarding the company management mainly by:

- ✓ Re-design of organizational structure by a new modern and efficient organization chart according to requirements of activity regarding the safety and security of the operation of the National Transport System via pipelines, its competitiveness and modernization;
- ✓ Streamlining institutional relations at national level (Parliament, Government, A.N.R.E., A.N.R.M.) and, as the case may be, at international level.
- ✓ Efficiency and accountability of activities of the Consultative Committees, as well as increase in responsibility of the company staff;
- ✓ Optimization of operational activity, investments and development, improvement of related activities to the core business.

The policy of CONPET S.A. on the remuneration of administrators and directors with a mandate contract was approved by BoD Decision no. 6/07.04.2021 and approved by OGMS Resolution no. 1/28.04.2021.

2.3. Stage of fulfillment of strategic objectives

I. Strategic objectives 1 Increasing efficiency and improvement of the activity performance

MEASURE	ACTION/APPROACH	Stage/Level of fulfillment
1.1. Redefinition of the necessary of the transport infrastructure	<i>Analysis of future prospects from the point of view of customers and transport capacities of the NTS in view off optimization thereof</i> The executive management has engaged discussions with OMV PETROM SA, PETROTEL LUKOIL SA and ROMPETROL RAFINARE SA, but also with possible future partners in order to identify and develop joint projects that should optimize and streamline the transport activity of crude oil, rich gas and condensate, for the sustainable development of all parties involved. The result was materialized by the conclusion of service contracts with a new partner - NIS Petrol România SRL, for the takeover and temporary storage of crude oil and condensate produced in the exploitations existing in Timiș County. Also, there have been initiated discussions with NIS representatives, a.d. Serbia, the company which owns the refineries in Pancevo and Novi Sad, in order to carry out transport services for crude oil produced in subsidiary NIS Petroleum Romania SRL to the Pancevo refinery, discussions materialized in a contract service of crude oil transport by rail on the relationship Biled ramp - Romanian-Serbian border. Also for the development of the activity, a contract for the provision of condensate transport services was concluded with Serinus Energy, a new customer, from the exploitations located in the north-west of the country (Moftinu-Carei area) to the Marghita ramp (road transport). During August 2021, the collaboration protocol with Romgaz SNGN was concluded regarding the establishment of the technical conditions, the necessary infrastructure elements, cost assessment, etc. in order to carry out the transport of crude oil/condensate.	Action fulfilled
	<i>Updating pumping scenarios</i> On the Domestic Transport Subsystem and the Import Transport Subsystem, new scenarios of crude oil pumping have been implemented in several areas of the country in order to reduce operational costs.	Action fulfilled Permanent nature

MEASURE	ACTION/APPROACH	Stage/Level of fulfillment
	The transport carried out on the new routes was monitored post-implementation in order to assess efficiency.	
	<i>Inventory for the purpose of identifying pipeline sections, pumping stations and related surplus installations (e.g. tanks, loading/unloading facilities, etc.)</i> The Board of Directors was informed annually by the executive management, through the Minutes of the Central Commission for Inventory, of the fulfillment of the tasks assigned to the inventory committees, consisting of: "The inventory committee and the property manager will carry out a detailed analysis of the damaged or impaired assets and will make proposals for their redistribution or scrapping if they are no longer needed." The results of the annual inventory were approved by decisions of the Board of Directors.	Action fulfilled
	<i>Initiating the steps towards NAMR for obtaining the approval of conservation or decommissioning/Ministry of Finance for amending the list of inventory of fixed assets in the public domain, depending on obtaining the approvals</i> The Board of Directors has approved annually the proposals for decommissioning/downgrading of public domain assets of the state whose maintenance in operation is no longer justified, has endorsed the methods of capitalization and has approved the drafting of the documentation necessary to obtain the Government Decision approving the removal of goods from the public domain of the state and the methods of capitalization. The executive management initiated and carried out all the steps to NAMR in order to obtain the approval of conservation or decommissioning, respectively to the Ministry of Public Finance for the modification of the inventory list of fixed assets in the public domain of the state. Because there were significant delays in obtaining the government decision at NAMR, addresses were sent to NAMR: requesting the urgency of the necessary steps for the issuance of the G.D. for approval and updating in the inventory of assets belonging to the public domain of the state.	Action fulfilled
1.2. Multi annual investment program	<i>Developing an annual in line inspection program with smart pigging in order to diagnose all the skilled piggable pipes used in the transport flow.</i> For the diagnosis of all the piggable pipes used in the transport flow, within the multi annual investment programs, the following pipelines were included: pipeline 28 Constanta-Bărăganu (further from 2018), pipeline 24 Bărăganu-Călăreți-Pietroșani and pipelines 2 x 12 Călăreți – Ploiesti (Petrotel).	Action fulfilled
	<i>Elaboration of an investment strategy regarding pipeline replacements that will include: the multi annual program for designing and obtaining building permits and the multi annual</i>	Action fulfilled

MEASURE	ACTION/APPROACH	Stage/Level of fulfillment
	<i>program for the execution of pipeline replacements (4 years period)</i> The multi annual investment programs of the company consist mainly of investment objectives to increase efficiency of the National Transport System and its operational safety. In establishing the multi annual investment program it was first intended to respect the commitment assumed by the company through the minimum investment program communicated to NAMR, annex to the concession agreement. Pipeline replacement works, which include stages of design and/or execution depending on obtaining building permits/agreements/permits, have been included in multi annual investment programs. The programs were approved annually by the Ordinary General Meeting of Shareholders.	
	<i>Analysis of the causes affecting the achievement of the investment objectives and drawing up a plan of measures to help to properly target or review projects under implementation and future projects</i> The Board of Directors has been informed on a quarterly basis at the very least about the degree of achievement of the investment objectives, the causes and the measures taken, following the regular analysis of the physical and value implementation of the investment program. The review of projects under implementation and of future projects, by rectification of the investment program, is a measure resulting from the regular analysis of the degree of implementation of the investment program.	Action fulfilled
	<i>Creation of a team with multidisciplinary specialists or of an entity (compartment) for the elaboration and monitoring of the implementation of unitary and integrated projects. This action aims to reduce investment costs and execution of works</i> For a unitary approach to certain types of investment projects, as well as to achieve integrated projects that would lead to the reduction of investment costs and the duration of the works, within the Development Maintenance Department were established, in April 2019 the Project Design and Analysis Office and in June 2021 the Works Tracking Service.	Action fulfilled
	<i>Developing the management of investment projects by drafting a manual/ methodology of elaboration and execution of the investment program, in the following variants:</i> <i>1. In the case of projects aimed at the modernization, rehabilitation and refurbishment of assets belonging to the Public Domain of the State, the analysis is mainly based on technical and operational data, such as the inspection reports on the technical condition of the assets (eg: smart pigging in the case of pipelines), corroborated with technical</i>	Action fulfilled

MEASURE	ACTION/APPROACH	Stage/Level of fulfillment
	<i>requirements (technical norms, operational standards, recommendations of the builder, etc.);</i> <i>2. In the case of development projects aimed at increasing transport and storage capacities or diversifying the core business through the development of other activities generating additional revenues with a high degree of risk and require a detailed, complex and in-depth analysis, both in terms of operational feasibility and financial feasibility. In these cases, the methods developed for financial valuation and sensitivity (net present value, internal rate of return) and risk analysis are mandatory.</i> The Maintenance Development Unit prepared a scope of work for the implementation of good practices and computerization of CONPET project management processes. In September 2021, the process of procurement and signing of the contract for the implementation of good practices and computerization of project management processes within CONPET S.A. took place and the contractual stage of training CONPET staff designated for the implementation of this project was initiated. In the next 12 months, the audit and correction of the processes will be carried out, as well as the support services and training of CONPET staff.	
1.3. Continuation of the project "Pipelines leaks location and detection System"	<i>Completion of the pilot project</i> The project was completed on 30.09.2019.	Action fulfilled
	<i>Analysis for LDS system implementation on other transport relationships</i> The pilot project "Pipelines leaks location and detection system" on the Poiana Lacului-Siliște-Ploiesti relationship was executed and completed in 2019. In 2020, the post-implementation of the pilot project "Pipelines leaks location and detection system" on the Poiana Lacului – Siliște – Ploiesti relationship was monitored and the possibility of implementing the project on other transport relations was analyzed. Following the analysis of the implementation of an LDS system on other transport routes in 2021 Q4, the implementation along Constanța-Ploiești route until the completion of the project regarding the under-crossing of the Danube River and Borcea Arm has been postponed, as well as the achievement of the works execution "Replacement of connection lines crossing Danube C1-C2 and Borcea arm C3-C4".	Action fulfilled

MEASURE	ACTION/APPROACH	Stage/Level of fulfillment
1.4 Optimizing the SCADA system and Hardware and Software upgrade for the Remote Transmission Unit (RTU)	<i>Completion of the SCADA system optimization and hardware and software upgrade of the Remote Transmission Units (RTU).</i> During 2019, the SCADA system optimization and hardware and software upgrade of the Remote Transmission Units (RTU) were carried out, for a number of 19 out of the total of 29 locations. At the end of 2020, the works for 27 locations were completed and during December 2021 the works were received and completed in all 29 locations.	Action fulfilled
1.5. Modernization and Monitoring of the Cathodic Protection System related to the National Transport System via Pipelines	<i>Completion of the execution works in 51 locations (stage 1) and Start of works execution in 16 locations (phase 2)</i> CONPET S.A. has started an extensive project of modernization and monitoring of the cathodic protection system related to the crude oil transport system via pipelines. During 2017-2019, CPSs were executed in 109 locations, of which: (40 completed in 2017, 53 completed in 2018 and 16 completed in 2019) At the beginning of 2019, according to the revised Multi annual Investment Program, the project was structured in two stages, as follows: Stage 1 - execution of works in 51 locations, stage completed in Q4 - 2019 Stage 2 - start of the execution of works in 16 locations, with the start of stage 2 in 2019 and the completion in 2020. On 30.11.2020, the second stage was completed.	Action fulfilled
	<i>Design and execution of works in 30 locations (stage 3) and Initiation and completion of design and execution of works in 15 locations (stage 4, starting in 2023)</i> In 2019, the remaining 30 CPSs were contracted for design and execution and the site was handed over for the realization of the design in 10 locations. In 2020, the execution was completed in a number of 4 locations. At the level of 2021, the execution of 11 locations was completed, thus completing the works in a number of 19 locations out of the total 30.	Action fulfilled
1.6 Implementation of a GIS System	<i>Completion of the feasibility study</i> The feasibility study for the implementation of a patrimonial geographic evidence system has been completed in QII 2019.	Action fulfilled
	<i>The implementation of the GIS system following the completion of the feasibility study</i> The feasibility study for the implementation of a patrimonial geographic evidence system has been completed and the procurement process for technical assistance services for system implementation management has been launched. In August 2019 was signed the execution contract for the management of the implementation system (technical assistance services).	Action fulfilled

MEASURE	ACTION/APPROACH	Stage/Level of fulfillment
	In December 2020 the implementation of the GIS patrimonial geographic evidence system was completed. At the end of 2021 ended the 12 months of post-implementation technical assistance out of a total of 36 contractual months (stage 2). At the end of Q I 2022 the 15 months of the 36 of post-implementation technical assistance were completed. From the patrimonial point of view, it was completed the introduction of all lands, including the property deeds for each land separately. Work is still underway to enter building data in accordance with the information in ERP.	
1.7. ERP Upgrade	Initiation and completion of an analysis on determining CONPET S.A.'s new business requirements During 2021, the services of a consultant were purchased in order to perform an analysis that will establish the new business requirements for ERP upgrade.	Action fulfilled
	Implementing the solution resulting from the business analysis Currently, the analysis has been completed and the elaboration by the consultant of the specifications for the acquisition of the program/upgrade is being completed.	Action fulfilled
1.8 Rehabilitation of the Pipelines under crossing Dunărea River and Borcea Arm	Completion of the solution study in order to identify the most efficient and optimal method for ensuring the safe transport of crude oil when crossing the Danube and the Borcea arm During the first semester of 2020, the feasibility study has been completed and the specifications for the execution works were approved by the CTE. The solution study was completed in December 2019.	Action fulfilled
	The initiation of the execution of the pipelines to over cross Dunărea/Borcea in the configuration resulting from the completion of the solution study The initiation of the execution of the pipelines to over cross Dunărea/Borcea, in the configuration resulting from the completion of the solution study began in January 2021 with the development of the procurement of the design and execution works. The contract was signed in September, and the site was handed over in order to start the works of the objective "Replacement of connecting wires crossing the Danube C1-C2 and Borcea arm C3-C4".	Action fulfilled
1.9 The implementation of a system for the teletransmission and telemetering of the electric power consumptions	Installation of a system by equipping it with metering, monitoring and control equipment, provided with data communication interfaces connected to a management and dispatching console. In February 2022, the contract was signed and by March 31st, 2022, the 15 sites were handed over for the installation of the system.	

MEASURE	ACTION/APPROACH	Stage/Level of fulfillment
in CONPET S.A. locations:		
1.10 Clarification of the patrimonial situation of the lands of CONPET S.A.	<i>Taking steps for the augmentation of the share capital by the value of the land plots related to ownership certificates</i> Currently, all the lands owned by CONPET S.A. are registered in the Integrated Cadastre System and the Land Registry. CONPET S.A. has registered in the company's patrimony land plots in surface of 733,601 sqm, with a book value of 22,858,900 RON, held based on the land ownership Certificates (709,770 sqm) and sale - purchase contracts (23,831 sqm). The company has augmented the share capital with a part of the lands held based on the land ownership certificates (Ro – CADP), not being included in the share capital lands with a surface of 554,337 sqm, which are the subject of 48 land ownership certificates. The Ownership certificates for these lands have been issued between 2001-2005 and have been evaluated according to GD no. 834/1991 and the Criteria of the Ministry of Finance no. 2665/1C/311/1992, at the amount of 26,708,233 RON. These lands have been registered in the company patrimony on the expense of other equity reserves. In 2013, the Court of Accounts performed an audit of the status of the public patrimony; subsequently, disposing, by Decision no. 28/2013, the augmentation of CONPET share capital by the value of the lands for which have been obtained land ownership certificates, measure that was not fulfilled within the initial deadline (30.09.2014) and neither within the extended terms (30.06.2015, 31.08.2016, 31.03.2018, 30.06.2019 and 31.03.2020). Pursuant to Decision no. 15494/08.02.2022, the Prahova Chamber of Accounts granted a new deadline for the implementation of the measure, respectively 09.12.2022. The Board of Directors has undertaken all steps in view of augmentation of the share capital by the value of lands held based on the land ownership certificates. Thus, under the lands' appraisal reports, in compliance with the provisions of Art. 6 of GD no. 834/1991 on the value update, subsequent completions and amendments, drafted by expert valuers, the Board of Directors has summoned the Extraordinary General Meeting of Shareholders, on 19.05.2016, in first call, namely 20.05.2016, in second call. At both EGMS meetings the quorum has not been met. Although there have been convened two general meetings of shareholders, the Board of Directors has summoned a new EGMS for 05.07.2016, with the same Agenda. Following the cast vote by	Action fulfilled

MEASURE	ACTION/APPROACH	Stage/Level of fulfillment
	the shareholders present and represented, the proposal to augment the share capital has not been approved, due to the lack of necessary quorum for approval votes. Subsequently, there have been undertaken all necessary steps for the augmentation of the share capital, and on 26.03.2019, the EGMS has approved the initiation of the procedure for the augmentation of the share capital and the appointment, by the Trade Register Office, of an authorized assessor to evaluate the lands contributed to the share capital. Based on the new appraisal report the EGMS has been convened on 04.07.2019 in first call and 05.07.2019 in second call, with the Agenda - Approval of the augmentation of the share capital by the maximum value of 101,763,954.60 RON, representing contribution in kind (lands) in amount of 59,751,935.10 RON and cash amounting to maximum 42,012,019.50 RON, from the current value of 28,569,842.40 RON at the value of maximum 130,333,797 RON, by issuing a number of maximum 30,837,562 new shares, nominative, dematerialized, at a price of 3.3 RON/share, equal to the nominal value, without share premium. In both EGMS meetings has not been met the attendance quorum provided by the law, needed for the augmentation of the share capital with contribution in kind. On 24.09.2020, the EGMS approved the initiation of augmentation of the share capital by the value of the land plots held based on 48 land ownership certificates and the initiation of formalities to the Trade Register Office attached to the Prahova Tribunal for the appointment of an authorized appraiser. By the application submitted to the Trade Register Office, the company CONPET S.A. Ploiesti requested the appointment of an authorized appraiser, under the conditions of articles 38 and 39 of Law no. 31/1990 on the companies, republished, subsequent amendments and completions, to draw up the evaluation report of the contribution in kind representing land plots. Based on the new appraisal report has been convened the EGMS, on 10.03.2021 in first call and 11.03.2021 in second call, with the Agenda - Approval of the augmentation of the share capital by the maximum value of 108,798,558 RON, representing contribution in kind (lands) in amount of 63,882,386.70 RON and cash amounting to maximum 44,916,171.30 RON, from the current value of 28,569,842.40 RON at the value of maximum 137,368,400.40 RON, by issuing a number of maximum 32,969,260 new shares, nominative, dematerialized, at a price of 3.3 RON/share, equal to the nominal value, without share premium. The augmentation of the share capital by contribution in	

MEASURE	ACTION/APPROACH	Stage/Level of fulfillment
	kind has not been approved by the EGMS because during the two meetings the attendance quorum provided by law has not been met. On 28.04.2022, a meeting of the Extraordinary General Meeting of Shareholders (EGMS) was held, approving the initiation of augmentation of the share capital of CONPET S.A. by the value of the land plots related to the 48 land ownership certificates.	

Table 2 - Degree of achievement of the strategic objective 1 Increasing efficiency and improvement of the activity performance

II Strategic objective 2 Development of new Activities, related and non related to the Core Business

MEASURE	ACTION/APPROACH	Stage/Level of fulfillment
2.1 The development of storage activities/crude oil and petroleum products handling for third parties.	<i>Informing the BoD on the details and options to approach this activity, according to the market study conducted in 2017</i> The Board of Directors was informed about the content of the market study on the storage activity/crude oil and petroleum products handling for third parties.	Action fulfilled
	<i>The legal analysis of the current legal and regulatory framework regarding the storage activity/crude oil and petroleum products handling as well as of the existing conditionalities towards the possibility of carrying out this type of activity</i> At the end of 2019, the storage capacities of CONPET S.A. available for the activity of setting up the minimum stocks have been reconsidered. In parallel, the legislative acts (drafts of GD) issued on the obligations to build up the minimum stocks of crude oil and amending Law 85/2018 in order to establish and operate the Central Storage Entity are monitored. A concrete analysis in order to establish the aspects that would legally limit the carrying out of this type of activity, as well as what steps should be taken to remove them, can be made only after the issuance of the normative act on the complete legal framework regarding the establishment of deposits of crude oil and petroleum products.	Action fulfilled
	<i>Start of legislative changes, if necessary</i> The action will start according to the results of the legal analysis of the legal framework related to the establishment of crude oil and oil products deposits.	

MEASURE	ACTION/APPROACH	Stage/Level of fulfillment
	<i>Market monitoring to track whether the assumptions taken into account in the 2017 study, proven to be unfeasible, change to determine whether the project becomes feasible</i> The specialized compartment continued to monitor the market and the assumptions taken into account, in particular the update of the legal framework (Law 85/2018 and Order 617/2018, on the procedure for delegating the storage obligation). Also for the purpose of developing the oil products storage activity, CONPET S.A. participated in meetings organized with the purpose of carrying out activities specific to ANRSPS. The Collaboration Committee made up of representatives of M.A.P.N., M.A.E., M.E.E.M.A., A.N.R.M., Conpet S.A., Oil Terminal S.A. and U.P.G. met in order to update the information on the possibility of carrying out the activity of transporting and storing petroleum products for military destinations.	Action fulfilled
2.2 Opportunity assessment/ feasibility of the increase efficiency related scenarios of the Rail transport activities	<i>Informing the BoD on the details and options to approach this activity, according to the market study conducted in 2017</i> As part of the report sent for information and approval to the Board of Directors, the quantities transported by rail and the related costs have been updated. Although the volume of quantities was slightly higher than estimated, there are no significant differences in costs, so there is no significant impact in the results of the scenario analyzed in the market study.	Action fulfilled
	<i>Market monitoring/verification of the assumptions taken into account in the financial model (costs with the necessary technologies)</i> During 2020 and in Q4 2021, the assumptions considered in the study conducted in 2017 by updating the data have been reassessed. The conclusions of the reassessment indicate that, for CONPET S.A., the performance of the transport by rail is not a feasible project.	Action fulfilled
	<i>Identification of projects, other than those contained in the market study carried out in 2017, leading to the efficiency of transport by rail (cost reduction)</i> <i>1. Valuation of the re-commissioning of assets</i> From the point of view of the efficiency of the railway transport, the re-commissioning of the railway ramp from the Astra Refinery (which is in conservation) was taken into account, a decision justified by the delays in unloading and the maneuver in the railway ramp from the Brazi refinery. In 2020, a feasibility study was developed for the rehabilitation of the unloading/loading ramp in the Astra Refinery. In 2021, discussions were held with OMV Petrom on the opportunity of modernizing the ramp within the Astra Refinery, having in view the future necessity/strategy.	Action fulfilled

MEASURE	ACTION/APPROACH	Stage/Level of fulfillment
	<i>II. Conversion of diesel locomotives into electric drive locomotives.</i> Another project aimed at reducing the costs of transport by rail, respectively reducing fuel consumption and maintenance and repair costs for locomotives in the CONPET patrimony, used to carry out crude oil loading/unloading operations on ramps, consisted in the conversion of diesel-driven locomotives into locomotives with electric drive. The multi-annual investment programs included programs for the conversion of 4 diesel-driven locomotives into electric drive locomotives. By the end of 2021, 3 locomotives have been completed and 4 locomotives are being completed in 2022.	
2.3 Assessment of the feasibility of the development of transport for atypical products	<i>Discussions with economic operators in the field of chemical and petrochemical products, non-food liquids, potential business partners in the activity of transporting products</i> The executive management initiated a series of meetings and discussions with companies active in the upstream – exploration and production segments, within the domestic oil industry, mentioning the following: - Serinus Energy: there have been assessed the conditions for the transport of condensate associated with exploitation in the Moftinu – Carei area have been analyzed (during May 2019, a transport contract for condensate was concluded). - Mazarine Energy: discussions were held regarding the takeover of the crude oil/condensate production in the Ghelinta area and the transport to the Imeci ramp. The provision of services would be practiced at the current tariff set for the import subsystem and offers the possibility of optimizing operational expenditure. During 2021 CONPET S.A. collaborated with Prahova County Council within P.O.T.J. – The Operational Program for Just Transition, followed by the sending of the project proposal – conversion of oil transport pipelines for use in the transport of natural gas/ hydrogen mixture (electronic platform within Prahova County Council site).	Action fulfilled
2.4. Electric power production from renewable resources (pilot project);	<i>Informing the BoD on the details and options to approach this activity, according to the market study conducted in 2017</i> Within the company, a working group has been set up to carry out a study to present the technical and economic data on the location of photo voltaic panels in CONPET S.A.'s work points, in order to substantiate a decision of the Board of Directors on the approval of the implementation of such a project. The Board of Directors was informed on the results of the analysis.	Action fulfilled
	<i>Market monitoring/verification of the assumptions taken into account in the financial model (costs with the necessary technologies)</i>	Action fulfilled

MEASURE	ACTION/APPROACH	Stage/Level of fulfillment
	During 2020, the opportunity to develop the feasibility study on the installation of 5 x 1 MW parks to ensure internal energy consumption was analyzed. The analysis regarding the possibility of implementing a photo voltaic system for the local electricity production (photo voltaic plant) with an installed power of 10.0 kw on-grid located in Călărași County was updated.	
	<i>Analysis of the legal and regulatory framework towards the possibility of carrying out this activity</i> During the fourth quarter of 2021, the assumptions taken into account in the study carried out by updating some parameters to the level of 2021 were reassessed. A section on updating the legal and regulatory framework is included in the briefing.	Action fulfilled
2.5 Development of the consulting, engineering, operation (and maintenance) for hydrocarbon transport systems via pipelines.	<i>Internal analysis regarding the determination of the conditionalities and resources necessary for the establishment of the multidisciplinary entity, including the cost-benefit analysis of the project</i> The types of activities that could be carried out (by disciplines), the existing staff respectively the one necessary to carry out these activities as well as their indicative training and professional development needs have been identified. The set up Working Group has finalized the report on the development of the consultancy, engineering, operation and maintenance activity for hydrocarbon pipeline transport systems, which was submitted to the executive management with proposals in order to continue the analysis according to the attached implementation plan. The Strategic Projects Department performed the analysis related to the stage of defining the opportunity of developing the activity, being approached and analyzed: - evaluation of the context framework and market components related to the consultancy, engineering activity for hydrocarbon pipeline transport systems; - the evolution of the oil and natural gas industry at global/European and national level; - energy and investment policies for the oil industry at EU and national level; - economic data on the engineering activity (design), consultancy and internal data on the evolution of investment projects (design contracts, design + execution at company level); - SWOT analysis and conclusions. The results of the performed analysis have indicated that it is not appropriate the continuation of the stage of defining the business model, the risks and disadvantages identified being important.	Action fulfilled
	<i>BoD note on the results of the analysis</i>	Action fulfilled

MEASURE	ACTION/APPROACH	Stage/Level of fulfillment
	The Board of Directors had on the agenda of the meeting dated April 2022 an informative report on the development of the consultancy, engineering, operation and maintenance activity for hydrocarbons through pipeline transport systems, developed by the executive management.	
2.6. The Monitoring of the Operational Programs and Priority Axis in view of accessing European Funds and other non-refundable financing forms	<i>Drawing up the list of specific objectives/projects/by fields of activity (environment, energy, maintenance, IT, human resources, etc.) that could be financed from non-reimbursable financing programs</i> At the company level have been identified the following projects for which non-refundable financing is targeted: - Leak Detection and Location System; - Modernization and monitoring of the Cathodic Protection System related to the National Transport System via Pipelines; - Rehabilitation of the pipelines under crossing Dunărea River and Borcea Arm; - Electric power production out of renewable resources (development of photo voltaic park, namely installation of aeolian turbine; - The implementation of a system for the tele transmission and telemetering of the power consumptions in CONPET locations; - The construction of floating membrane and aluminum roof tanks; - The modernization of the locomotives park used in the crude oil transport by rail; - At the request of the Ministry of Energy, for IT investments & Communications financed through the future European ERDF program 2021-2027, the project "Implementation of a Data Center and Disaster Recovery solution for CONPET S.A." was communicated. (estimated value 4,125,000 EURO); - Participation of the company's employees in professional training courses financed from non-reimbursable funds; - Electricity production by using natural gas – Bărăganu Clearing Power Plant; - Electricity production by building two small hydro power plants, located on the Prahova River; - Digitization of CONPET S.A. Ploiesti archive (through PNRR); - Geographical patrimonial inventory system GIS (PNRR); -Renewal of the car fleet with full electric or "plug-in hybrid" vehicles (through the de minimis aid on the reduction of greenhouse gas emissions – Rabla Plus Program) – supported by N.F. no. 1153/10.01.2022 drawn up by the Strategic Projects Service; - Development of the activity of producing electricity from renewable sources by implementing a photo voltaic park in the Bărăganu station" (with the possibility of financing through P.N.R.R.).	Action fulfilled
	<i>Monitoring the financing programs through different mechanisms, which could concern the</i>	Action fulfilled

MEASURE	ACTION/APPROACH	Stage/Level of fulfillment
	<i>modernization/refurbishment/development of the National Transport System</i> CCONPET S.A., in partnership with the Prahova Chamber of Commerce and Industry, implemented the project entitled "High performance human resource – strategic vector for increasing the company's competitiveness" – POCU 227/3/8/117913, project co-financed by the European Social Fund – Human Capital Operational Program 2014-2020, Priority Axis 3. Through the Human Capital Operational Program, a number of 51 employees of CONPET S.A., employed as management position, have benefited from professional training in order to increase the competitiveness of the company and, implicitly, to improve the management act at the level of the company, following the partnerships made with the Prahova Chamber of Commerce and Industry, respectively with the company OK Service S.R.L.	
	<i>Monitoring the activities eligible for accessing grants from non-reimbursable funds and other eligibility conditions, including monitoring the procedures required to access non-reimbursable funds</i> Various meetings were held with representatives of: The Directorate of accessing European Funds within the Ministry of Environment, in order to include these projects with environmental impact in future non-reimbursable financing programs/categories of eligible beneficiaries - AFM and discussions were held on the possibility of including the activity of CONPET S.A. (NACE code) in the list of future European funding programs 2021-2027 - Prahova County Council regarding the projects proposed by P.O.T.J. and the analysis of new project ideas for the completion of P.O.T.J..	Action fulfilled

Table 3 - Degree of achievement of Strategic Objective 2 Development of new activities related and non-related to the core business

III. Strategic Objective 3 Defining the Company as a regional player

MEASURE	ACTION/APPROACH	Stage/Level of fulfillment
3.1. Identification and materialization of the opportunities regarding the NTS connection with the pipeline	<i>Drafting a plan of collaboration of the company with the Romanian institutions (ministries, agencies, intermediate bodies, national and European competent authorities, etc.) in order to identify the opportunities for connecting the NTS with regional systems</i> Cooperation of the company with the relevant institutions and stakeholders (ministries, agencies, intermediate bodies, national	Action fulfilled

MEASURE	ACTION/APPROACH	Stage/Level of fulfillment
transport regional systems.	and European competent authorities, etc.), in order to identify/capitalize on the opportunities to connect the NTS with regional transport systems or other possibilities for regional development of the activity, it was mainly carried out in the following action points: - Supporting collaboration opportunities by providing information or participating in actions coordinated by the Ministry of Energy for carrying out the work of the Joint inter-Governmental Commissions for bilateral cooperation in the field of energy. - Participation of CONPET representatives in regional cooperation initiatives in the energy field (other than projects of common interest); - Meetings with representatives of regional/international companies operating in the field of energy, especially in the oil industry.	

Table 4 - Degree of achievement of the strategic objective 3 Defining the company as a regional player

IV. Strategic Objectives 4 Outstanding management of the human resources

MEASURE	ACTION/APPROACH	Stage/Level of fulfillment
4.1. Resizing and permanent compliance of the human resources in relation to the requirements and technical-economic realities of the company	Monitoring the human resources needs in order to ensure a constant balance between the number of staff and the real technical-economic and administrative needs of the company, in order to efficiently use the working time of each of the employees To achieve this objective, the human resources necessary has been continuously monitored and adapted, given the specific activity of CONPET, respectively the workload fluctuations at the level of workstations, which triggers the deployment of numerous redistributions of employees from one work site to another, by way of: ✓ identification of the correlation between the number of positions and the work volume; ✓ the degree of workload, as well as of the interaction of the activities performed between the occupants of the positions; ✓ the total use, by the occupant of the positions, of the working time related to the achievement of the work duties; ✓ identification of the possibility that the duties of employees may be taken over by the other employees of the entity concerned, in compliance with the legal provisions regarding the working time;	Action fulfilled

MEASURE	ACTION/APPROACH	Stage/Level of fulfillment
	✓ the possibility of monitoring the pipelines by extending routes or by alternatively tracking several routes by sector staff; ✓ the possibility that some employees exercise the job duties in more work sites with reduced activity, necessary to maintain a full job employee. Along the contract of mandate, the individual dismissal of 140 employees was performed, taking into account the legislation in force and the applicable collective labor contract, as follows: - year 2019 - 58 persons - year 2020 - 14 persons - year 2021 - 29 persons - year 2022 - 29 persons - starting 01.04.2022, and for 10 persons the individual dismissal will take place as of august 2022. The process of individual dismissal of the employees was deployed in compliance with the legal regulations in force and by the observance of the provisions of the Collective Labor Agreement CONPET.	
	<i>Proposals on the adaptation of the organizational structure in accordance with the new technical, economic and organizational realities of the company</i> The Board of Directors has approved new organizational structure in view of a better organization and operation of the entire organizational system of the company. The above-mentioned organizational structures targeted: - Redesigning a new organizational structure, flexible, efficient, adapted to the requirements and prospects of development of the company, in accordance with the new technical, economic and organizational realities of CONPET S.A.; - increasing the efficiency of communication between hierarchical levels, as well as the degree of responsibility of the heads of structures; - streamlining activities in order to optimize personnel costs; - optimizing the decision-making framework and streamlining internal communication flows; - highlighting the legal relations born under the mandate contracts (Deputy General Manager and Economic Director) and the company, represented by the Board of Directors. - Improving the coordination of the tasks of the organizational entities in line with the needs and complexity of the work carried out; - the need to increase the flexibility of the organizational structure, by components and on the whole, corresponding to the current and future requirements of organizational development; - the need to strengthen the commercial function. As a result of these changes in the organizational structure, the other documents specific to the human resources activity were	Action fulfilled

MEASURE	ACTION/APPROACH	Stage/Level of fulfillment
	drawn up (staff establishment, Organization and Functioning Regulation, job coding, addenda, job descriptions, etc.), in order to implement the changes occurred on the organizational structure.	
4.2 The Development of the specific skills and basic abilities of the human capital	<i>Elaboration of the annual training/professional authorization plans that correspond to the real training and professional authorization needs identified in correlation with the duties in the job description, in order to maintain/develop the skills, specialized knowledge and competences necessary for the position occupied</i> The training and professional authorization programs of the company's employees were drafted and approved in this respect for the year 2019, following the identification of professional training needs and the personnel authorization necessities, in correlation with the attributions in the job description, in view of maintaining/developing the aptitudes, specialized knowledge and the necessary skills related to the position held. The training program or the professional authorization program were reviewed by legal charges and other needs arising during the year. Training is provided through collaboration with external partners, authorized training company, but also internally within the company. Internal Training is organized by internal trainers and/or experts from the company with a good knowledge of the field and/or relevant experience in the field of technical activity, supporting qualifying sessions related to Internship/training/maintenance of knowledge in various areas of expertise and audit/verification of the employees participating in those sessions. There is a permanent concern for the extension of the trainers body in other domain as well (such as ethics and integrity counseling, GDPR). Moreover, following the approaches carried out in view of identifying certain non-repayable financing sources applicable to some projects for the development/modernization of the company's activity, CONPET S.A., in partnership with Prahova Chamber of Commerce and Industry, has implemented the project named "High Performance Human Resource - strategic vector for the increase of company's competitiveness" - POCU 227/3/8/117913, project co-financed through the European Social Fund - Human Capital Operational Program 2014-2020, priority Axis 3. By this project, a number of 51 employees of CONPET S.A., holding management positions, benefited from professional training in view of increasing competitiveness and implicitly, improving the management act at the level of the company.	Action fulfilled

MEASURE	ACTION/APPROACH	Stage/Level of fulfillment
	<i>The use of the own body of trainers for the training/improvement of the employees on specific technical fields of activity</i> Internal Training is organized by internal trainers and/or experts from the company with a good knowledge of the field and/or relevant experience in the field of technical activity, supporting qualifying session Internship/training/maintenance knowledge in various industries and audit/verification of employees participating in those sessions.	Action fulfilled
4.3. Development of the System related to Employees' Results Assessment	<i>Review of the current system of evaluating the performance of employees so as to take into account the most objective criteria of individual professional performances</i> In 2019 the employee performance evaluation system has been revised so as to take into account the most objective criteria of individual professional performance. The Regulation of employee performance appraisal, reviewed was approved by the BoD decision dated 12.12.2019. At the elaboration of the new Regulation on the assessment of the professional performances of the employees, it was aimed at: ➤ the implementation of Standard 3 - Competence performance from the Development program for 2019, of the Internal Control Management System in CONPET S.A.; ➤ optimization of integrated performance evaluation of employees which aims to establish individual SMART targets and performance indicators for management positions. The new evaluation criteria, the individual objectives, the performance indicators, the target values and their associated weightings for the annual activity of the employees with management positions, were the object of concluding in this respect, at the end of the previous year, the addenda to the individual employment contracts of the employees, in the form established at the level of each entity. For employees promoted to management positions, additional documents are drawn up for individual employment contracts that contain the objective clause.	Action fulfilled
4.4. Negotiation of the Collective Labor Agreement so as to ensure the fulfillment of the performance indicators annexed to the mandate contracts and the	<i>Negotiating the rights granted to employees in accordance with the CLA so as to take into account the adaptation of the salary package of the employees to the realities of the labor market, but also to the situation and concrete evolution of CONPET S.A. so as to ensure, at the same time, the achievement of the approved objectives and performance indicators for the period 2018-2022</i> The action defined for the fulfillment of this measure envisages the negotiation of the rights granted to the employees in accordance with the CLA so as to take into account the adaptation of the salary	Action fulfilled

MEASURE	ACTION/APPROACH	Stage/Level of fulfillment
employment in the approved Budget	package of the employees to the realities of the labor market, but also to the situation and concrete evolution of CONPET S.A. so as to ensure, at the same time, the achievement of the objectives and performance indicators approved for the period 2018-2022. The Board of Directors of CONPET S.A. has mandated the Director General for the negotiation and conclusion with the Free Trade Union of CONPET S.A. of a new Collective Labor Agreement, before the expiry of the old CLA on 31.12.2018. The new Collective Labor Agreement was approved by Decision of the Board of Directors for a period of 2 years, starting with 01.01.2019 until 31.12.2020 and was registered with the Inspectorate of Labor Prahova. The validity of the Collective Labor Agreement was extended by an addendum until December 31, 2021. In December 2021, negotiations took place between the social partners, negotiations concluded with the conclusion of an addendum. During June 2022, a new Collective Labor Agreement was concluded, valid starting with 07.06.2022.	

Table 5 – Degree of achievement of the strategic objective Outstanding management of the human resources

V. Strategic Objectives 5 Implementation and Development of the Corporate Government Principles

MEASURE	ACTION/APPROACH	Stage/Level of fulfillment
5.1. Development of a Code of Ethics and Integrity	<i>Appointment by DG decision of a working group for the elaboration of the Code of Ethics and Integrity</i> In order to fulfill this measure, by decision of the Director General, a working group was appointed for the elaboration of the Code of Ethics and Integrity, in accordance with the provisions of O.S.G.G. 600/2018, GEO 09/2011 subsequent amendments and completions and GD 583/2016 on the approval of the National Anti-corruption Strategy 2016– 2020.	Action fulfilled
	<i>Elaboration, endorsement and presentation to the Board of Directors, for adoption, of the Code of Ethics and Integrity, in accordance with the provisions of OSGG 600/2018, GEO 109/ 2011 with subsequent amendments and completions and taking into account the requirements of GD 583/2016 on the approval of the National Anticorruption Strategy 2016 - 2020</i> According to GEO no.109 of November 30, 2011, on corporate governance of public enterprises and within the Program for the development of the internal/management control system	Action fulfilled

MEASURE	ACTION/APPROACH	Stage/Level of fulfillment
	developed in accordance with OSGG 600/2018, taking into account the need to build a culture of integrity within CONPET S.A., a new Code of Ethics and Integrity was developed, and an ethics advisor was appointed. The Code of Ethics and Integrity of CONPET S.A. was approved by the Board on 13.11.2018.	
5.2. Active involvement in corporate social responsibility	<i>Continuation of sponsorship actions in all areas provided by law to support projects of both local and national interest</i> In 2018, 31 sponsorship contracts in total value of 536.4 thousand RON have been concluded. In 2019, 46 sponsorship contracts in total value of 684 thousand RON have been concluded. There have been carried out social activities, namely projects, competitions, exhibitions, and internal manifestations specific to the organizational culture. There have been undertaken demonstrative actions - anti terrorist intervention exercises, in collaboration with county institutions, components of the National Prevention and Countering Terrorism System (RO. SNPCT). In 2020, 23 sponsorship contracts in total value of 798.6 thousand RON have been concluded. In 2020, public health units in Prahova and the humanitarian organization National Red Cross Society were supported mainly by sponsorship actions, the "medical and health" sponsorships had the highest share, respectively 58%. In 2021, 23 sponsorship contracts in total value of 673 thousand RON have been concluded. The public health units in Prahova and the humanitarian organization National Red Cross Society were supported mainly by sponsorship actions, the "medical and health" sponsorships had the highest share, respectively 52%. In the first Quarter of 2022, 9 sponsorship contracts in value of 281.5 thousand RON have been concluded. The status of the sponsorships granted annually is presented to the Board of Directors, and the Report on the situation of sponsorships granted by CONPET S.A. is published on the company's website until 31.01. of the following year.	Action fulfilled
	<i>Identifying new social and environmental concerns that contribute to improving the quality of life, both of its own human resource and of the community to which it belongs</i>	Action fulfilled

MEASURE	ACTION/APPROACH	Stage/Level of fulfillment
	- There have been carried out social activities, namely projects, competitions, exhibitions and internal manifestations specific to the organizational culture; - Regarding the environment, the action was carried out to improve the quality of the environment and the space in which CONPET employees carry out their activity: over 820 ornamental and fruit trees planted in CONPET stations; - information and accountability actions have taken place on COVID-19.	
	<i>Introduction in the company practice of the principles of standard SR ISO 26000:2011 regarding social responsibility</i> The Corporate Social Responsibility Policy was elaborated, which includes the main principles and themes addressed by CONPET S.A. in this field, as well as the commitments, respectively the actions implemented within the organization, in order to demonstrate compliance with the principles of social responsibility included in the ISO 26000 standard. The document is available to interested parties and is posted on the CONPET website.	Action fulfilled
5.3. Preparation of a company dividend policy	<i>Preparation of a company dividend policy</i> The dividend policy of CONPET S.A. has been approved by the Board of Directors on 28.01.2021.	Action fulfilled
5.4. The development of the reporting, control and risk management capability	<i>Implementation/Revision of the internal control management system development in compliance with the legal requirements in force (OSGG 600/2018)</i> The commission for monitoring the internal control management system has elaborated the Program for the development of the internal control management system, in accordance with the legal requirements in force (O.S.G.G. 600/2018).	Action fulfilled
	<i>The program for the development of the internal control management system</i> The program for the development of the internal control management system at CONPET S.A. was analyzed and updated annually by the Monitoring Commission, after self-assessment of the degree of implementation according to the provisions of O.S.G.G. no. 600/ 2018. The program was reviewed whenever changes in context required it (to changes in organizational structure, requirements of relevant stakeholders, etc.).	Action fulfilled
	<i>Implementation of the actions set out in the Program for the development of the internal control management system</i> In the reporting period (2018 – 2022), all the actions in the program for the development of the internal control management system at CONPET S.A. were carried out within the deadlines set out in the program, according to the reports elaborated, endorsed and approved in accordance with the provisions of the PO-20-15 procedure "Monitoring and reporting of the key performance indicators" in force.	Action fulfilled

MEASURE	ACTION/APPROACH	Stage/Level of fulfillment
5.5. Implementation of SR ISO 37001:2017 requirements Anti-bribery management systems	<i>Elaboration of a program for the implementation of the requirements of SR ISO 37001:2017 Anti-bribery management systems</i> "The implementation program of the requirements of SR ISO 37001: 2017 anti-bribery management systems" has been developed and disseminated in December 2019 (no. 49462/19.12.2019). In March 2021, the Program for the implementation of ISO 37001 requirements was revised (no. 10059/23.03.2021), taking into account some clarifications brought by the participation in the external training carried out at the beginning of 2021 (course "Anti-bribery management system implementer"). In December 2021, the Program for the Implementation of ISO 37001 Requirements was again revised and approved by the Director General. The revision of the program was generated by context changes (the decision of the management to continue the implementation of the system with its own forces, given the cancellation of 3 consultancy procurement procedures). The revised program shall be registered under no. 42993/22.12.2021 and is in force on the date of reporting.	Action fulfilled
	<i>Personnel training on the requirements of SR ISO 37001:2017 - Anti-bribery management systems</i> The training on the topic "Implementer of anti-bribery management system" took place between 25 and 27 January 2021, the target group for training being made up of members of the working group set up for the implementation of SR ISO 37001 requirements (according to DG Decision no.656/03.12.2020), members of the working group on the management of risks specific to corruption (according to DG Decision no.547/27.10.2020), internal auditors within the Internal Management and Control Systems and Management Services service and the Internal Public Audit Office.	Action fulfilled
	<i>Timely implementation of the stages of the program for the implementation of the requirements of SR ISO 37001:2017 Anti-bribery management systems</i> Until the date of reporting, all the stages due in the program for the implementation of the anti-bribery management system are implemented. The last stage of the program was the external audit for the certification of the anti-bribery system, which took place between 4 and 7 July 2022. Following this audit, the head of the SRAC CERT team of auditors recommends the certification of the anti-bribery management system, implemented in the CONPET S.A. organization.	Action fulfilled

Table 6 - Degree of achievement of the strategic objective 5 Implementation and development of the corporate governance principles

2.4 The performance indicators from the Administration Plan and the targets set in the management contracts – Degree of fulfillment

The key financial and non-financial performance indicators and their target values for the period 2018 to 2022, Annex to the mandate contracts of the members of the Board of Directors, approved by OGMS Resolution no.7/18.12.2018, are presented in the table below:

Current no.	Performance indicator	PERFORMANCE OBJECTIVE	MU	Target values				
				2018	2019	2020	2021	2022
A. KEY FINANCIAL PERFORMANCE INDICATORS								
1	Outstanding payments	Zero level	Thousand RON	0	0	0	0	0
2	The decrease of the operating expenses = (Operating expenses– Value adjustments regarding assets and adjustments regarding provisions)/ BoD	Maintaining the share of operating expenses in turnover at the level assumed by the Management Plan	%	80.80%	82.60%	82%	81.50%	81.30%
3	Adjusted EBITDA = Operational profit - Resumption of the reserve from the modernization quota to income + expenses regarding the modernization quota + value adjustments regarding intangible and tangible fixed assets, including tangible differences from the revaluation.	Resumption of the adjusted EBITDA target, assumed via the Administration Plan	thousand RON	thousand RON	thousand RON	thousand RON	thousand RON	thousand RON
				108,443	90,316	95,987	98,872	101,785
4	Labor productivity	Achieving the approved productivity labor level from the annual BVC	thousand RON/pers	100% as per annual Budget	100% as per annual Budget	100% as per annual Budget	100% as per annual Budget	100% as per annual Budget
B. NON-FINANCIAL KEY PERFORMANCE INDICATORS								
B1. OPERATIONAL								
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 breakage resulting in contamination, where the owners do not ease access for remedy)	The target value lower than the value of the maximal technological consumption, for crude oil.	%	Domestic crude oil ≤ 0.361%				
				Lukoil imported crude oil ≤ 0.29%				
				Petrom imported crude oil ≤ 0.143%				
				Midia imported crude oil ≤ 0.108%				
6	Monitoring the annual average specific consumption of electricity for technological purposes.	Maintenance of the annual average specific consumption of electricity for technological purposes, at a level of max 3.3 Kwh/t	Kwh/t	Max 3.3 Kwh/t	Max 3.3 Kw/T	Max 3.3 Kwh/t	Max 3.3 Kwh/t	Max 3.3 Kwh/T
7	Achievement of the investments financed from the modernization quota	Min. Realization 95% of the Annual Investments Plan	%	≥95%	≥95%	≥95%	≥95%	≥95%

		financed from the modernization quota						
B2. OF CORPORATE GOVERNANCE								
8	Implementation/development of the internal managerial control system in compliance with the legal requirements in force	100% achievement of the actions included in the Program	%	100%	100%	100%	100%	100%
9	Duly reporting the degree of achievement of the company's performance indicators	Falling within the legal reporting deadlines	%	100%	100%	100%	100%	100%
10	Boost in the institutional integrity by inclusion of corruption mitigatory measures as an element of the managerial plans	Minimum 90% achievement of the measures assumed in the approved Integrity Plan	%	≥90%	≥90%	≥90%	≥90%	≥90%

Table 7 – Financial and non-financial key performance indicators 2018 -2022

The Financial and Non- financial Key Performance Indicators are defined by the observance of the provisions and criteria provided at Chapter II - *Methodology for the settlement of the financial and non-financial key performance indicators and of the variable component of the remuneration* - of the GD no. 722/28.09.2016 for the approval of the Methodological Norms for the application of certain provisions of the GEO no. 109/2011, regarding the Corporate Governance of the Public Enterprises, subsequent amendments and additions.

The Relevance of the performance indicators selected for the fulfillment of the targets comprised in the Letter of Expectations

The expectations of the majority shareholder, the Romanian State, by the Ministry of Energy, as majority shareholder of the company CONPET S.A. and of the other company shareholders are included in the letter of Expectations, which represents a summary of the financial and non-financial expectations from the Company CONPET S.A.

The shareholders' expectations target the following elements: clarification of the patrimonial situation of the Company by the augmentation of the share capital of the company with the value of the lands for which the company obtained Land Ownership Certificates, the implementation of certain solutions to enhance the degree of completion of the investment/modernization/revamping works, the supply of services for storage of crude oil and oil products, the streamline of the rail transport, boost of the turnover and of the operating profit, decrease of the operating expenses and enhance work productivity, enhance the human capital, training of the employees, development of the reporting, audit and risk management capabilities, development of new activities related and non-related to the core business, limitation of the impact on the environment and compliance with the requirements included in the environment permits, preparation of a company's dividend policy, implementation of the corporate governance principles and of a Code of Ethics and integrity.

In this respect, the fulfillment of the shareholders' wishes in the letter of expectations is monitored and achieved during the 4 years of mandate by using the set of performance indicators which represent the quantitative and qualitative measurement instruments of financial and non-financial

performance and which, at the end of each year of mandate, indicates the achievement of goals quantifiable relative to specific performance targets.

Shareholders' expectations regarding the investment policy applicable to CONPET S.A.

The investments, endowments and financing sources program prepared to date by the company includes both an annual planning and a multi-annual planning on average run, respectively 3 years. The final results of the shareholders' expectations regarding the investments are: the modernization of the non-modernized active pumping stations, the replacement of the unsecured pipe sections, the completion of the implementation of the pipe leak detection and location system, the modernization and monitoring of the cathodic protection system, the decrease in the number of technical failures.

The performance of the investment policy is monitored by the non-financial ICP "realization of investments financed from the modernization quota" with a target value of at least 95%.

Shareholders' expectations regarding the provision of oil and petroleum products storage services, the efficiency of rail transport, the increase in turnover and operating profit, the decrease in operating costs, the development of new related and non-related activities, the development of a company's dividend policy, are monitored through the following key performance indicators:

- ✓ Financial KPI „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). The target value of this financial indicator all along the mandate represents the achievement of the target assumed Administration Plan;
- ✓ Financial KPI "The decrease of the operating expenses = (Operating expenses – Impairments of assets and impairments of provisions)/Turnover".

The goal of this indicator is the maintenance of the share of the operating expenses in the turnover at the level assumed by the Administration Plan.

For the fulfillment of the strategic objectives, the Measures and Actions Plan provided:

- ✓ The development of storage activities/crude oil and oil products handling for third parties;
- ✓ Assessment of the opportunity/feasibility of the scenarios on the streamline on the rail transport activities;
- ✓ Assessment of the feasibility of the development of transport for atypical products;
- ✓ Electricity production from renewable resources (pilot project);
- ✓ Development of the consulting, engineering, operation (and maintenance) for hydrocarbon transport systems via pipelines;
- ✓ Monitoring of the operational programs and of the priority lines in view of accessing European funds and other forms of irredeemable financing.

The Shareholders' expectations in what concerns the increase of labor productivity, increase of human capital, employees training are being monitored by the "KPI Labor productivity". This indicator is being calculated as a relation between the total operating revenues and the average

number of employees. The goal of this indicator is the achievement of the indicator at the level set by the annual Budget.

The Measures and Actions Plan provided:

- ✓ Reshaping and ongoing adaptation of the human resources in correlation with the technical economic requirements and realities of the company.;
- ✓ The development of the specific competencies and basic skills of the human capital;
- ✓ Development of the employees' results assessment system.

The Shareholders' expectations in what concerns ethics, integrity and corporate governance. The shareholders of the company want the company to continue to act in implementing the principles of corporate governance and a code of ethics and integrity.

This desire of shareholders is met by monitoring the following indicators:

- ✓ "Non-Financial KPI Implementation/development of the internal management control system in compliance with the legal requirements in force";
- ✓ Non-Financial KPI " Boost institutional integrity by including certain corruption prevention measures as element of the management plans", with target value of achievement in time of a 90% of the number of proposed measures.
- ✓ The non-financial KPI "Timely reporting of the degree of fulfillment of the company's performance indicators", the target value being the compliance with the legal deadlines for reporting to the beneficiary authorities and institutions through various declarations/reports (compliance 100%).

The Shareholders' expectations regarding other aspects of the business

As for other aspects of the business, it is aimed at:

- ✓ failure to register outstanding payments;
- ✓ reduction of specific consumption in the transport of crude oil;
- ✓ monitoring the average annual specific consumption of electricity for technological purposes.

The performance of monitoring these aspects of the business is achieved by:

- ✓ Financial KPI "Outstanding payments (with target value 0 RON);
- ✓ Non-Financial KPI „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 breakage resulting in contamination, where the owners do not ease access for remedy) ". The target value of this indicator must be lower than the value of the maximum technological consumption, for crude oil;
- ✓ Non-financial KPI "The monitoring of the electricity average annual specific consumption for technological purposes". The target of this indicator is to maintain the mean annual technological specific electricity consumption to a maximum level of 3.3 Kwh/to.

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

Crt. no.	Performance indicator		2018	2019	2020	2021	2022 Budget
A. FINANCIAL KEY PERFORMANCE INDICATORS: 25%							
1.	Outstanding payments	Target - thousand RON	0.0	0.0	0.0	0.0	0.0
		Achieved - thousand RON	0.0	0.0	0.0	0.0	0.0
		Degree of achievement	100.0%	100.0%	100.0%	100.0%	100.0%
		Weighting coefficient	2.0%	2.0%	2.0%	2.0%	2.0%
		Degree of achievement - weighted	2.0%	2.0%	2.0%	2.0%	2.0%
2.	Decrease of the operating expenses = (Operating expenses – Impairments of assets and Impairments of provisions)/Turnover	Target	80.8%	82.6%	82.0%	81.5%	81.3%
		Achieved	78.5%	79.2%	83.2%	85.4%	85.8%
		Degree of achievement	102.8%	104.2%	98.6%	95.2%	94.5%
		Weighting coefficient	8.0%	8.0%	8.0%	8.0%	8.0%
		Degree of achievement - weighted	8.2%	8.3%	7.9%	7.6%	7.6%
3.	Adjusted EBITDA = Operating profit – Write-back to revenues of the reserve out of the modernization quota + Expenses regarding the modernization quota +Impairments of tangible and intangible assets, here included the revaluation differences	Target - thousand RON	108,443	90,316	95,987	98,872	101,785
		Achieved - thousand RON	123,740	109,391	115,594	119,488	123,866
		Degree of achievement	114.1%	121.1%	120.4%	120.8%	121.7%
		Weighting coefficient	10.0%	10.0%	10.0%	10.0%	10.0%
		Degree of achievement - weighted	11.4%	12.1%	12.0%	12.1%	12.2%
4.	Labor Productivity	Target - thousand RON	251	280	281	296	330
		Achieved - thousand RON	256	279	291	303	330
		Degree of achievement	102.0%	107.3%	103.6%	102.4%	100.0%
		Weighting coefficient	5.0%	5.0%	5.0%	5.0%	5.0%
		Degree of achievement - weighted	5.1%	5.4%	5.2%	5.1%	5.0%
B. NON - FINANCIAL KEY PERFORMANCE INDICATORS: 75%							
B1. 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 breakage resulting in contamination, where the owners do not ease access for remedy)	Target	0.318%	0.301%	0.307%	0.296%	
		Achieved	0.219%	0.207%	0.255%	0.250%	
		Degree of achievement	131.1%	131.2%	116.8%	115.5%	
		Weighting coefficient	3.0%	3.0%	3.0%	3.0%	3.0%
		Degree of achievement - weighted	3.9%	3.9%	3.5%	3.5%	3.0%
6.	Monitoring of the annual electricity average specific consumption for technological purposes	Target	3.3%	3.3%	3.3%	3.3%	3.3%
		Achieved	2.85%	2.64%	2.59%	2.79%	3.3%
		Degree of achievement	100.0%	100.0%	100.0%	100.0%	100.0%
		Weighting coefficient	2.0%	2.0%	2.0%	2.0%	2.0%
		Degree of achievement - weighted	2.0%	2.0%	2.0%	2.0%	2.0%
7.	Achievement of the investments financed out of the modernization quota	Target	95.0%	95.0%	95.0%	95.0%	95.0%
		Achieved	100.0%	214.5%	187.7%	96.0%	95.0%
		Degree of achievement	100.00%	100.0%	100.0%	100.0%	100.0%
		Weighting coefficient	20.0%	20.0%	20.0%	20.0%	20.0%
		Degree of achievement - weighted	20.0%	20.0%	20.0%	20.0%	20.0%
B2. OF CORPORATE GOVERNANCE: 50%							
8.	Implementation/development of the internal management/audit system in compliance with the legal requirements in force	Target	100.0%	100.0%	100.0%	100.0%	100.0%
		Achieved	100.0%	100.0%	100.0%	100.0%	100.0%
		Degree of achievement	100.0%	100.0%	100.0%	100.0%	100.0%
		Weighting coefficient	20.0%	20.0%	20.0%	20.0%	20.0%
		Degree of achievement - weighted	20.0%	20.0%	20.0%	20.0%	20.0%
9.	Timely reporting of the achievement of the performance indicators of the company	Target	100.0%	100.0%	100.0%	100.0%	100.0%
		Achieved	100.0%	100.0%	100.0%	100.0%	100.0%
		Degree of achievement	100.0%	100.0%	100.0%	100.0%	100.0%
		Weighting coefficient	20.0%	20.0%	20.0%	20.0%	20.0%
		Degree of achievement - weighted	20.0%	20.0%	20.0%	20.0%	20.0%
10.	Boost institutional integrity by inclusion of the measures to mitigate corruption as an element of the management plan	Target	90.0%	90.0%	90.0%	90.0%	90.0%
		Achieved	100.0%	100.0%	99.8%	100.0%	100.0%
		Degree of achievement	100.0%	100.0%	100.0%	100.0%	100.0%
		Weighting coefficient	10.0%	10.0%	10.0%	10.0%	10.0%
		Degree of achievement - weighted	10.0%	10.0%	10.0%	10.0%	10.0%
Total degree of achievement of the performance indicators			102.6%	103.7%	102.6%	102.3%	101.8%

a) Average technological consumption (calculated according to each type of transport)

Table 8 – Performance indicators 2018-2022 Budget

Decrease of the operating expenses

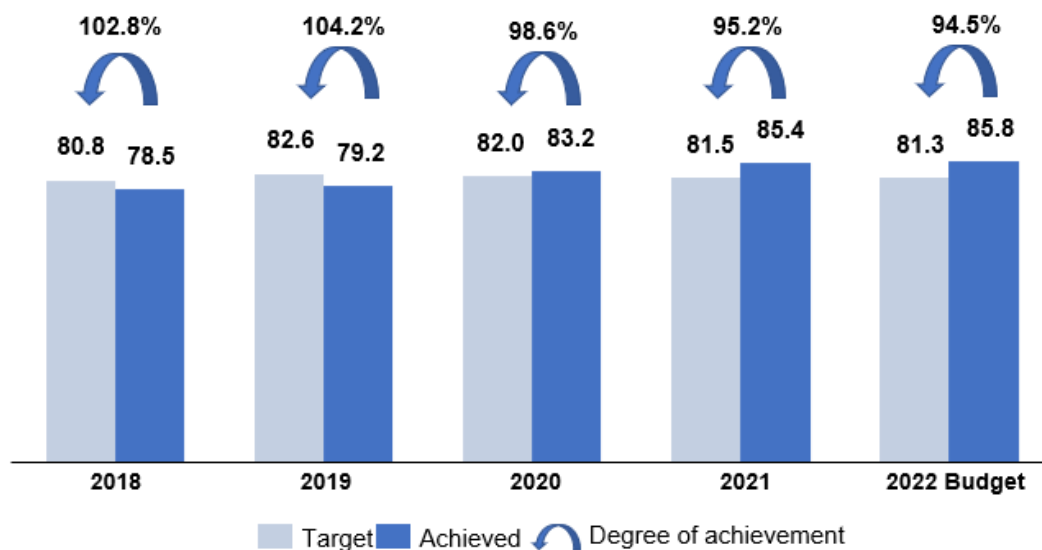


Chart 1 - Decrease of the operating expenses 2018 - 2022 Budget

KRON

Adjusted EBITDA

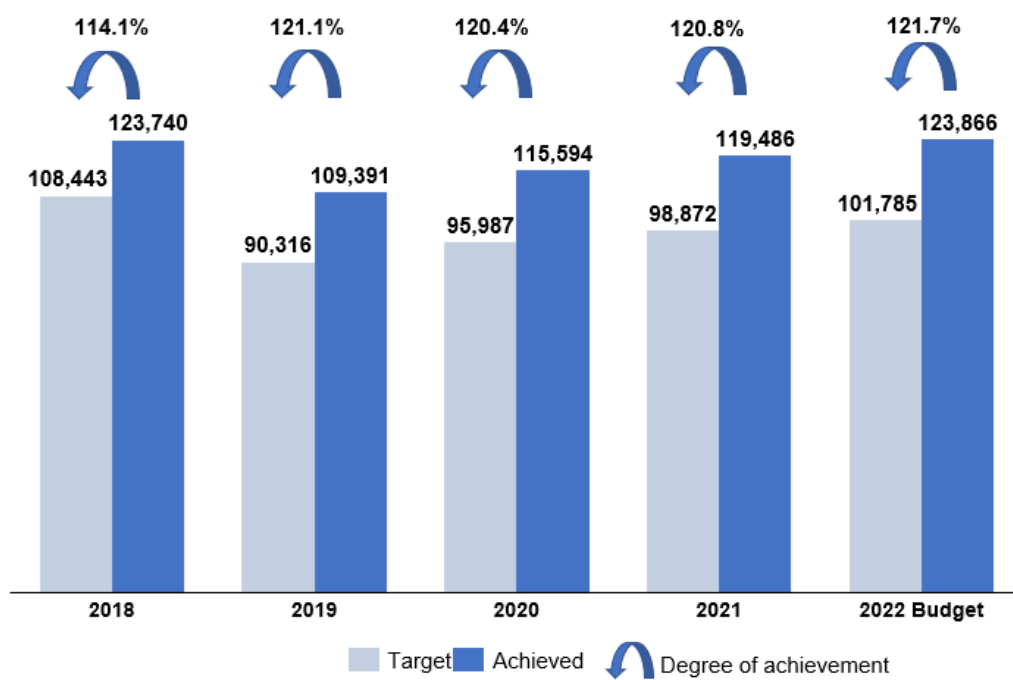


Chart 2 - Adjusted EBITDA 2018-2022 Budget

Labor productivity

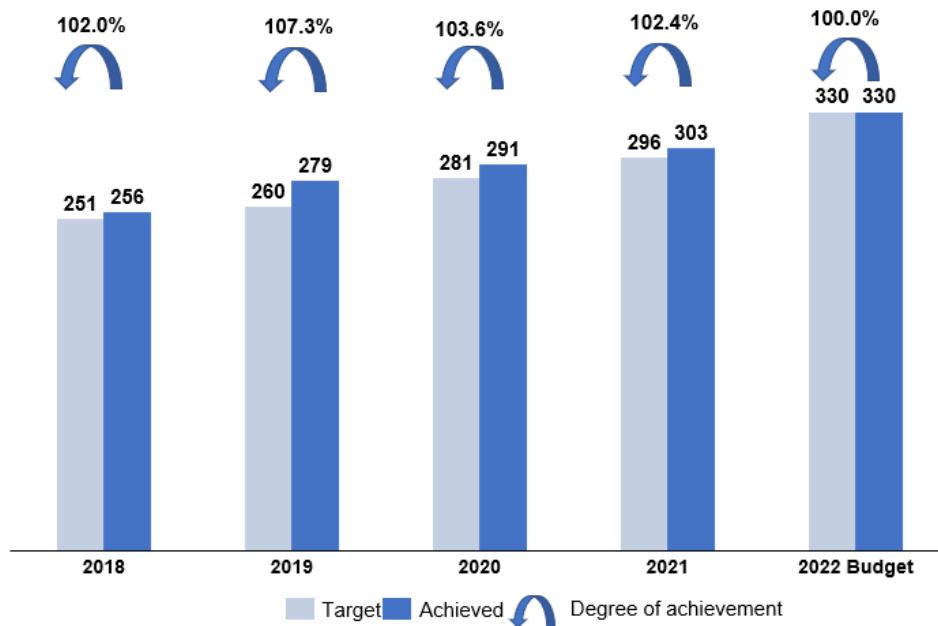


Chart 3 - Labor productivity 2018-2022 Budget

Framing within the specific consumption at crude oil transport

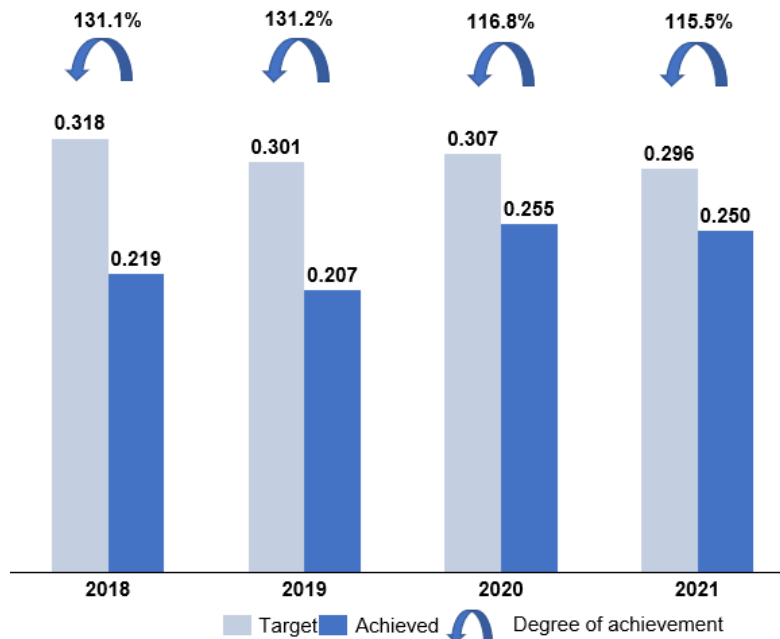


Chart 4 - Framing within the specific consumptions for the crude oil transport 2018-2022

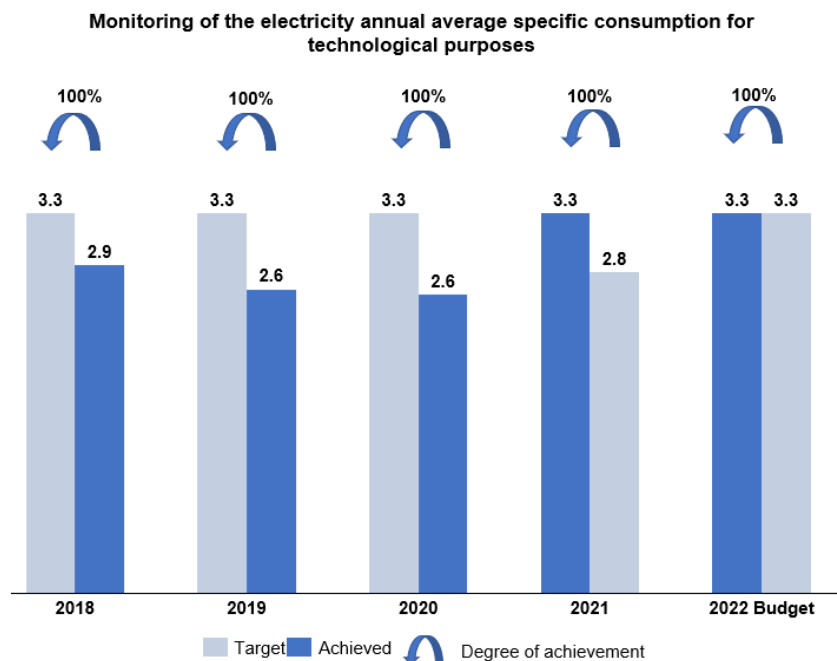


Chart 5 - Monitoring of the specific annual consumption of electricity for technological purposes 2018-2022 Budget

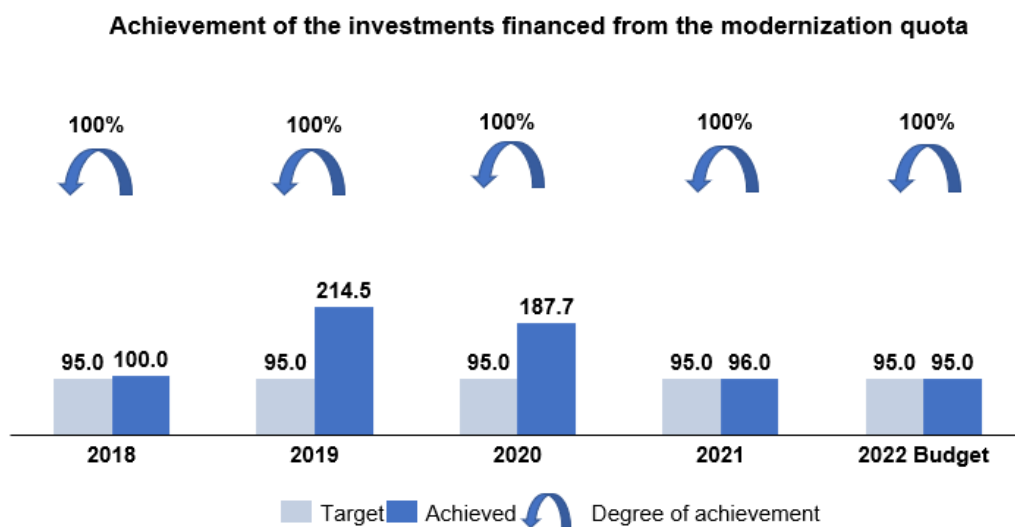


Chart 6 - Investments financed from the modernization quota 2018-2022 Budget

Implementation/development of the management internal control system in compliance with the legal provisions in force

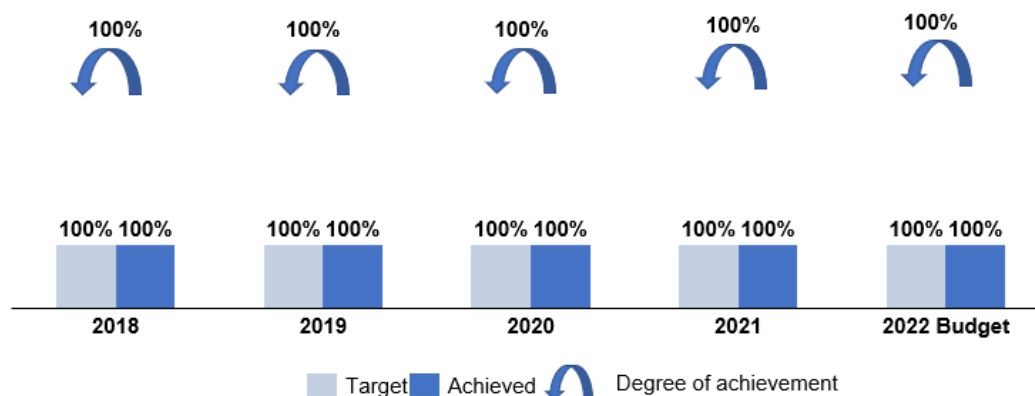


Chart 7 - Implementation/development of the internal management control system in accordance with the legal requirements in force 2018-2022 Budget

Duly reporting of the degree of achievement of the company's performance indicators

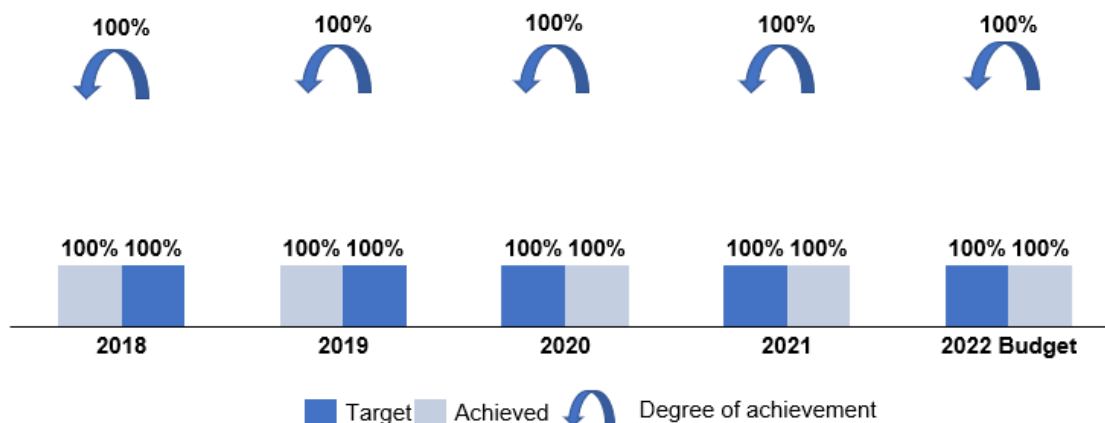


Chart 8 - Timely reporting of the degree of achievement of the performance indicators of the company 2018 -2022 Budget

Boosting institutional integrity by inclusion of the means to mitigate corruption as element of the management plans

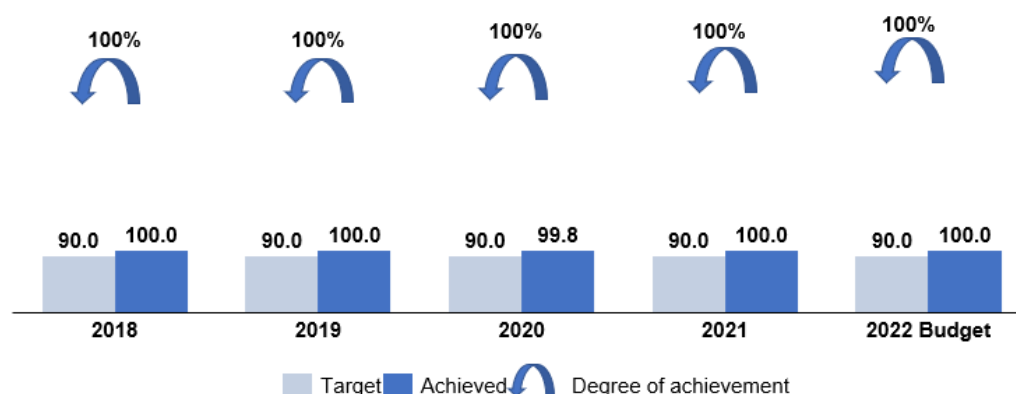


Chart 9 - Boost institutional integrity by inclusion of the measures to mitigate corruption as an element of the management plans 2018 -2022 Budget

Weighted degree of achievement of the performance indicators

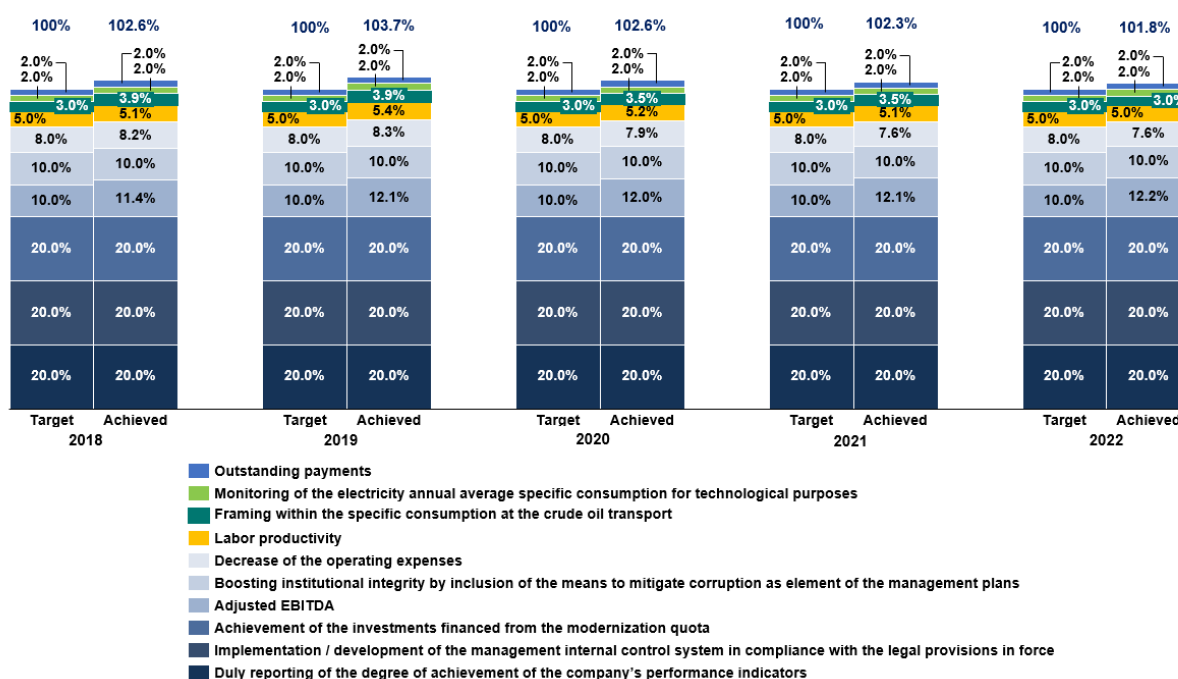


Chart 10 - Weighted achievement of performance indicators 2018-2022 Budget

3. Activity of the Board of Directors in relation to Shareholders

The Board of Directors is the main supervisory body of the business of the company and is headed by a chairman appointed by the General Meeting of Shareholders from among the members of the Board of Directors. According to the statute of the company, the Chairman of the Board of Directors cannot be the General Director of CONPET S.A. The Board of Directors has delegated the management of the company to the General Director of CONPET S.A. and he represents the company in relation to third parties, together with the other directors with mandate contract appointed by the BoD, each in his area of competence and attributions.

During the term of office, the number of BoD and GMS meetings held is presented in the table below:

Year	NO. OF BoD DECISIONS	NO. OF OGMS RESOLUTIONS	NO. OF EGMS RESOLUTIONS
2018 – 5 months	14	2	1
2019	27	7	5
2020	26	5	1
2021	26	5	2
2022 – 6 months	13	3	1

Table 9 - Number of BoD and GMS meetings

Based on the strategy approved by the Administration Plan, for the assurance of an efficient supervision of the company management, guidelines of strategies were established by fields as well as policies of the company (operational policies, development policies, investment policies, human resources policies, commercial policies, code of ethics, code of corporate governance, policies regarding banking placements, work safety and health, relations with investors, public communication and social responsibility, designed to define the directions and methods of action for rendering efficient the activity of the company.

In order to get informed and substantiate the decisions in an efficient way, the BoD monitors every month the stage of fulfillment of measures disposed and regularly requests the executive management information/reports on the planning, budget execution and stage of realization of objectives established by Administration Plan, monthly reports on the stage of activities in units/departments, and other reports necessary for the exercise of supervisory and control of executive management of the Company, as follows:

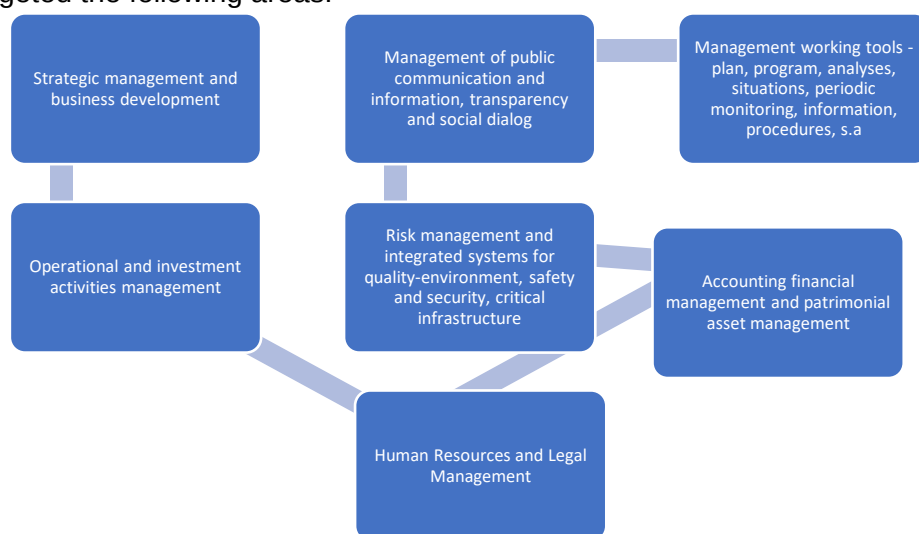
- ✓ Half-yearly financial reporting according to international accounting standards;
- ✓ Report on the execution of the mandate elaborated every quarter according to the provisions of GEO no.109/2011, as further amended and supplemented;
- ✓ Statutory auditor's report;
- ✓ Report of the internal auditor;

- ✓ Declaration of management regarding financial statements;
- ✓ Evaluation Report according to Internal Control Management System; Corporate Social Responsibility Report (CSR);
- ✓ Statement on the Conformity with the provisions of the Corporate Governance Code issued by the Bucharest Stock Exchange;
- ✓ Regular reports drawn up every semester by heads of departments and units and heads of services.

The Board of Directors presents to the General Meeting of Shareholders annual and half - yearly reports on the activity carried out, as they are required by the provisions of GEO no. 109/2011, further amended and supplemented, the financial accounting legislation and the capital market.

The system of procedures instated for each of the procedural activities of the Company represents one of the efficient tools of supervision of its activity within the mechanism of monitoring and control of actions carried out for the materialization of objectives established.

The directions for supervision and control of the activity of the Company's executive management mainly targeted the following areas:



Being run by a BoD composed of professional directors with vast professional experience in the field, CONPET S.A. managed in the last four years to obtain remarkable economic and financial performances and to record an ascending trend regarding the development of activity and perfection of human resources who contribute to its realization.

The Board of Directors convened monthly, usually at the company's headquarters and whenever necessary, at the convocation of the Chairman of the Board or at the request of two members of the Board or of the Director General. During the meetings, the BoD adopted decisions which led to the efficient fulfillment of assignments by the administrative and executive management of the company.

In exercising their duties/competences under the Articles of Incorporation and the Mandate Contract, CONPET administrators acted for the purpose of supervision and control exercised over the executive management, in the spirit of good practices of corporate governance and professional deontology, with maximum responsibility, good faith and professionalism, rigor, seriousness, thorough control and have done all the necessary diligence to achieve the objectives assumed regarding the management of the company in the period 2018 - 2022.

The Company prepares and disseminates relevant regular and continuous information in accordance with International Financial Reporting Standards (IFRS) and other reporting standards, respectively environmental, social and management. The information is presented both in Romanian and in English.

In accordance with the financial communication calendar with the Bucharest Stock Exchange, the administrative and executive management of CONPET organized teleconference meetings with financial analysts, meetings with brokers, financial consultants and investors. These meetings were both on the occasion of the dissemination of the financial statements and the economic and financial results, as well as on the occasion of other events in the company's activity that have an impact on the share quotation.

The members of the BoD have made decisions in the exclusive interest of the company and did not take part in the debates or decisions which create a conflict between their personal interests and the company interests.

The BoD established corporate policy of disseminating information, observing the law in force and the Articles of Incorporation of the Company. This policy has to guarantee the equal access to information of shareholders, investors and significant shareholders and must not allow abuses regarding confidential information.

The corporate social responsibility represents an aspect of corporate governance based on which, at company level, we have initiated a series of socially responsible actions beneficial for the corporate image and bearing extraordinary positive public impact.

The essential role of CONPET S.A. in the field of pipelines transport in Romania obviously implies the maintenance of a very good relations with the customers, the authorities, with all the entities that permanently contribute to a smooth business operation.

Activities carried out

Period of mandate 22.08.2018- 31.12.2018

During the activity carried out in the period 23.08.2018 - 31.12.2018, 14 Decisions were adopted, within the 14 meetings held, as follows:

Summary of the main decisions of the Board of Directors

Decision no. 20/28.08.2018

- Appoints Mr. Gheorghe Cristian - Florin in the capacity of Chairman of the Board of Directors of CONPET S.A., having regard to the provisions of art. 140 ^ 1 par. (1) of Law no. 31/1990 on companies, republished, with subsequent amendments and completions and art. 19 para. (3) of the Articles of Incorporation, namely starting with 28.08.2018 - 21.08.2022 (inclusive of), he will sign the Articles of Incorporation of the company, updated regarding Annex. 1.
- Approves the structure and constituency of the Consultative Committees established at the level of the Board of Directors, thereby:
 - *The Nomination and Remuneration Committee*: Mr. Albuлесcu Mihai– Adrian - President;
Members: Mr. Iacob Constantin– Ciprian, Mr. Gavrilă Florin– Daniel, Mrs. Pavăl Karina, Mr. Meșca Darius-Dumitru
 - *The Audit Committee*: Mr. Gavrilă Florin – Daniel - president;
Members: Mr. Iacob Constantin– Ciprian, Mr. Meșca Darius-Dumitru
 - *The Committee for Development and Relation with Investors and Authorities*: Mr. Popa Claudiu – Aurelian - president;
Members: Mr. Meșca Darius-Dumitru; Mr. Albuлесcu Mihai Adrian
 - *The Committee for Development and Relation with Investors and Authorities*: /Mr. Popa Claudiu -Aurelian – president;
Members: Mr. Meșca Darius – Dumitru, Mr. Albuлесcu Mihai – Adrian.

Decision no. 21/04.09.2018

Taking into account the Report of the Nomination and Remuneration Committee (C.N.R.), the Board of Directors:

- approves the initiation of the recruitment and selection procedure of the company's directors (Director General and CFO - also called Economic Director) to implement the provisions of GEO no. 109/2011, further amendments and completions which is due to be carried out without an independent expert and exclusively by the Nomination and Remuneration Committee.
- entrusts the Nomination and Remuneration Committee within the Board of Directors to run the recruitment and selection procedure of the directors of the company.
- sets the steps and the time limits of the selection procedure, as well as the associated timetable, according to the Nomination and Remuneration Committee (NRC) Report.
- approves the recruitment and selection criteria of the Director General and Economic Director, according to Annex I to the NRC Report.
- approves the recruitment and selection announcement, as set out in Annex II to the NRC Report, conducting the necessary advertising required by the applicable law.

Decision no. 22/19.09.2018

- sets the financial and non-financial performance indicators that are part of the draft for the administration component of the administration plan, developed according to Art. 30 of GEO no. 109/2011 on corporate governance in public enterprises, respectively in the resulting from of the discussions of the BoD meeting. The administration component will be completed with the managerial component that will be developed within the period specified in Art. 36 of GEO no.

109/2011. The performance indicators will be submitted for approval by the General Meeting of Shareholders, to be published at the time of convening thereof, according to the provisions of Art. 30 para 3 of GEO no.109/2011.

- approves the revision of the Investment Program for 2018 and estimates for the 2019 and 2020, within the total values endorsed by the OGMS.

Decision no. 23/02.10.2018

Appoints Mr. Baciú Dan - Silviu as provisional Director General of CONPET S.A., for a period of maximum 4 months, namely the period between the signing of the contract (i.e. on 06.10.2018 - date of signature of) and the date of completion of the process of recruitment and selection of directors of the Company, but no more than 05.02.2019, inclusive of.

Decision no. 24/11.10.2018

Endorses the proposal to the EGMS, of association of CONPET S.A. with SNGN ROMGAZ S.A., OIL TERMINAL S.A., S.N.T.G.N. TRANSGAZ S.A., GAZ SUD S.A. and MEGA CONSTRUCT S.A. for the establishment of the association of the ROMANIAN NATIONAL COMMITTEE FOR THE PETROLEUM WORLD COUNCIL (CNR - CMP) and the acquisition by CONPET S.A. of the quality of associated member within this non - governmental organization;

- takes note of the Report regarding CONPET S.A. activity in July 2018 and during the seven months activity of the year 2018.

- takes note of the Report regarding CONPET S.A. activity in August 2018 and during the eight months activity of the year 2018.

- takes note of the Point of View issued by the Legal Department on the incident legal provisions for the augmentation of the share capital with the value of the land for which ownership certificates have been issued and respectively regarding the manner and necessary steps that must be taken for the increase of the share capital as a measure established by Decision no. 28/2013 of the Prahova Chamber of Accounts, following that, in the next EGMS meeting to be convened by the BoD, to request approval for initiation of the share capital augmentation procedure with contribution in kind and formulation of a request to the Trade Register Office near the Prahova Tribunal for the appointment of an expert assessor (ANEVAR certified) to properly assess these lands according to the legal requirements, as proposed in the Point of View drawn up by the Legal Department.

- acknowledges the Information from the Security Structure on the protection of classified information in CONPET S.A.

Decision no. 25/23.10.2018

Approves the Annual procurement program for 2018 - revision 3.

Decision no. 26/26.10.2018

Approves the participation of the company CONPET S.A. in "The Fifth Conference for Leadership and Operations in Energy, Oil and Gas".

Decision no. 27/06.11.2018

- Following the carrying out 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 corporate governance of public enterprises*:

a) Appoints Mr. CHIS Timur - Vasile as Director General of CONPET S.A., starting with 07.11.2018, for a 4 years' mandate, respectively until 06.11.2022 (inclusive of), delegating the management of the company in accordance with the legal provisions in force, the Articles of Incorporation and the Contract of Mandate.

b) Appoints Mrs. Sanda Toader in the capacity of Economic Director of CONPET S.A., starting 07.11.2018, for a 4 years' mandate, namely until 06.11.2022 (inclusive of), delegating the management of the company in accordance with the legal provisions in force, the Articles of Incorporation and the Contract of Mandate.

- Approves the entrustment of the Director General to start the negotiations procedure with the Union for a new Collective Labor Agreement at company level, applicable 01.01.2019.

Decision no. 29/13.11.2018

- approves the Report of the Director General on the activity of CONPET S.A. for the third quarter of 2018, (01.01.2018 - 30.09.2018), prepared in accordance with the provisions of art. 54 of GEO no.109/2011 on corporate governance of public enterprises.

- approves the quarterly report on the economic and financial activity of CONPET S.A. for the period ending on 30.09.2018, accompanied by the interim financial statements on the date and for the period of 9 months ended on 30.09.2018, prepared in compliance with IAS 34, documents submitted to the BVB and ASF according to the legal provisions on the capital market.

- approves the management component of the Administration Plan drawn up by the Director General and the Economic Director according to GEO no. 109/2011 on corporate governance of public enterprises.

- approves the Administration Plan prepared as per provision of GEO no. 109/2011 regarding the corporate governance of public enterprises.

- endorses the financial and non-financial performance indicators of the administrators, subject for approval of the OGMS

- endorses the general limits of the remuneration of the Director General and Economic Director which are to be subject for approval of the OGMS as per the proposals included in the report of the Nomination and Remuneration Committee.

- following the proposals and debates from the BoD meeting, the Director General recommends the appointment of Mrs. Anamaria Dumitrache as Deputy Director General, starting 01.12.2018.

- requests the Director General to carry out a detailed analysis, which would also focus on the way of establishing performance indicators for the management positions and presenting at the BoD meeting in December 2018 the proposals for the substantiation of a new organizational structure, flexible, efficient and adapted to the requirements and development perspectives of the company, applicable starting with 01.01.2019.

- takes note of the Information Note on the implementation state of the 2018 investment program in the first 9 months.

- approves the proposals for the amendment of the Articles of Incorporation of the Company.

- approves the Code of Ethics and Integrity of CONPET S.A.

Decision no. 33/18.12.2018

Approves:

- i) the organizational structure applicable as of 01.01.2019, as resulted following the discussions and proposals from the BoD meeting.
- ii) the Rules of Organization and Functioning of the Company (ROF) changed in conjunction with the new organizational structure.
- iii) maintaining the delegation to the Director General of the competence for the approval of the new staff establishment and its subsequent amendments.
- approves the key performance indicators (KPIs) for the Director General and Economic Director, their targets and weights for the period 2018-2022 , in the resulted form following the discussions of the BoD meeting, following to be set up Annex no. 1 to the contract of mandate of the Director General and the Economic Director.
- approves the Annual procurement program draft for 2019.
- takes note of the activity report on the status of procurements for the month of November 2018, prepared by the Procurement Department.
- takes note of the Activity Report of October and cumulated January - October 2018.
- takes note of the Activity Report of November and cumulated January - November 2018.
- acknowledges the Information regarding the Investment program of 2019 and estimates for 2020-2021.
- acknowledges the Information regarding the Current Repairs Program of 2019.
- acknowledges the Information regarding the main indicators included in the Income and Expenditure Budget draft for 2019.
- approves the conclusion of the new Collective Labor Agreement (Ro. CCM) by the social partners, applicable within CONPET S.A. for a period of two years, starting 01.01.2019.
- Approves the initiation of the recruitment and selection procedure of the Deputy Director General, which will be made without an independent expert, respectively by the Nomination and Remuneration Committee.

YEAR 2019

During 01.01.2019 - 31.12.2019, 28 decisions were adopted within the 28 meetings held.

Summary of the main decisions of the Board of Directors

Decision no. 1/07.01.2019

Taking into account the Report of the Nomination and Remuneration Committee (C.N.R.), the Board of Directors:

- a) sets the calendar of the procedure for the recruitment and selection of the Deputy General Director, with deadlines, according to the RNC Report;
- b) approves the recruitment and selection criteria of the Deputy Director General (Ro. DGA), according to Annex I to the NRC Report;
- c) approves the recruitment and selection announcement, as set out in Annex II to the RNC Report, conducting the necessary advertising required by the applicable law.

Decision no. 2/23.01.2019

- approves the Investments Program for 2019.
- approves the Current Repair Program 2019 proposed by the Substantiation Note.
- approves the results of the inventory of assets, liabilities and equity items, according to the Minutes concluded by the Central Inventory Commission.
- approves the updated CONPET Accounting Policy Manual.

Decision no. 4/11.02.2019

Taking into account the Report of the Nomination and Remuneration Committee, approves the Managerial Profile matrix for the Deputy Director General, respectively in the form resulting from the proposals and discussions in the BoD meeting.

Decision no. 5/18.02.2019

- endorses the proposal for the approval of the initiation of the operation of augmenting the share capital of the company CONPET S.A. with the value of the lands held, based on 48 certificates attesting the property rights and approving the elaboration of a request to the Trade Register Office attached to the Prahova Tribunal, for the appointment of an authorized assessor for the evaluation of the lands, with a total area of 554,537.61 sqm, afferent to the 48 property rights certificates, in order to augment the share capital of CONPET S.A.
- endorses the proposal for the approval of the transaction with S.N.T.F.M. "CFR MARFĂ" S.A. that will result in the conclusion of a contract having as its object „Transport services by rail of oil and rich gas from the loading ramps to the destinations set by CONPET S.A.”.
- appoints Mrs. Dumitrache Mihaela - Anamaria in the capacity of Deputy Director General starting with 18.02.2019, with a mandate for a period of 4 years, respectively until 17.02.2023 (inclusive of), delegating the management of the company thereof in accordance with the legal provisions in force and with the Mandate Contract, taking into account the proposal formulated in the Report of the Nomination and Remuneration Committee, approved unanimously by the votes cast by the Administrative Board after the debates at the meeting.

Decision no. 7/27.02.2019

- Approves the Preliminary Report for the period January – December 2018, accompanied by the preliminary financial statements unaudited at the date and for the financial year ended 31.12.2018, drawn up in accordance with the accounting regulations in accordance with the International Financial Reporting Standards approved by the Order of the Ministry of Public Finance no. 2844/ 2016.
- Approves the Investments Program for 2019.
- Endorses the Revenue and Expenditure Budget for 2019 of CONPET S.A.

BoD Decision no. 8/19.03.2019

- approves the new organizational structure of the Company applicable starting with 01.04.2019.
- approves the Report of the Directors with a Mandate Contract on the activity for the period ended on December 31, 2018, drawn up in accordance with the provisions of GEO no.

109/2011 on the corporate governance of public enterprises and with the provisions of the mandate contract.

- approves the Annual Report of the Administrators for the financial year ended 31.12.2018 with Annexes, which will be submitted to the OGMS
- endorses the annual financial statements prepared on the date and for the financial year ended on 31.12.2018 drawn up on the basis of accounting regulations in accordance with International Financial Reporting Standards approved by the Order of the Ministry of Public Finance no. 2844/ 2016, based on the Report of the financial auditor BDO Audit SRL on the financial statements of 2018.
- endorses the proposals to the OGMS to distribute the net profit for the financial year 2018 and some amounts of retained earnings and other reserves, fixing the gross dividend per share and the date of payment of dividends to shareholders.
- approves the Annual Report of the Nomination and Remuneration Committee to the OGMS on the remunerations and other advantages granted to the administrators and directors with mandate contract, during the financial year 2018, report to be submitted to the OGMS.
- endorses the Annual Report of the Nomination and Remuneration Committee to the OGMS and submits for approval to the OGMS the total degree of fulfillment of the financial and non-financial key performance indicators (KPIs) for 2018, approved for the administrators by OGMS Decision no.7/18.12.2018 and granting the variable component due to the administrators for 2018, pro-rata depending on the period made from the mandate in 2018, respectively for the number of days in the period 23.08.2018 – 31.12.2018.
- endorses the proposals to the OGMS, formulated by the executive management, regarding the professional liability insurance of the administrators, having as object the establishment of the maximum limit of the annual insurance premium concluded by the company, respectively in the amount of 15,000 Euro/year of insurance, corresponding to a minimum insured amount of EUR 12 million in aggregate, for the professional liability insurance of the Company's administrators, the limit will remain unchanged for the entire period of their term of office.
- approves the amendments to the Annual Procurement Program Draft for 2019.
- approves the Internal Procurement Procedural Rules - revision 3, updated in correlation with the legislation in force.
- endorses the proposals formulated to the OGMS of the establishment of the general limits of the variable component for the directors with a mandate contract, namely the Director General, the Economic Director and the Deputy Director General, pursuant to the report of the Nomination and Remuneration Committee, in annual gross total quantum of maximum 5% of the net profit annually achieved, but not higher than the value of the fix gross allowance related to the entire financial year, payable thereof, applicable starting with their nomination by the BoD.
- approves the management component of the Administration Plan drawn up by the Deputy Director General according to GEO no. 109/2011, *on corporate governance in public enterprises*;

- approves the Addendum no. 1 to the mandate contract of the Deputy Director General, concerning the key financial and non-financial performance indicators (KPIs) included in its Annex. 1, and some mentions regarding the variable remuneration component.

BoD Decision no. 9/02.04.2019

- following the Report of the Nomination and Remuneration Committee, within the BoD, regarding the selection results for the Deputy Director-General 2 position, approves the recommendation on the appointment of Deputy Director-General 2.

BoD Decision no. 10/09.04.2019

- approves of the decommissioning/downgrade of certain assets (fixed assets and inventory objects) from the company's patrimony, whose operational maintenance is no longer justifiable, as well as the approval of the proposed capitalization methods of these assets.
- endorses the decommissioning/downgrading of certain assets (fixed assets and inventory objects of a fixed type) belonging to the public domain of the state, whose operational maintenance is no longer justifiable, as well as the approval of the proposed capitalization methods for these assets, in order to prepare the documentation required for the issuance of the GD approving the removal of the respective assets from the state's public domain and the capitalization methods;
- approves the Addendum no. 2 to the Mandate Agreement of the Directors, concerning some changes of/additions to the contractual provisions, as a result of the discussions from the BoD meeting.
- approves the method of calculating and granting of the variable component of the remuneration of the Directors with a Mandate Contract, followed by the conclusion of an Addendum after the OGMS meeting from 23.04.2019, regarding the approval of the general limits of the variable components of their remuneration and of the financial statements for 2018, depending on the OGMS resolution.
- in view of the OGMS Resolution no. 1/ 26.03.2019 comprising the request of the majority shareholder, the Ministry of Energy, addressed to the BoD, to conduct an analysis via the Nomination and Remuneration Committee and the Audit Committee, regarding the issues found in the Information Note prepared by the Auditing Body of the Minister of Energy, the Board of Directors has decided that, in order to substantiate the analysis and report elaboration including its conclusions, to the OGMS, the Public Internal Audit Office (directly subordinated to the BoD) to initiate the required audit engagement, whose purpose and objectives will be decided by the Director General.

BoD Decision no. 11/23.04.2019

- approves the Annual Procurement Program for 2019.
- approves the company's Organizational and Operational Rules and Regulations, amended in correlation with the new organizational structure, starting with 01.04.2019.
- approves the resizing of the necessary staff by eliminating 29 positions within some organizational entities of the company, resulting in the individual dismissal of the employees staffing these positions, for reasons not related to their person.

- approves the maintenance of delegating, to the Director General, the competence regarding the approval of the new resulting staff establishment plan, as well as its subsequent amendments, in compliance with the organizational structure which entered into force on 01.04.2019 and with the classification in the staff numbers approved by the Board of Directors at pt a).
- approves the Addendum no. 3/2019 to the mandate contract of the Directors.
- approves the proposal of the executive management to relinquish the membership in the "Petroleum Club Association", starting with April 2019.

BoD Decision no. 12/02.05.2019

- approves the activity report of the Board of Directors to the OGMS for the period 23.08.2018 - 31.12.2018 regarding the stage of fulfilling the strategic objectives included in the Administration plan for the 2018 mandate period, regarding the evaluation of the activity of the administrators appointed by the OGMS Resolution no. 5/22.08.2018, in the form resulted following the discussions of the BoD meeting.
- Approves the Report of the Board of Directors for monitoring the compliance of the key performance indicators of the administrators within the limits approved by the OGMS for 2018, as resulted following the discussions of the BoD meeting and submits for approval to the OGMS.
 - a) a) the total degree of fulfillment (102.67%) of the financial and non-financial key performance indicators (KPIs) for the year 2018, approved for administrators, via the by OGMS Resolution no. 7/18.12.2018.
 - b) granting of the variable component due to administrators for 2018, according to the provisions of the contract of mandate.

BoD Decision no. 13/14.05.2019

- approves the Quarterly Report of the Directors with mandate contract on the activity for the period ended on 31.03.2019, prepared in accordance with Art. 54 of the GEO No. 109/2011 *on corporate governance of public enterprises* and in the provisions the mandate contract.
- approves the Quarterly Report on the economic and financial activity of CONPET S.A. on 31.03.2019 (period 01.01.2019 - 31.03.2019), accompanied by the interim financial statements on the date and for the period of 3 months, ended on 31.03.2019, prepared in compliance with IAS 34, documents to be submitted to the BVB (Bucharest Stock Exchange) and FSA, according to the legal provisions on the capital market.
- endorses the Quarterly Report on the monitoring of financial and non-financial key performance indicators and their total degree of achievement for administrators (104.41%) and the directors with a mandate contract (108.42%) for the period 01.01.2019 – 31.03.2019.
- approves the Investment Program for 2019, rectified in May 2019, as resulted from the discussions of the BoD meeting, established following the meeting of the Development and Investors and Authorities Relations.
- approves the Annual Procurement Program for 2019 - revision 2, as resulted from the correlation with the Investment Program for 2019, rectified in May 2019.

BoD Decision no. 15/28.05.2019

- endorses the Report of the Nomination and Remuneration Committee regarding the mandate contract Directors' activity for 2018, prepared based on Art. 36, para (5) of GEO no. 109/2011.
- instructs the Budget Controlling Department and the Internal Managerial Control Department to develop a procedure for establishing and monitoring the key performance indicators and the internal control mechanism to ensure the accuracy of indicator reporting.
- approves the augmentation of the share capital of CONPET S.A. by the maximum value of 101,763,954.60 RON, representing in-kind contributions (lands) amounting to 59,751,935.10 RON and cash amounting to 42,012,019.50 RON from the current value of 28,569,842.40 RON to a maximum of 130,333,797 RON, according to Note no. 20331/23.05.2019 to the EGMS.

BoD Decision no. 16/07.06.2019

- Approves the rectification of the Revenue and Expenditure Budget - Annex no. 2 "Detailing the economic-financial indicators provided in the Revenue and Expenditure Budget for 2019 and their quarterly distribution".
- Approves the criteria for the distribution and granting of the employees' participation fund to the 2018 profits, as negotiated between the social partners and provided in the Protocol and Regulation regarding the criteria, granting levels awarding and method of calculation method.

BoD Decision no. 17/04.07.2019

- approves the Report of the directors with mandate contract - Director General and Economic Director, for the classification of the key performance indicators within the limits approved by the Board of Directors for the term of office held in 2018, respectively approves:
 - a) the total degree of fulfillment (105.04%) of the financial and non-financial key performance indicators (KPIs) for the year 2018, approved for the mandate contract Directors - Director General and Economic Director, via the Bod Decision no. 33/18.12.2018.
 - granting the due variable component to the Directors with a mandate contract (Director General and Economic Director) for the term of office held in 2018, in accordance with the provisions of the mandate contract and the general limits of the variable component approved by the OGMS in the meeting of 23.04.2019.
- approves the decommissioning of the fixed assets from the 373 management - Rampa Berca, whose operational maintenance is no longer justifiable.
- approves the starting auction bids for assets whose maintenance is no longer justified.
- approves approval the maximum annual limit of 13,000 EURO of the premium professional liability insurance of Directors with a mandate contract, during the contract term, corresponding to a minimum insured amount of 12 million EURO in aggregate.
- approves the halt of the activity in the "Crude oil pumping station Constanța Nord" location and the beginning of the procedures at A.N.R.M. for obtaining the notice of deactivation of the working point.
- in view of the C.N.R. (Nomination and Remuneration Committee) Report:

By BoD decision no. 17/04.07.2019, the BoD appointed provisionally appointed Mr. Buică Nicușor - Marian as of administrator, taking into account the proposal from the shareholder DEDEMAN SRL, the term of office starting 05.07.2019 and until the OGMS meeting, on the vacancy due to waiver of office and as administrator of Ms. Pavăl Karina. Appointment of the provisional administrator was carried out in accordance with Art. 137² Para. (1) of Law no. 31/1990 on companies, republished, with subsequent additions and amendments and Art. 19 Para. (4) of CONPET S.A.'s Articles of Incorporation.

BoD Decision no. 18/ 25.07.2019

Approves the updating of the Advisory Committees' composition, set up at the level of the Board of Directors, respectively of the Nomination and Remuneration Committee - completing the number of members with Mr. BUICĂ Nicușor-Marian (replacing Ms. Pavăl Karina) and approves the R.O.F. (Organizational and Functioning Regulation) of the BoD, updated following the appointment of Mr. Nicușor – Marian BUICĂ as provisional administrator of CONPET S.A.

BoD Decision no. 19/12.08.2019

- endorses and submits for approval to the OGMS CONPET S.A.'s Revenue and Expenditure Budget, rectified for 2019.
- approves the Report of the Directors with a mandate contract on the activity ended on June 30, 2019, in accordance with the provisions of Art. 54 of GEO no.109/2011 *on corporate governance of public enterprises* and the provisions of the mandate contract.
- approves the Administrators' Report to the OGMS regarding the activity for H1, 2019 (period January - June 2019), prepared as per the provisions of Art.223 of the FSA Regulation no.5/2018 and Art. 55 of GEO no.109/2011, accompanied by the Financial Statements at the date and for the period of six months, ended June 30, 2019, as per the Order of the Ministry of Public Finance no. 2844/2016 and the International Accounting Standard 34 "Interim Financial Reporting", as well as the Revision Report of the interim financial statement drafted by the financial auditor BDO Audit SRL.
- endorses the Quarterly Report on the monitoring of financial and non-financial key performance indicators and their total degree of achievement for administrators (105.6 % H1 2019, as per Annex no. 3) and the directors with a mandate contract (110.7 % H1 2019, as per Annex no. 4).
- approves the Current Repairs Program for 2019, revised.
- approves the 2019 Investments Program - rectified in august, 2019 and estimates for 2020 and 2021.
- approves the Annual Procurement Program for 2019 - revision 6.
- endorses the proposal of the Audit Committee, set up at the level of the Board of Directors, regarding the appointment, by the OGMS, of the financial auditor BDO Audit S.R.L. of CONPET S.A., following the procurement procedure by the company, and establishing the duration of the financial audit contract for a period of 3 (three) years from the date of his appointment's approval by the OGMS, namely for 2019, 2020 and 2021.
- endorses the Information Note to the Ordinary General Meeting of Shareholders on the acknowledgment of the prescription of the shareholders' rights to the dividends related to the financial year 2015, unclaimed until 31.07.2019.

- endorses the Nomination and Remuneration Committee Report, to the OGMS, regarding the nomination of Mr. Nicușor - Marian BUICĂ as administrator of CONPET S.A. and endorses the contract of mandate that will be subject of approval to the OGMS, as resulted following the discussions of the BoA meeting.

BoD Decision no. 22/12.09.2019

- approves the closure of the working point "Crude oil pumping station Constanța Nord" and its deletion from the records of the National Trade Register Office (O.N.R.C.).
- takes note of the letter of the Prahova Chamber of Accounts to the GMS regarding the extension until 31.03.2020 of the term for carrying out the measures I.1 and II.2 ordered by Decision no. 28/ 29.03.2013 and requests the executive management to present in the next BoD meeting an information / report on the situation of said measures, in order to convene the GMS.

BoD Decision no. 23/11.10.2019

- approves the 2019 Investments Program, revised in September, and estimates for 2020 - 2021.
- approves the Annexes no. 2 and 4 of the amended Revenue and Expenditure Budget for 2019.
- approves the Annual Procurement Program for 2019 – revision 10.
- endorses the Information, to the OGMS, regarding the extension, until 31.03.2020, of the fulfillment term of the measures I.1. And II. 2., disposed via Decision no. 28/29.03.2013 of the Prahova Chamber of Accounts.
- approves the Report of the Board of Directors registered within the company, that is to be presented to the OGMS, regarding the number of technical failures recorded in 2017 and the total degree of fulfillment of the performance indicators of the administrators for 2017, recalculated based on the indicator "decrease in the number of technical failures" for 2017 and requests the executive management to calculate the amounts to be reimbursed by the administrators, given the provisions of the administration contracts of non-executive directors/contract of mandate of the executive administrator, where the OGMS approves the recalculation of the variable subcomponent of the administrators' allowance for 2017, depending on the total degree of fulfillment of the performance indicators of the company's directors, recalculated for 2017. The Note comprising the calculation of the differences regarding the variable subcomponent of the administrator's allowance shall be annexed to the BoD Report addressed to the OGMS.
- the report shall include the following proposals of the BoD that will be subject to the approval of the OGMS:
 - approval of the degree of fulfillment of the performance indicator "decrease in the number of technical breakdowns" of the administrators, recalculated for 2017 and consequently approval of the total degree of fulfillment of the performance indicators of the administrators, recalculated for 2017;

- approval of the recalculation of the variable subcomponent of the administrators' allowance for 2017, depending on the total degree of fulfillment of the performance indicators of the company's administrators, recalculated for 2017 and the taking of necessary measures by the executive management to recover the differences from the respective directors.
- approves the composition of the Nomination and Remuneration Committee (reconfirmation of Mr. Buică Nicușor - Marian as a member of the N.R.C.) and approves the updated Organizational and Functioning Regulation (R.O.F.) of the Board of Directors regarding the final mention on the OGMS no. 5/ 30.09.2019 (appointment of Mr. Nicușor - Marian Buică as administrator of the company) and the current BoD Decision on the composition of the N.C.R.
- approves the modification of the organizational structure, in accordance with the discussions and proposals from the BoD meeting
- approves the Substantiation Note no. 39053 / 07.10.2019 prepared by the Human Resources Department, namely approves the resizing of the necessary staff the dissolution of 29 positions (starting with 15.10.2019) within some organizational entities of the company, resulting in the individual termination of the employees of said positions, for reasons unrelated to their person, whilst taking into account the applicable legal provisions.
- approves continuity of delegating, to the Director General, the power to approve the new Staff establishment plan.

BoD Decision no. 24/13.11.2019

- approves the Quarterly Report on the economic and financial activity of CONPET S.A. on 30 September, 2019 (period 01.01.2019 - 30.09.2019), drawn up in accordance with Article 125 of FSA Regulation no. 5/ 2018, accompanied by the Financial Statements as of the date and for the nine-month period ended on 30 September, 2019, prepared in accordance with O.M.F.P. no. 2844/ 2016 and with International Accounting Standard 34 "Interim Financial Reporting".
- approves the Report of the Directors with a Mandate Contract on the activity for the period ended on 30 September, 2019, prepared in accordance with the provisions of GEO no. 109/2011 on the corporate governance of public enterprises and with the provisions of the mandate contract.
- approves the 2019 Investments Program, revised in October and estimates for 2020 - 2021.
- approves the 2019 Annual Procurement Program - revision 12.
- endorses the Quarterly Report on the monitoring of financial and non-financial key performance indicators and their total degree of achievement for administrators (104.6%) and the directors with a mandate contract (108.7%) for the period 1 January 2019 - 30 September 2019.

BoD Decision no. 25/28.11.2019

- approves the proposals regarding the result of the analysis and endorsement of the assets proposed for scrapping, prepared by the *Commission of Analysis and endorsement of the proposals for the decommissioning of the fixed assets (...)*, namely:
 - approves the decommissioning of a number of 30 fixed assets (Dacia Logan and Dacia Duster automobiles) belonging to the patrimony of the company proposed for scrapping, these being fully depreciated;

- approves the capitalization of the above-mentioned fixed assets, at letter a), by sale via auction, based on a starting bid that will be established in accordance with internal procedures and approved by the executive management.
- takes note of the OGMS Resolution no. 6 /19.11.2019 and requests the executive management to take the necessary measures to carry out its provisions, according to art. 3 letter b) of the Resolution, in order to recover the pecuniary deviations from the administrators with mandate in 2017, following the OGMS's approval of the recalculation of the variable subcomponent of the directors' allowance for 2017, depending on the total degree of fulfillment of the performance indicators of the company's directors, recalculated for 2017.
- takes note of the Briefing on the investment objective regarding the procurement of the "Video surveillance systems in 10 CONPET locations" and the execution of the installation works of the technical security systems at the Marghita Ramp, Băicoi Station and at the Independence Ramp and Depot.

BoD Decision no. 26/12.12.2019

- approves the rectification of Annexes no. 2 (Detailing the economic-financial indicators) and no. 4 (The Investment, Endowments and Financing Sources Program - rectified for 2019) of the Revenue and Expenditure Budget, rectified for 2019.
- approves the Investment Program for 2019 - revised on November 2019, also including estimates for the period 2020-2021;
- approves the 2019 Annual Procurement Program - as presented in Annex 1.
- takes note of the 2020 Annual Procurement Program Draft, with the caveat that it will be reconsidered and presented in final form, after the 2020 Revenue and Expenditure Budget is approved.
- approves the Regulation for the evaluation of the professional performances of CONPET S.A.'s employees - Annex 1 to the Bylaws, which will be supplemented with provisions on sanctions applicable to employees with management positions, in case of non-fulfillment of the established objectives.
- approves the Preliminary Projection of the Revenue and Expenditure Budget (B.V.C.) for 2020, presented by the executive management.
- mandates the executive management to negotiate with the Free Trade Union CONPET the granting of an increase in basic salaries for 2020, within the inflation index (3.4%) forecast by the National Statistics Institute (I.N.S.) for 2020, as proposed in the Preliminary Projection of the Revenue and Expenditure Budget (B.V.C.) for 2020, conditioned by the approval of the B.V.C. for 2020, by the GMS.

Year 2020

During 01.01.2020 - 31.12.2020, 26 decisions were adopted within the 26 meetings held.

Summary of the main decisions of the Board of Directors

Decision no. 1/17.01.2020

- approval of the establishment and registration at the Trade Register Office attached to the Prahova Court of the following locations, as secondary offices of the company, with the core business of “pipeline transport” - CAEN code 4950. 1. Crude oil and rich gas delivery point, at Petrobrazi Refinery; 2. Boldești crude oil pumping station; 3. Surani crude oil pumping station; 4. Predeal Sărari crude oil pumping station; 5. Berca crude oil pumping station; 6. Opișenești crude oil pumping station; 7. Potlogi crude oil pumping station; 8. Mădulari crude oil pumping station) and empowers the Director General of CONPET S.A. for carrying out all the necessary formalities required by the Trade Register Office attached to the Prahova Court and for the granting of the right to delegate the mandate to another person in order to carry them out.
- analysis of the Information on the upgrade of the Videoconferencing System (position 72 of the Procurement Program Draft for 2020).
- approval of the Organizational and Functioning Regulation of CONPET S.A., updated in correlation with the company's organizational structure, applicable starting with 15.10.2019.

Decision no. 2/30.01.2020

- approval of the 2019 inventory results of the elements akin to assets, liabilities as well as equities.
- approval of the Investment Program for 2020, respectively Annex no.1 - Detailed structure by objectives that also includes estimates for the years 2021 and 2022 and Annex no. 2- independent endowments and equipment for 2020.
- approval of the Current Repairs Program for 2020.
- endorsement of the Investment Program for 2020, including estimates of investment expenditures for 2020 and 2021.
- endorsement of CONPET S.A.'s Revenue and Expenditure Budget for the year 2020, including the estimates for 2021 - 2022, accompanied by the Substantiation Annexes no 2-5.
- endorsement of the on the appointment by the OGMS of a representative of the Ministry of Economy, Energy and Business Environment in the GMS to sign on behalf of CONPET S.A. the contract of mandate of Mr. Buică Nicușor – Marian, appointed as administrator of the company by the OGMS Resolution no. 5/30.09.2019, with the specification that this contract of mandate approved by the OGMS shall take effect starting with the date of appointment of the administrator, via the OGMS Decision no. 5/30.09.2019 and until the expiry of the mandate of the current Board of Administration (21.08.2022, inclusive).
- approval of a new organizational structure of CONPET S.A. applicable starting with 03.02.2020 (Annexes no. 1 and 1.1.), in correlation with the current needs of the company.

Decision no. 3/20.02.2020

- approval of the Preliminary Report for the period January - December 2019, accompanied by the unaudited preliminary financial statements for the financial year ended on 31.12.2020, prepared based on the accounting regulations compliant with the International Financial Reporting Standards approved by Order no. 2844/2016 of the Ministry of Public Finance.
- approval of the starting bids for the procurement of 30 Dacia Logan and Dacia Duster cars, resulting from the Evaluation Report prepared by the authorized assessor Constantin Valerică.
- approval of CONPET S.A.'s participation in the Financial Analysis Program dedicated to Small and Medium Enterprises (I.M.M.); from South-Eastern Europe listed on the Bucharest Stock Exchange and the delegation of the Director General to sign the Memorandum of Understanding with the representatives of the BVB;
- Approval of the Organizational and Functioning Regulation of CONPET S.A.
- Approval of the Bylaws on the Organization and Functioning of the Consultative Committees established at the BoD level;

Decision no. 5/24.03.2020

- approval of the Annual Report of CONPET S.A.'s administrators, to the OGMS, for the financial year ended 31.12.2019.
- endorsement of the annual financial statements prepared on and for the financial year ended on 31.12.2019, based on the accounting regulations compliant with the International Financial Reporting Standards approved by the Order of the Ministry of Public Finance no. 2844/ 2016, based on the Report of the financial auditor BDO Audit SRL regarding the financial statements of 2019.
- endorsement of proposals to the OGMS concerning the distribution of net profit for the financial year 2019 and of some amounts from the retained earnings, the establishment of the gross dividend per share and the date of dividends payment to the shareholders.
- endorsement of the total degree of fulfillment (103.7 %) of the key financial and non-financial performance indicators (KPIs) for 2019, approved for administrators via the OGMS Resolution no. 7/18.12.2018, based on the Report prepared by the directors with a mandate contract.
- approval of the Annual Report of the Nomination and Remuneration Committee regarding the remunerations and other benefits granted to the administrators and directors with a mandate contract, during the financial year 2019.
- approval of the Board of Directors' report on the administration activity in 2019 prepared in accordance with Art. 55 of GEO 109/2011 *on corporate governance of public enterprises* and the provisions of the mandate contract.
- approval of the Report of the Board of Directors for monitoring the classification of the key performance indicators (ICP) of the administrators for 2019, within the limits approved by the OGMS and submits for approval the following:
 - a) the total degree of fulfillment (103.7%) of the key financial and non-financial performance indicators (KPIs) for 2019, approved for the administrators via the OGMS Resolution no. 7/18.12.2018;
 - b) granting the variable component due to the administrators for the term of office exercised in 2019, in accordance with the provisions of the mandate contracts.

- approval of the Annual Report of the directors with a mandate contract on the activity of the period concluded on 31.12.2019, prepared in accordance with the provisions of art. 54 of GEO 109/2011 *on the corporate governance of public enterprises* and with the provisions of the mandate contract.
- approval of the Report of the directors with a mandate contract for monitoring the compliance with the key financial and non-financial performance indicators (KPIs) for 2019, within the limits approved by the Board of Directors, namely:
 - a) approves the total degree of fulfillment (107%) of the key financial and non-financial performance indicators (PCI) of the Director General, the Deputy Director General and the Economic Director for 2019;
 - b) approves the granting of the variable component due to the directors, for the term of office exercised in 2019, in accordance with the provisions of the mandate contracts and within the limits approved by the OGMS.
- approval of the Report of the Nomination and Remuneration Committee regarding the evaluation of the activity of the directors with a mandate contract for 2019, which was uploaded on the website of the Ministry of Energy;
- approval of decommissioning / downgrading of assets (fixed assets and inventory items in use) and stocks in warehouses, pertaining to the company's patrimony, whose operational maintenance is no longer justifiable and endorsement of the proposed capitalization methods for said assets.
- endorsement of the proposal for the decommissioning/downgrading of certain assets (fixed assets and inventory objects of a fixed type) belonging to the public domain of the state, whose operational maintenance is no longer justifiable, as well as the approval of the proposed capitalization methods for these assets, in order to prepare the documentation required for the issuance of the GD approving the removal of said assets from the state's public domain and the capitalization methods;
- approval of the 2020 Annual Procurement Program.
- analysis of the Information Note regarding the implementation stage of the Investment Program for 2019.

Decision no. 6/24.03.2020

Approval of granting a sponsorship amounting to 100,000 RON to the Ploiești County Emergency Hospital, intended for the purchase of ventilators for anesthesia and intensive care, in the current epidemiological context, within the applicable legal provisions.

Decision no. 7/01.04.2020

- analysis of the Proposed Measures presented, in order to reduce staffing costs and achieve the staffing indicators set out in the Revenue and Expenditure Budget for 2020 and calls on the executive management to take into account the most pessimistic scenarios regarding the transport activity and to establish staff management options in case of each of them, highlighting the savings with staff costs, for each scenario.
- approval of the rectification of Annex no. 2 (Detailing the economic-financial indicators provided in the Revenue and Expenditure Budget) of the R.E.B. For 2020 and consequently

making those changes, in Annex no. 2 of the Revenue and Expenditure Budget for 2020. The total sponsorship expenses provided in the R.E.B. For 2020, approved via the OGMS Resolution no. 1/ 05.03.2020 remain unchanged.

Decision no. 8/02.04.2020

Approval of the sponsorship of the hospitals in Prahova County that will ensure the admittance and treatment of patients with COVID-19.

Decision no. 9/08.04.2020

Analysis of the Presentation regarding the investment “Replacement of Danube crossing wires C1-C2 and Borcea arm C3 – C4”, a project included in the Investment Program 2020 - 2022.

Decision no. 10/22.04.2020

- approval of the Investment Program for 2020 - rectified April 2020, including estimates for the period 2021-2022, as presented in the Annexes. no. 1, 2, 3 and 4.
- takes note of the Order of the Ministry of Economy, Energy and Business Environment no. 893 / 16.04.2020 and requests the elaboration of the company's investment strategy for the next 5 years, for approval in the GMS.
- analysis of the Information regarding the results of the employees' performance evaluation throughout 2019.

Decision no. 11/06.05.2020

- endorsement of CONPET S.A.'s Investment Strategy for the period 2020 - 2025, following the discussions from the BoD meeting, registered under the no. 14744 / 06.05.2020 and submitted for approval to the OGMS.
- approval of the criteria for granting the amounts to be paid as the employees' participation for the 2019 profit, contained in the Regulation on the criteria, levels of granting and the method of calculating the amounts to be granted.

Decision no. 12/13.05.2020

- approval of the Quarterly Report of Directors with a mandate contract on the activity ended on 31 March, 2020, in accordance with the provisions of GEO no.109/2011 *on the corporate governance of public enterprises* and the provisions of the mandate contract.
- approval of the Quarterly Report on the economic and financial activity of CONPET S.A. for the period ending on 31.03.2020 (period 01.01.2020 - 31.03.2020), accompanied by the Financial Statements on the date and for the period of 3 months, ended on 31.03.2020, prepared in compliance with Order no. 2844/2019 of the Ministry of Public Finance and IAS 34.
- endorsement of the Quarterly Report on the Monitoring of Financial and Non-Financial Key Performance Indicators and their total degree of achievement for the company's administrators (102.9%) and directors with a mandate contract (105.7%), for the period 01.01.2020 – 31.03.2020.

- approval of the Annual Procurement Program 2020– revision 2 accompanied by Annexes 1-3;
- endorsement of the transaction with SNTFM “CFR MARFĂ”, which will be materialized by concluding an Addendum to the contract of “Transport services by rail for crude oil and rich gas from the loading ramps to the destinations set by CONPET S.A.”, concerning the augmentation of the transport tariff, namely the augmentation of the estimated value of the contract with the amount of 7,627,649 RON, document for the OGMS accompanied by the Note regarding the access for consulting the contract Addendum draft and the Confidentiality Agreement.

Decision no. 13/18.06.2020

Approval of publication on the website of CONPET S.A. (www.conpet.ro) of the Policy of remuneration of the administrators and directors with a mandate contract.

Decision no. 15/28.07.2020

- approval of the auction starting bids for the pipe recovered from the pipeline replacements, which represent the market prices established by the evaluator in the Evaluation Report no. 19489 / 26.06.2020.
- analysis of the Information regarding the performance monitoring of the internal managerial control system and risk management at the level of CONPET S.A. in 2019.
- analysis of the requests of the Free Trade Union CONPET and the mandate of the executive management to perform simulations and analyses, taking into account the requirements of the social partner and the economic and financial situation of the company, in order to prepare negotiations with the Union.
- approval of the organizational structure changes.

Decision no. 17/14.08.2020

- approval of the Report of the Directors with a mandate contract on the activity ended on 30 June, 2020, in accordance with the provisions of GEO no.109/2011 *on corporate governance of public enterprises* and the provisions of the mandate contract.
- approval of the Administrators' Report, by the OGMS, regarding the activity for H1, 2020 (period January - June 2020), prepared as per the provisions of Art. 223 of the FSA Regulation no. 5/2018 and Art. 55 of GEO no. 109/2011 *on the corporate governance of public enterprises*, accompanied by the Financial Statements at the date and for the period of six months, ended 30 June, 2020, as per Order of the Ministry of Public Finance no. 2844/2016 and the International Accounting Standard 34 “Interim Financial Reporting”, and by the Report of the interim financial statements, prepared by the audit firm BDO Audit SRL.
- endorsement of the Quarterly Report on the monitoring of financial and non-financial key performance indicators and their total degree of achievement for administrators (104.5 % H1 2019, as per Annex no. 1) and the directors with a mandate contract (109.1% H1 2019, as per Annex no. 2).

- endorsement of the Information Note by the OGMS regarding the prescription of the shareholders' right to dividends related to the financial year 2016, not collected until 20.07.2020.
- approval of the 2020 Investments Program - rectified in July, 2020 and estimates for 2021 and 2022;
- approval of the Current Repairs Program for 2020, revised.

Decision no. 18/19.08.2020

- following the debates in the BoD regarding the requests of the Free Trade Union CONPET, the Board of Directors decided to mandate the Executive Management in order to continue, with the Free Trade Union CONPET, the negotiation of the Collective Labor Agreement within the limits of the express mandate granted to the executive management.
- approval of CONPET S.A.'s Revenue and Expenditure Budget, rectified for 2020.
- takes note of the steps regarding the measure ordered by the Prahova Chamber of Accounts via the Decision no. 28 of 29.03.2013 regarding the increase of the share capital of CONPET S.A. with the value of the lands for which land ownership certificates were obtained.
- endorsement of the Note by the EGMS, prepared by the executive management, concerning the proposal to:
 - a) approval of the start of the operation to increase the share capital of CONPET S.A. with the value of the lands held based on the 48 land ownership certificates.
 - b) the approval of the formulation of a request to the Trade Office Register attached to Prahova Court for the appointment of an authorized appraiser to evaluate the land plots totaling 554,537.61 sqm, corresponding to the 48 land ownership certificates, in view of augmenting CONPET S.A.'s share capital.

Decision no. 19/24.09.2020

- approval of the company's Organizational and Functioning Regulation, updated in correlation with the company's organizational structure, applicable starting with 03.08.2020, approved via the BoD Decision no. 15/28.07.2020.
- approval of the dissolution of a number of 14 positions within certain organizational entities of the company, starting 25.09.2020 (...) and the corresponding modification of the staff establishment plan, by eliminating the respective positions.

Decision no. 20/02.10.2020

Approval of the rectification of Annex no.2 (Detailing the economic and financial indicators provided in the Revenue and Expenditure Budget) of the Budget for 2020.

Decision no. 21/19.08.2020

- approval of the revised 2020 Annual Procurement Program.
- analysis of the Information regarding the Bucharest Stock Exchange project on the provision of ESG reports and ratings by Sustainalytics.

Decision no. 22/26.10.2020

- analysis of the Information regarding the contract “Consolidation, thermal rehabilitation by enveloping the building and roof restoration, modernization works and interior partitions of the building of the CONPET S.A. headquarters located at Independenței Avenue, no. 7, Ploiești”.

Decision no. 24/12.11.2020

- approval of the Quarterly Report on the economic and financial activity of CONPET S.A. on 30 September, 2020 (period 01.01.2020 - 30.09.2020), drawn up in accordance with Article 125 of the FSA Regulation no. 5/ 2018, accompanied by the Financial Statements as of the date and for the nine-month period ended on 30.09.2020, prepared in accordance with the O.M.F.P. no. 2844/ 2016 and with International Accounting Standard 34 "Interim Financial Reporting", documents that will be sent to the Bucharest Stock Exchange and FSA according to the legal provisions regarding the capital market.
- approval of the Report of the Directors with a mandate contract on the activity ended on 30.09.2020, in accordance with the provisions of GEO no.109/2011 *on corporate governance of public enterprises* and the provisions of the mandate contract.
- endorsement of the Quarterly Report on the monitoring of financial and non-financial key performance indicators and their total degree of achievement for administrators (101.5%) and the directors with a mandate contract (102.9%) for the period Wednesday, 1 January, 2020 - 30 September 2020.
- approval of the 2020 Investments Program - rectified in October 2020 and estimates for 2021 and 2022 and estimates for 2021 and 2022 - Annexes no. 1, 2, 3 and 4.
- analysis of the Information regarding the accounts opened with banks and the policy applicable for the future investments of the company, in bank deposits.

BoD Decision no. 26/16.12.2020

- approval of the rectification of Annexes no. 1, 2 and 4 of the amended Revenue and Expenditure Budget for 2020.
- approval of the 2020 Investments Program– rectified in December and estimates for 2021-2022.
- approval of 2020 Annual Procurement Program - December revision.
- analysis of the Annual Procurement Program Draft for 2021, with the mention that it must be thoroughly reanalyzed, in order to resize the tariffs / prices, following the form that will be submitted for approval to the BoD take into account the recommendations and suggestions of the BoD members, in terms of cost reduction (...).
- approval of the amendment of the Regulation for the evaluation of CONPET S.A.'s employees' professional performances - Annex 1 to the Bylaws.
- Analysis of the Preliminary Projection of the Revenue and Expenditure Budget (B.V.C.) for 2021, presented by the executive management.

Year 2021

During the activity carried out between 01.01.2021 - 31.12.2021, 26 decisions have been adopted during the 26 meetings held.

Summary of the main decisions of the Board of Directors

Decision dated 28.01.2021

- approval of the 2020 inventory's results, of the asset-like elements, liabilities and equity, according to the report elaborated by the Central Inventory Commission, along with the Preliminary Report with Annexes 1 - 4 and the preliminary reports.
- endorsement of the proposal to the E.G.M.S. for the augmentation of the share capital of CONPET S.A. with a maximum value of 108,798,558 RON, representing contribution in kind (lands) in the amount of 63,882,386.70 lei and cash in a maximum amount of 44,916,171.30 lei, from the current value of 28,569,842.40 lei up to the a maximum of 137,368,400.40 lei, according to the addendum addressed to the E.G.M.S. alongside the Evaluation Report regarding the assessment of the value of the land in the patrimony of CONPET S.A., in order to increase the share capital and to approve the E.G.M.S. meeting notice.
- approval of the Report prepared by the Communications and Public Relations Department regarding the sponsorships status granted by CONPET S.A. in 2020.
- approval of CONPET S.A.'s Policy regarding the dividend.

Decision dated 05.02.2021

- approval of the initiation of the recruitment and selection procedure of the Director General of the Company, in compliance with the provisions of the GEO no. 109/2011 on the corporate governance of public enterprises, approved with further amendments and additions by Law no. 111/2016 and mandates the Nomination and Remuneration Committee for the deployment thereof.
- the appointment of Mr. Dorin Tudora as Provisional Director General starting 05.02.2021, until the completion of the recruitment and selection procedure for the Director General, in accordance with the provisions of GEO no. 109/ 2011 on corporate governance of public enterprises, but not more than 4 months, namely from 05.02.2021 to 04.06.2021 (inclusive).
- establishing the monthly gross fixed allowance of the provisional Director General for the interim period, for the execution of the entrusted mandate and the approval of the mandate contract.

Decision dated 24.02.2021

- approval of the Preliminary Report for the period January - December 2020, accompanied by the unaudited preliminary financial statements for the financial year ended on 31.12.2020, prepared based on the accounting regulations compliant with the International Financial Reporting Standards approved by Order no. 2844/2016 of the Ministry of Public Finance.
- approval of the auction starting bids for 3 tanks belonging to the state's private domain, included in GD no. 952/2014, resulted based on the Evaluation Report prepared by the authorized appraiser.

- approval of the dissolution of a number of 29 positions within certain organizational entities of the company, starting 25.02.2021.
- establishing the timeline of the recruitment and selection procedure of the Director General, with deadlines, according to the N.R.C. Report, approving the recruitment and selection criteria of the Director General and the recruitment and selection announcement with the necessary publicity provided by the applicable legislation, with a mandate duration of 4 years of the Director General, starting with the date of his appointment.
- analysis of the results of the revaluation of the assets related to the patrimony of CONPET S.A. (group I constructions and lands) and related to the assets pertaining to the public and private domain of the state, granted by CONPET S.A. Ploiești, on 31.12.2020.

Decision dated 23.03.2021

- endorsement of the Investment Program for 2021 (including estimates of investment expenditures for 2022 and 2023).
- approval of the Current Repairs Program for 2021.
- approval of CONPET S.A.'s Revenue and Expenditure Budget for 2021 (including the estimates for the period 2022 - 2023), accompanied by the substantiation Annexes no. 2 - 5.
- endorsement of the Annual Financial Statements prepared on and for the financial year ended 31.12.2020, based on the accounting regulations compliant with IFRS approved by OMPF no. 2844/2016, accompanied by the Report of the financial auditor BDO Audit S.R.L. to the OGMS, regarding the annual financial statements of 2020.
- approval of CONPET S.A.'s Annual Administrators' Report, to the OGMS, for the financial year ended 31.12.2020.
- endorsement of proposals to the Ordinary General Meeting of Shareholders concerning the distribution of the net profit related to the financial year 2020 and of certain amounts from the retained earnings, establishing the gross dividend per share.
- submission to the O.G.M.S. for the approval of the discharge from administration of the company's directors for the financial year ended at 31.12.2020.
- approval of the Annual Report of the directors with a mandate contract on the activity of the period concluded at 31.12.2020, prepared in accordance with the provisions of art. 54 of GEO no. 109/2011 *on the corporate governance of public enterprises* and with the provisions of the mandate contract.
- approval of the Report of directors with a mandate contract, regarding the monitoring of the classification of their key financial and non-financial performance indicators (KPIs) for 2020 within the limits approved by the Board of Directors, namely:
 - a) Approval of the total degree of achievement (104.8%) of their key financial and non-financial performance indicators (KPIs) for 2020.
 - b) Approval of the granting of the variable component due to the directors for the term of office carried out in 2020, in accordance with the provisions of the mandate contract and in the limits approved by the GMS.
- submission for O.G.M.S. approval of the Board of Directors' Report regarding the administration activity of 2020, drafted in accordance with the provisions of art. 55 of GEO no.

109/2011 *on the corporate governance of public enterprises* and with the provisions of the mandate contract.

- approval of the Report prepared by the directors with a mandate contract regarding the total degree of achievement of the key financial and non-financial performance indicators (KPIs) for 2020 for the company's administrators, approved via the OGMS Resolution no. 7/18.12.2018.
- approval of the Annual Report of the Nomination and Remuneration Committee, by the OGMS, related to the remunerations and other benefits granted to the administrators and the directors with a mandate contract, during 2020 financial year.
- approval of the report of the Nomination and Remuneration Committee on the evaluation of the company administrators' activity in 2020.
- approval of the Board of Directors' Report of monitoring the framing of key performance indicators (KPIs) of the administrators for 2020 in the limits approved by the OGMS, including the proposals to the OGMS to approve:
 - a) the total degree of fulfillment (102.6%) of the key financial and non-financial performance indicators (KPIs) for 2020, approved for the administrators via the OGMS Resolution no. 7/18.12.2018.
 - b) the granting of the variable component due to administrators, for the period of mandate carried out in 2020, according to the provisions of the mandate contract.
- approval of the C.N.R. Report on the evaluation of the activity of directors with a mandate contract for 2020.
- approval of the 2021 annual Procurement Program.
- approval of the Nomination and Remuneration Committee Report regarding the settlement of the matrix of candidates and percentages in the final grade, in recruitment and selection process of the Director General.
- takes note of the Notification received from Mr. Meșca Darius - Dumitru, regarding his waiver of the administrator mandate as per Art. 37.7 of the Mandate Contract, the administrator position remaining vacant, starting with 08.04.2021.
- appointment of a provisional administrator of CONPET S.A. (Mrs. Kohalmi-Szabo Luminița - Doina), with a term of office starting 08.04.2021 until the meeting of the Ordinary General Meeting of Shareholders, but no later than 07.08.2021, on the vacancy following the waiver of Mr. Meșca Darius-Dumitru of the mandate of company administrator and the approval of concluding a mandate contract, with the gross fixed monthly allowance in the amount established by the O.G.M.S. for the other administrators.
- approval of the Anti-bribery Policy of CONPET S.A.

Decision dated 07.04.2021

Endorsement of the Remuneration Policy for administrators and directors with a mandate contract, applicable within CONPET S.A., proposed via the C.N.R. Report and subject to the approval of the O.G.M.S.

Decision dated 12.04.2021

Approval of the amendments made to the Revenue and Expenditure Budget for 2021, according to the provisions of article 48, Law no. 15/2021 of the State Budget for 2021.

Decision dated 20.04.2021

- the appointment of Mr. Dorin TUDORA as Director General, following the recruitment and selection procedure of the Director General, as per the provisions of GEO no. 109/2011 regarding the corporate governance of public enterprises approved by Law no. 111/2016, further amendments and additions, with a mandate duration of 4 years, namely as of 21.04.2021, until 20.04.2025 (inclusive) and the establishment of the gross monthly fixed allowance of the Director General for the performance of the entrusted mandate.
- approval of the Director General's Mandate Contract, accompanied by the Director General's Consent, with the purpose of acknowledging and ensuring the continuity in fulfilling the Administration and Management Plan, as well as of the performance indicators of the administrators and Directors with a mandate contract.
- approval of the criteria for granting the amounts related to the employees' participation in the company's profit for 2020, included in the Regulation drafted by the Human Resources Department.

Decision dated 28.04.2021

- approval of the decommissioning/ downgrading of the assets (fixed assets and inventory items in use), whose operational maintenance is no longer justifiable and the approval of the proposed capitalization means of said assets.
- approval of the proposals for decommissioning/ declassification of the assets (fixed assets and inventory items of the nature of fixed assets) belonging to the state's public domain, whose operational maintenance is no longer justifiable and approval of the proposed capitalization methods for said assets.
- approval of the updated Accounting Policy Manual of the company CONPET S.A.
- approval of the Consultative Committees' reconfiguration composition, constituted at the level of the Board of Directors and the Organizational and Functioning and Organizational Rules (R.O.F.) of the Board of Directors, updated following the appointment of CONPET S.A.'s provisional administrator.
- analysis of the Information prepared by the executive management regarding the results of the employees' performance evaluation for 2020.

Decision no. 10/13.15.2021

- approval of the Report of the Directors with a mandate contract on the activity ended 31 March, 2021, prepared in accordance with Art. 54 of the GEO no.109/2011 *on corporate governance of public enterprises* and the provisions of the mandate contract.
- approval of the Quarterly Report on the economic and financial activity of CONPET S.A. on 31 March, 2021 (period 01.01.2021 - 31.03.2021), accompanied by the Financial Statements on and for the period of 3 months, ended on 31.03.2021 prepared in accordance with the Order of the Ministry of Public Finances (O.M.F.P.) no. 2844/2016 and with the International Accounting Standard 34 "Interim financial reporting".

- endorsement of the Quarterly Report on the monitoring of key financial and non-financial performance indicators and their total degree of achievement for the company's administrators and directors with a mandate contract, for the period 01.01.2021 – 31.03.2021.
- approval of the Consultative Committees' bylaws, established at the level of the Board of Directors, modified and reconfigured in terms of their structure.

Decision dated 27.05.2021

- approval of the new organizational structure of the company, in force since 15.06.2021 and of the company's Organizational and Functioning Regulation, amended in accordance with it.
- approval of the Director General's mandate for the negotiation and conclusion with the CONPET Free Union of an addendum to the Collective Labor Agreement on the updating of the company's job title roster and the salary grid, in accordance with the new organizational chart, with subsequent registration at Territorial Labor Inspectorate (I.T.M.).
- approval of 2021 Annual Procurement Program - revision 3;
- approval of CONPET S.A.'s Code of Ethics and Integrity;
- approval of the management component of the Administration Plan 2018 – 2022 of CONPET S.A. elaborated by the Director General.
- approval of the key financial and non- financial performance indicators (KPIs) for the period 2021 – 2025 (estimates for 2023 – 2025), Annex to the Mandate Contract of the Director General.

Decision dated 16.06.2021

- approval of the supplementing of the Annual Procurement Program 2021.
- approval of the auction starting bids for a pipe stock amounting to 23,405.89 l.m. and for 5 means of auto transport representing the market prices set out in the Valuation Report prepared by the authorized assessor.

Decision dated 30.06.2021

- approval of 2021 Annual Procurement Program - revision 6.
- approval of 2021 Investments Program and estimates for 2022-2023, rectified in June 2021.
- approval of the updated Corporate Governance Regulation of the company CONPET S.A.
- approval of the change in the organizational structure of the company starting with 01.07.2021.
- endorsement of the Information Note to the Ordinary General Meeting of Shareholder with regards to the prescription of the shareholders' rights to additional dividends, unclaimed until 31.01.2021.
- endorsement of the mandate contract of the provisional administrator submitted for approval to the OGMS, as attached to the Nomination and Remuneration Committee Report (his remuneration being composed of a gross, fixed monthly allowance, in the same amount as that approved by the OGMS Decision no. 5/ 22.08.20218 for the other administrators).

Decision dated 20.07.2021

- Approval of the 2021 Annual Procurement Program - revision 8.

Decision dated 12.08.2021

- approval of the Report of Directors with mandate contract on the activity ended June 30, 2021 in accordance with Art. 54 of GEO no.109/2011 *on corporate governance of public enterprises* and the provisions of the contract of mandate.
- approval of the Administrators' Report regarding the activity for Half I, 2021 (period January - June 2021), prepared as per the provisions of Art. 223 of ASF Regulation no. 5/2018 and Art. 55 of GEO no. 109/2011, accompanied by the Financial Statements at the date and for the period of six months ended June 30, 2021, prepared as per Order of the Ministry of Public Finance no. 2844/2016 and the International Accounting Standard 34 "Interim Financial Reporting" and the Report of the financial auditor on the review of the interim financial statements related to 2021H1, prepared by the financial auditor BDO Audit SRL.
- endorsement of the Quarterly Report regarding the monitoring of financial and non-financial key performance indicators and the total degree of their fulfillment for the administrators and directors with mandate contract, accompanied by the Report of agreed procedures prepared by BDO Audit S.R.L. regarding the verification of the fulfillment degree of the performance indicators, for the period January 1, 2021 - June 30, 2021, established by the mandate contracts of the administrators and directors.
- Approval of the capitalization methods of the goods approved for decommissioning by GD no. 952/2014 belonging to the private domain of the state (fixed assets and inventory objects of the nature of fixed assets).
- approval of 2021 annual Procurement Program - Revision 10 (Annex 1).
- analysis of the stage of completion of the Investment Program in the first semester of 2021, including measures to improve the degree of fulfillment of the indicator investments financed from the Modernization Quota on 30.06.2021.
- approval of the change in the organizational structure of the company CONPET S.A. starting with 01.09.2021.

Decision dated 20.08.2021

Approval of 2021 annual Procurement Program - revision 11.

Decision dated 30.08.2021

Approval of the establishment and registration at the Trade Register Office of the project site located in Ploiești, no. 7 Independenței Avenue, as an auxiliary office where its own office activities will be performed for the company.

Decision dated 01.10.2021

- approval of 2021 Investments Program and estimates for 2022-2023, rectified in September 2021.
- approval of the Rectified Revenues and Expenditure Budget for 2021- Annexes no. 1, 2, and 5
- approval of conclusion of a single insurance policy for the company's administrators and directors with mandate contract, with the minimum insured amount (compensation limit) of 12,000,000 EUR in aggregate, and the maximum limit of the annual insurance premium of 34,000 EUR/year.

- endorsement of the Information Note to the Ordinary General Meeting of Shareholders on the acknowledgment of the prescription of the shareholders' rights to the dividends related to the financial year 2017, unclaimed up to 28.06.2021.
- approval of the Organization and Functioning Regulation of the Company CONPET S.A.
- approval of the sale of crude oil stocks originating from the pipeline decommissioning, in total quantity of 6,330.912 tons, stored in Siliște and Orlești.

Decision dated 01.11.2021

- endorsement of the Mandate Contract of the provisional administrator submitted for the approval to the OGMS, having on the agenda the appointment of a provisional administrator, on the place left vacant following the expiry of the mandate of the provisional administrator starting with 04.12.2021, with a term of office of 4 months from the date of the OGMS Resolution or until the completion of the recruitment and selection procedure provided for in GEO no. 109/ 2011, if it will take place earlier than 4 months after the appointment by the OGMS of the provisional administrator.

Decision dated 15.11.2021

- approval of the Report of Directors with mandate contract on the activity ended September 30, 2021 in accordance with the provisions of the GEO no.109/2011 *on corporate governance of public enterprises* and the provisions of the contract of mandate.
- approval of the Quarterly Report on the economic and financial activity of CONPET S.A. at 30.09.2021 (period 01.01.2021 - 30.09.2021), elaborated in accordance with Article 125 of FSA Regulation no. 5/ 2018, accompanied by the Financial Statements as of the date and for the nine-month period ended September 30, 2021 drawn up in accordance with O.M.F.P. no. 2844/ 2016 and with International Accounting Standard 34 "Interim Financial Reporting".
- endorsement of the Quarterly Report on the Monitoring of Financial and Non-Financial Key Performance Indicators and their total degree of achievement in relation to the administrators and Directors with a mandate contract, for the period 01.01.2021 – 30.09.2021.
- approval of the amendment and supplementation of the Procedural Internal Procurement Norms - revision 4.
- approval of the procurement program for 2021 - revision 16.

Decision dated 13.12.2021

- Mandating the Director General of the company to negotiate and conclude with the Free Trade Union CONPET an Addendum to the Collective Labor Agreement applicable at the level of the Company, with subsequent registration with the Prahova Territorial Labor Inspectorate.
- Approval of the 2021 Investments Program - rectified in December and estimates for 2022-2023.
- Approval of the rectification of Annexes no. 1, 2 and 4 of the amended Revenues and Expenditure Budget for 2021.
- Approval of 2021 annual Procurement Program - revision in December.
- Approval of 2022 draft annual Procurement Program.

- Approval of the Organization and Functioning Regulation of the Board of Directors, updated following the appointment of the provisional administrator of CONPET by OGMS Resolution no. 4/ 07.12.2021.
- Analysis of the Preliminary Projection of the Revenues and Expenditure Budget (REB) for 2022, presented by the executive management.
- Analysis of the Information on the necessity and opportunity of the objectives/works included in the Investment Program 2022 and estimated 2023 - 2024.

At the same time, within the meetings of the Board of Directors, briefings were presented on the monitoring of the stage of implementation of the investment program, the procurement activity, the granting of sponsorships was approved, taking into account the applications received and the possibilities of the company, the participation of the members of the Board of Directors/Director General in some professional training courses, the analysis of the total degree of fulfillment of the financial and non-financial key performance indicators for administrators and directors with mandate contract (preliminary data 2020 and quarterly assessment), a briefing was presented on the monitoring of the performance of the internal control management system and risk management at the level of CONPET S.A. in 2020, and the recurrent reports on the activity of CONPET S.A. were analyzed.

Year 2022

During 01.01.2021 – 30.06.2022, 13 decisions were adopted within the 13 meetings held.

The meetings of the Board of Directors took place according to the agenda submitted to the administrators, the main decisions made having as object the followings:

- endorsement of 2022 Revenues and Expenditure Budget (Budget) by the OGMS (Also comprising the estimates for 2023– 2024);
- endorsement of the Investments Program for 2022 by the OGMS. (also comprising the estimates of the investment expenses in 2023 and 2024) and approval of 2022 Investments Program, the structure being broken down by objectives;
- approval of 2022 annual Procurement Program;
- analysis of the company's business presented by the executive management in the monthly reports;
- periodical analysis of the physical and value- related implementation of the 2022 Investment Program;
- analysis and endorsement/approval of the Consultative Committees Reports, as appropriate;
- approval of the Convening Notices of the General Meeting of Shareholders and of the materials related to their Agenda;
- monitoring the means to carry-out/status of implementation of the measures ordered by the BoD Decisions;
- approval of the results of the annual inventory of the elements similar to assets, liabilities and equities;

- Endorsement of the annual inventory of the elements similar to assets related to public and private domain of the State;
- approval of Current Repairs Program for 2022;
- approval of sponsorship requests and periodical monitoring of sponsorship contracts concluded by the company;
- approval of the accounting policies Manual of the company CONPET S.A.;
- approval of the dissolution of a number of 29 positions and subsequently of a number of 10 positions within certain organizational entities of the company;
- approval of the preliminary report for the period January-December 2021, accompanied by the non-audited preliminary financial statements at the date and for the financial year ended December 31st, 2021';
- approval of the updated Organizational and Functioning Rules of the company CONPET S.A.;
- endorsement of the financial statements at the date and for the financial year concluded on December 31.12.2021;
- approval of the Annual Report of the company's administrators for the financial year ended 31.12.2021, report presented in the OGMS;
- endorsement of executive management's proposals to the OGMS regarding the distribution of the net profit related to the financial year 2021, reinstated with the provision for the employees' share of profit and the distribution of several amounts from the retained earnings and other reserves, the determination of the gross dividend per share (from the amounts allocated from the profit of 2021 and from the amounts allocated from retained earnings and other reserves), the establishment of the registration date and the establishment of the date of payment of dividends to shareholders;
- approval of the Activity Report of the Directors with mandate contracts for the period ended 31.12.2021;
- approval of the Report of the Board of Directors regarding the monitoring of 2021 Key Performance Indicators (KPIs) of Administrators falling within the limits approved by the OGMS and submission, to the OGMS, of the proposals related to the approval of the total degree of fulfillment (102.3%) of financial and non-financial key performance indicators (KPIs) for 2021 and to grant the variable component due to the administrators, in accordance with the provisions of the mandate contracts;
- approval of the Report of Directors with mandate contract to monitor the framing of key financial and non-financial performance indicators (KPIs) for 2021 within the limits approved by the Board of Directors, i.e. approval of the total degree of compliance (104.1%) of the financial and non-financial key performance indicators (KPIs) of the Director General, the Deputy Director General and the Economic Director for 2021 and the approval of the granting of the variable component due to directors, in accordance with the provisions of the mandate contracts;
- submission for the O.G.M.S. approval of the Board of Directors Report regarding the administration activity of 2021, drafted in accordance with the provisions of art. 55 of GEO no. 109/2011 *on the corporate governance of public enterprises* and with the provisions of the mandate contract.

- approval of the report of the Nomination and Remuneration Committee on the evaluation of the company's administrators' activity in 2021;
- approval of the Report of the Nomination and Remuneration Committee on the evaluation of the activity of directors with mandate contract for 2021;
- approval of the Annual Report of the Nomination and Remuneration Committee to the OGMS related to the remunerations and other benefits awarded to the administrators and the directors with mandate contract during 2021 financial year (Remuneration Report);
- approval of the initiation of the procedure regarding the augmentation of the share capital of CONPET S.A. by the value of the land plots related to the 48 land ownership certificates;
- approval of the proposals regarding the opportunity to maintain CONPET S.A.'s capacity as a contributing member to the Non-governmental organizations where the company is operating;
- the empowerment of the Director General to initiate the negotiation procedure with CONPET Trade Union for the conclusion of a new Collective Labor Agreement applicable at unit level;
- Approval of the conclusion of a new Collective Labor Agreement (Ro. CCM) between the social partners applicable within CONPET S.A. for a period of two years, starting 07.06.2022;
- endorsement of the Nomination and Remuneration Report having as scope the proposal to appoint a new provisional administrator by the OGMS and the endorsement of the Mandate Contract of the provisional administrator recommended for the approval of the OGMS;
- approval of 2022 annual Procurement Program - recurrent revisions;
- approval of the decommissioning (fixed assets and inventory goods in use) belonging to the company patrimony, whose operation is no longer justified and the approval of the proposed means to capitalize these goods;
- approval of the proposals for decommissioning/declassification of the goods (fixed assets and inventory items of fixed assets nature), belonging to the states public domain, whose operational maintenance is no longer justified and approval of the proposed capitalization methods for these assets;
- transaction approval with the S.N.T.F.M "C.F.R. MARFĂ", having as scope the proposal to augment the transport tariff, respectively the augmentation of the estimated contract value by the amount of 3,483,766 RON, submitted for the OGMS approval;
- approval of the criteria to distribute and award the amounts paid as employees share of profit related to 2021, subsequent to the OGMS approval;
- approval of the rectification of Annex no.2 - Detail of the economic- financial indicators set out in the revenues and expenditures budget for the year 2022 and their quarterly distribution;
- approval of the amendment of 2022 Procurement program, respectively approval of the augmentation of the estimated value for the procurement of electricity for the period ending 31.03.2023;
- approval of the amendment of the pipeline routes and supplementation of the value of the works contract having as scope "design and execution works for the achievement of the

objective replacement of connection lines - C1-C2 Danube and C3-C4 Borcea Arm crossing;

- Approval of the Report of Directors with mandate contract on the activity ended March 31, 2022 in accordance with the provisions of the GEO no.109/2011 *on corporate governance of public enterprises* and the provisions of the contract of mandate;
- approval of the Quarterly report on the economic and financial activity of CONPET S.A. at 31.03.2022, accompanied by the financial statements on the date and for the period of 3 months ended 31.03.2022, prepared in compliance with the Ministry of Public Finance Order no. 2844/2016 and IAS 34, "Interim financial reporting".
- endorsement of the Quarterly Report on the Monitoring of Financial and Non-Financial Key Performance Indicators their total degree of achievement in relation to the administrators (83.5%) and Directors with a mandate contract (87.0%), for the period 01.01.2022 - 31.03.2022;
- approval of the reconfiguration of the composition of the Committees established at the BOD level, respectively the supplementation of the membership of the Nomination and Remuneration Committee following the appointment of Ms. Kohalmi - Szabo Luminița – Doina in the capacity of provisional administrator of CONPET S.A.;
- approval of the Organizational and Operational Rules and Regulation of the BoD and the Organizational and Operational Bylaws of the Consultative Committees, updated;
- approval of the modification of the organizational structure of CONPET S.A. (starting with 16.05.2022);
- approval of the director General's participation to certain events/conferences and of the travel reports;

The entire activity performed by the members of CONPET S.A.'s BoD in capacity, since assuming the mandate in August 2018, following the selection performed as per the provisions of the GEO no. 109/2011 and the election of the administrators by the OGMS, is emphasized in the Administrators' Report, issued by-yearly/every year and presented to the ordinary General meeting of Shareholders.

The quarterly, bi-yearly and annual reports are published on the company's website <http://www.conpet.ro/>, "Investor Relations" section <http://www.conpet.ro/relatia-cu-investitorii/raportari>

The Board of Director's Reports regarding the administration activity, issued every year (for the years 2018, 2019 , 2020 and 2021) in compliance with:

- Art. 55 of GEO no.109/2011 *on corporate governance of the public enterprises* subsequent amendments and completions;
- Chapter VI Art. 7, item 26 regarding the Administrator's Obligations provided in the Administration Contracts concluded between the administrators and CONPET S.A.

have been presented in the General Meetings of Shareholders.

This report contains at least the information provided by Art 55. Para (1) of GEO no.109/2011 on the corporate governance of the public enterprises, namely: the execution of the directors'

mandate contracts, details regarding the operational activities, the financial performance of the company and the half-yearly accounting reports.

4. Results of the activity in the Consultative Committees

The Bylaws regarding the Organization and functioning of the Consultative committees established at the BoD level include information regarding:

- ✓ The Structure of the Consultative Committee;
- ✓ The Composition of the Consultative Committee;
- ✓ The Powers of the Consultative Committees.

The consultative committees created within the BoD are responsible for the carrying out of analyses and elaboration of recommendations for the BoD in specific fields, and they present the BoD with monthly reports of their activity.

The following consultative committees have been established within the Board of Directors:

- The Nomination and Remuneration Committee;
- The Audit Committee;
- The Committee for Development and Relation with Investors and Authorities.

The reconfigured composition of the Consultative Committees established at the BoD level, as per the provisions of Law no. 31/ 1990 art.138¹ para. 2, art. 138² para. 2, art. 140² para. (1), of para. (2) of the GEO. no. 109/ 2011 art. 34, art. 35 para. (2) and art. 55 para. (2) and para.(3) of the Corporate Governance Code is the following:

1. THE NOMINATION AND REMUNERATION COMMITTEE			
Mihai - Adrian Albulescu	Chairman, non-executive administrator	BoD Decision no. 20/28.08.2018	
Claudiu - Aurelian Popa	Non-Executive Administrator	BoD Decision no.9/ 28.04.2021	
Florin - Daniel Gavrilă	Non-Executive Administrator	BoD Decision no. 20/28.08.2018	
Nicușor - Marian Buică	Non-Executive Administrator	BoD Decision no. 18/ 25.07.2019	
Luminița - Doina Kohalmi - Szabo	Provisional administrator	BoD Decision no.9/ 28.04.2021	

Table 10 – Composition of the Nomination and Remuneration Committee

Scope:

Assisting the Board of Directors of CONPET in fulfilling its responsibilities for action in the nomination process (recruitment and selection) of administrative and executive management of the company.

2. The AUDIT COMMITTEE			
Florin - Daniel Gavrilă	Chairman, non-executive administrator	BoD Decision no. 20/28.08.2018	

Constantin - Ciprian Iacob	Non-Executive Administrator	BoD Decision no. 20/28.08.2018
Nicușor - Marian Buică	Non-Executive Administrator	BoD Decision no.9/ 28.04.2021

Table 11 – Composition of the Audit Committee

Scope:

Assisting the Board of Directors of CONPET in fulfilling their management responsibilities for the financial reporting, management reporting, internal control system, the audit process and organizational process for monitoring compliance with laws, regulations and code of conduct.

3. THE COMMITTEE FOR DEVELOPMENT AND RELATION WITH INVESTORS AND AUTHORITIES		
Claudiu - Aurelian Popa	Chairman, non-executive administrator	BoD Decision no. 20/28.08.2018
Mihai - Adrian Albulescu	Non-Executive Administrator	BoD Decision no. 20/28.08.2018
Constantin - Ciprian Iacob	Non-Executive Administrator	BoD Decision no.9/ 28.04.2021

Table 12 – Composition of the Committee for Development and Relation with Investors and Authorities

Scope:

Assisting the Board of Directors of CONPET in fulfilling its responsibilities in the management development strategy and monitoring compliance with the applicable law of the business activity of the company and the capital market.

THE NOMINATION AND REMUNERATION COMMITTEE

Between August 23rd, 2018 - December 31st, 2018, 10 meetings of the Nomination and Remuneration Committee were held, resulting in a number of 10 reports.

The activity of the Nomination and Remuneration Committee during August 23rd - December 31st, 2018 resulted in:

- ✓ initiation of the selection procedure of the company's directors;
- ✓ settlement of the matrix of candidates for recruitment and selection of the Director General and the Economic Director;
- ✓ determining weights to be given to the recruitment and selection process of the Director General and the Economic Director;
- ✓ analysis of the application files submitted in the recruitment and selection process of the Director General and the Economic Director;
- ✓ establishment of the long list of candidates in the recruitment and selection process of the Director General and the Economic Director;
- ✓ establishment of the short list of candidates in the recruitment and selection process of the Director General and the Economic Director;
- ✓ appointment of the Director General and the Economic Director;

- ✓ settlement of the financial and non-financial performance indicators of administrators that are to be submitted for approval to the OGMS;
- ✓ give recommendation in what concerns the amount of the variable component of the administrators' remuneration, the means to calculate and award thereof;
- ✓ settlement of the general limits of the remuneration of the Director General and the Economic Director;
- ✓ analysis of the key performance indicators, financial and non-financial, annex to the contract of mandate of the Director General and Economic Director and amendment of certain provisions of the mandate contracts.

Between 01.01.2019 – 31.12.2019, 17 meetings of the Nomination and Remuneration Committee took place, which resulted in 17 reports.

The activity of the Nomination and Remuneration Committee during 01.01.2019 – 31.12.2019 included the following subjects:

- ✓ Settlement of the calculation means and weights in the final note for the Deputy Director General capacity;
- ✓ establishment of the short and long list of candidates in the process for recruitment and selection of the Deputy Director General ;
- ✓ Appointment of a Deputy Director General;
- ✓ the remunerations and other benefits granted to directors and administrators with contract of mandate, during the financial year 2018;
- ✓ the total degree of fulfillment of financial and non-financial key performance indicators (KPIs) for the year 2018, approved for the administrators by the OGMS Resolution no. 7/18.12.2018.
- ✓ The proposal by the OGMS regarding the settlement of the general limits of the variable component of the remuneration for the Directors with Contract of Mandate;
- ✓ Point of view regarding the conclusion formulated in the Note of Finding no. 2327/ 18.03.2019 prepared by the Auditing Body of the Prime-Minister and submitted to CONPET S.A. by letter registered at the company with no. 10800/ 19.03.2019;
- ✓ The interview of the person proposed for the Deputy Director General 2;
- ✓ The supplementation of certain provisions from the Contract of Mandate of the Directors and Addendum no. 2;
- ✓ The general limit of the variable component for the directors with mandate contracts and Addendum no. 3;
- ✓ the monitoring of financial and non-financial Key Performance Indicators and their total degree of achievement in relation to the administrators and Directors with a mandate contract, for the period 01.01.2019 – 31.03.2019;
- ✓ Evaluation of the activity of the mandate directors for the activity performed in 2018 prepared based on Art. 36 para. (5) of GEO no. 109/2011;
- ✓ Proposal to appoint, by the BoD, of a provisional administrator of CONPET S.A.;
- ✓ Proposal to the OGMS to elect/appoint a new member in the Board of Directors of the Company;
- ✓ The number of technical breakdowns registered during 2017 and the variable subcomponent of the administrators' allowance for 2017;

✓ The Quarterly Report for the period 01.01.2019 – 31.12.2019 on the monitoring of financial and Non-Financial Key performance indicators and their degree of achievement in relation to the administrators and Directors with a mandate contract.

Between **01.01.2020 – 31.12.2020**, 6 meetings of the Nomination and Remuneration Committee took place, which resulted in 6 reports.

the activity of the Nomination and Remuneration Committee during 01.01.2020 – 31.12.2020 mainly included the following subjects:

- ✓ the monitoring of 2019 financial and non-financial key performance indicators (KPIs) falling within the limits approved by the Board of Directors and ascertainment of the fulfillment of the total degree of achievement of 2019 financial and non-financial key performance indicators (KPIs) of the directors with contract of mandate, as shown in the report no. 11013/ 20.03.2020, and the proposal to approve the latter by the BoD;
- ✓ analysis of the 2019 related activity of the directors with mandate contract, based on the report on the 2019 activity, prepared in accordance with the provisions of art. 54 of GEO no. 109/2011 *on the corporate governance of public enterprises* and with the provisions of the mandate contract.
- ✓ Evaluation of the activity of the Directors with contract of mandate for 2019 and draft of the report according to Art. 36 para. (5) of the GEO no. 109/2011 - report published on the MEEMA website.
- ✓ Monitoring the total degree of fulfillment of 2019 financial and non-financial key performance indicators (KPIs), approved for the administrators pursuant to the OGMS Resolution no. 7/ 18.12.2018 and the proposal to endorse it by the BoD for the approval thereof by the OGMS, having in mind the Report drafted by the directors with mandate contract;
- ✓ Analysis of the remunerations and other benefits granted to the administrators and directors with contract of mandate, during the financial year 2019 and draft of the Report of the Nomination and Remuneration Committee by the OGMS;
- ✓ Analysis of the Report having as scope the financial impact of the petitions of CONPET Trade union, as well as the proposal of the executive management, together with draft rectified budget for 2020 and the conclusion of an addendum to the Collective Labor Agreement to provide the contract validity be extended by one year;
- ✓ Analysis of the request to empower the Director General for the conclusion, together with CONPET Trade Union, of an Addendum to the Collective Labor Agreement;
- ✓ Analysis regarding the proposals contained in the Report to amend the Rules for the assessment of the professional performance of CONPET S.A. Employees - Annex no. 1 to the bylaws.

Between **01.01.2021 - 31.12.2021**, 20 meetings of the Nomination and Remuneration Committee took place, which resulted in 20 reports.

The activity of the Nomination and Remuneration Committee starting with 01.01.2021 and up to 31.12.2021 mainly included the following subjects:

- the recommendation to the Board of Directors for the appointment of Mr. Dorin Tudora as provisional Director General.

- the recommendation to the Board of Directors that the duration of the mandate contract of the provisional Director General last until the conclusion of the recruitment and selection procedure of the company's Director General, in accordance with the provisions of GEO no. 109/2011 on the corporate governance of public enterprises, but no longer than 4 months.
- the recommendation to the Board of Directors to establish the gross monthly fixed allowance of the provisional Director General for the execution of the entrusted mandate, according to the existing legal framework, so that it does not exceed the maximum amount set by the G.M.S.
- the recommendation to the Board of Directors to sign the mandate contract in the form proposed by the Nomination and Remuneration Committee.
- discussing the subject regarding the selection of the Director General of the Company, in accordance with the provisions of GEO no. 109/2011 on corporate governance of public enterprises, approved with amendments and additions by Law no. 111/2016 and finalizing the recruitment and selection criteria of the Director General and the Recruitment and Selection Notice.
- the analysis of the Substantiation Note to the Board of Directors regarding the proposal of dissolution of 29 posts within some organizational entities of the company with consequences of the individual dismissal of the employees occupying these positions, for impersonal reasons and the recommendation to the Board of Directors for its approval.
- endorsement of the Report of directors with mandate contract regarding the monitoring of the classification of their financial and non-financial key performance indicators (KPIs) for 2020 within the limits approved by the Board of Directors.
- endorsement of the Report prepared by directors with mandate contract regarding the total degree of achievement of the financial and non-financial key performance indicators (KPIs) for 2020 for the company's administrators and recommendation for its approval by the Board of Directors.
- preparation of the Annual Report of the Nomination and Remuneration Committee to the OGMS related to the remunerations and other benefits awarded to the administrators and the directors with mandate contract during 2020 financial year.
- endorsement of the Report of the Board of Directors monitoring the classification of the key performance indicators (KPIs) of the administrators for 2020 within the limits approved by the OGMS.
- drawing up the Report of the Nomination and Remuneration Committee on the evaluation of the activity of the directors with a mandate contract for 2020 drawn up on based on Art.36 Para. (5) of GEO no.109/2011.
- drawing up the Report of the Nomination and Remuneration Committee on the settlement of the matrix of candidates and of the weights in the final grade during the process for recruitment and selection of the Director General.
- preparation of the Report of the Nomination and Remuneration Committee after interviewing the candidate Mrs. Kohalmi – Szabo Luminița – Doina following the vacancy of a seat on the Board of Directors and the recommendation to the Board of Directors to appoint her as provisional administrator of the Company, the mandate starting with 08.04.2021 and until the meeting of the next OGMS.

- drawing up the Report of the Nomination and Remuneration Committee on the evaluation of the activity of the administrators/directors with a mandate contract for 2020, following the completion of the individual questionnaires.
- approval of the calculation method of the final grade for recruitment and selection of the Director General.
- Approval of the Remuneration Policy for administrators and directors with mandate contract.
- the recommendation to the Board of Directors for the appointment of Mr. Dorin Tudora as Director General, following the conclusion of the recruitment and selection procedure and the establishment of the form and content of the mandate contract.
- endorsement of the Quarterly Report regarding the monitoring of the financial and non-financial key performance indicators of the administrators and directors with mandate contract for the period 01.01.2021 - 31.03.2021, subject to the approval of the Board of Directors.
- endorsement of the management component of the Administration Plan prepared by the Director General, subject to the approval of the Board of Directors.
- endorsement of the financial and non-financial key performance indicators, annexed to the mandate Contract of the Director General, for approval by the Board of Directors.
- proposal to the Board of Directors for the approval of the conclusion of an Addendum to the Mandate Contract of the Director General, having as object Annex no. 1 which includes the Financial and Non-Financial Key Performance Indicators (KPIs) for the period 2021-2025, as well as some mentions on the variable component of the Director General's remuneration.
- drawing up the Report of the Nomination and Remuneration Committee to the OGMS with the request to convene the OGMS in order to appoint a provisional administrator for a fixed period of maximum 4 months, according to the provisions of GEO no. 109/2011 on the corporate governance of public enterprises and the conclusion of the mandate contract (following the expiry of the mandate of the provisional administrator).
- endorsement of the Quarterly Report regarding the monitoring of financial and non-financial key performance indicators and the total degree of their fulfillment for the administrators and directors with mandate contract 2021, H1, accompanied by the Report of agreed procedures regarding the verification of the fulfillment degree of the performance indicators, for the period January 1, 2021 - June 30, 2021, established by the mandate contracts of the administrators and directors.
- endorsing the modification of the organizational structure of CONPET S.A., applicable starting with 01.09.2021
- endorsement of the Quarterly Report regarding the monitoring of the financial and non-financial key performance indicators of the administrators and directors with mandate contract, the period 01.01.2021 - 31.09.2021.
- endorsement of the Addendum to the Collective Labor Agreement and recommendation for its approval by the Board of Directors.
- endorsement of the Organization and Functioning Rules and Regulation of the Board of Directors, updated following the appointment of Mrs. Kohalmi- Szabo Luminița – Doina in the capacity of provisional administrator of CONPET S.A. by OGMS Resolution no. 4/07.12.2021.

YEAR 2022

Between 01.01.2022-30.06.2022, 7 meetings of the Nomination and Remuneration Committee took place, which resulted in 11 reports.

The activity of the Nomination and Remuneration Committee during 01.01.2022 - 30.06.2022 included the following subjects:

- the analysis of the Substantiation Note to the BoD regarding the proposal to dissolve 29 posts within some organizational entities of the company with consequences of the individual dismissal of the employees occupying these positions, for reasons non-attributable to them and the recommendation to the BOD for the approval thereof.
- drawing up the Report of the Nomination and Remuneration Committee on the evaluation of the activity of the administrators/directors with a mandate contract for 2021, following the completion of the individual questionnaires and the recommendation to the BoD for the approval of the report.
- Analysis of the Report prepared by directors with mandate contract regarding the total degree of achievement of the financial and non-financial key performance indicators (KPIs) for 2021 for the company's administrators and the recommendation to the BoD for the endorsement thereof;
- endorsement of the Report of the Board of Directors monitoring the framing of the key performance indicators (KPIs) of the administrators for 2021 within the limits approved by the OGMS.
- endorsement of the Report of directors with mandate contract regarding the monitoring of the framing of their financial and non-financial key performance indicators (KPIs) for 2021 within the limits.
- preparation of the Annual Report of the Nomination and Remuneration Committee to the OGMS related to the remunerations and other benefits awarded to the administrators and the directors with mandate contract during 2021 financial year.
- drawing up the Report of the Nomination and Remuneration Committee towards the OGMS with the request to convene the OGMS in order to appoint a provisional administrator for a fixed period of maximum 4 months, according to the provisions of GEO no. 109/2011 on the corporate governance of public enterprises and the conclusion of the mandate contract (following expiry of the mandate of the provisional administrator).
- endorsement of the Regulation to award the employees share of profit related to 2021.
- endorsement of the Quarterly Report regarding the monitoring of the financial and non-financial key performance indicators of the administrators and directors with mandate contract for the period 01.01.2022 – 31.03.2022, subject to the approval of the Board of Directors.
- analysis of the Collective Labor Agreement (Ro. CCM) applicable within CONPET S.A. for a period of two years, starting 07.06.2022.

At the same time, during the meetings of the Nomination and Remuneration Committee were analyzed materials regarding proposals to modify the organizational structure of the company and to maintain the delegation to the director general for the approval of subsequent amendments to the personnel establishment, by framing within the number of personnel, the amendment of the

Organization and Functioning Rules and Regulation of the company, the quarterly analysis of the financial and non-financial key performance indicators and the degree of fulfillment thereof for administrators and directors with mandate contract.

The AUDIT COMMITTEE

The Audit Committee was set-up pursuant to the BoD Decision no. 16/28.11.2013 and starting with 28.08.2018.

During **August 23 - December 31 2018**, a meeting of the Audit Committee was held, following which the BoD Report no. 43927/13.11.2018 was concluded, recommending the approval, by the Board of Directors, of the financial reporting ended September 30th, 2018 and for the 9 months period of 2018.

In 2019, 8 meetings of the Audit Committee took place, which materialized into 8 reports.

The activity of the Audit Committee in the period 01.01.2019 – 31.12.2019 covered the following topics:

- ✓ Analysis of the unaudited preliminary Financial Statements at the date and for the financial year ended 31.12.2018, of the preliminary report of the company for the period January-December 2018 and the 2019 Budget including estimates for 2020-2021;
- ✓ The internal audit system within CONPET S.A.;
- ✓ Annual Report of the directors with mandate contract for 2018, the annual administrators' report for the financial year ended 31.1.201, the internal audit system within CONPET, the annual financial statements prepared for the financial year ended 31.1.2018 and the proposals to the OGMS to distribute the net profit related to 2018 financial year and certain amounts from the retained earnings and other reserves, setting the gross dividend per share and the date of dividends' payment to the shareholders;
- ✓ Quarterly report of the Directors with mandate contract, over the period ended 31.03.2019 and Quarterly report of the administrators on the economic-financial activity, accompanied by the financial statements at the date and for the 3 months period ended 31.03.2019;
- ✓ Proposal advanced to the OGMS on the appointment of the financial auditor and the setting of the financial audit services contract duration;
- ✓ Information no. 33714/ 26.08.2019 regarding the monitoring of the performance of the internal management audit and risk management at CONPET level in 2019;
- ✓ Conclusions of the analysis performed by the audit committee regarding the number of breakdowns recorded in 2017 and proposals;
- ✓ Debating over certain materials recommended for endorsement in the BoD meeting on 13.11.2019, respectively:

Quarterly report of the administrator on the economic-financial activity on 30.09.2019, accompanied by the financial statements at the date and for the 9 months period ended 30.09.2019 and the Quarterly report of the Directors with mandate contract, for the period ended 30.09.2019;

In 2020, 7 meetings of the Audit Committee took place, which materialized into 7 reports.

The activity of the Audit Committee in the period 01.01.2020 – 31.12.2020, covered the following topics:

- ✓ analysis of the results of 2019 inventory, of the elements similar to assets, liabilities and equities and the recommendation for the BoD to approve them;
- ✓ analysis of the Revenues and Expenditure Budget for the year 2020 (including the estimates for 2021 - 2022), and amendment proposals, included in the final form presented to the BoD for endorsement;
- ✓ analysis and endorsement of the unaudited preliminary financial statements at the date and for the financial year ended 31.12.2019 and of the company's preliminary report for the period January-December 2019;
- ✓ analysis and endorsement of the Annual Administrators' Report to the OGMS for the financial year ended 31.12.2019, accompanied by annexes no. 1-6.
- ✓ approval of the Board of Director's report on the administration activity in 2019 prepared in accordance with Art. 55 of GEO 109/2011 *on corporate governance of public enterprises* and the provisions of the contract of mandate;
- ✓ recommendation to the BoD to submit for approval to the OGMS approval of the discharge from administration of the company's directors for the financial year ended at 31.12.2019.
- ✓ analysis of the proposals to the Ordinary General Meeting of Shareholders concerning the distribution of net profit related to the financial year 2019 and of the amounts from the retained earnings, setting the gross dividend per share and the date of dividends payment to the shareholders and the recommendation to the BoD for the endorsement thereof;
- ✓ analysis and endorsement of the quarterly Report of Directors with mandate contract on the activity ended on 31.03.2020, prepared in accordance with the provisions of GEO no.109/2011 *on the corporate governance of public enterprises* and the provisions of the contract of mandate;
- ✓ analysis and endorsement of the quarterly report to the BVB and ASF regarding the economic and financial activity of CONPET S.A. at 31.03.2020 (period 01.01.2020 - 31.03.2020), accompanied by the financial statements on the date and for the period of 3 months ended on 31.03.2020, prepared in compliance with the Ministry Of Public Finances Order no. 2844/2019 and IAS 34;
- ✓ analysis of the Quarterly Report on the Monitoring of Financial and Non-Financial Key Performance Indicators and their total degree of achievement in relation to the administrators and Directors with a mandate contract, for the period 01.01.2020 – 31.03.2020 and the recommendation for endorsement by the BoD;
- ✓ analysis of the Report of Directors with mandate contract on the activity related to the period ended on June 30, 2020 in accordance with the provisions of the GEO no.109/2011 *on the corporate governance of public enterprises* and the provisions of the contract of mandate;
- ✓ analysis and endorsement of the Report of administrators on the activity for the first semester of 2020 (period January - June 2020), drawn up in accordance with the provisions of Article 223 of the ASF Regulation no. 5/ 2018 and art. 55 of GEO no.109/2011;
- ✓ analysis and endorsement of the Annual Report of the directors with mandate contract on the activity for the period concluded on 30.06.2020, drawn up in accordance with the provisions of GEO109/ 2011
- ✓ analysis and endorsement of the Financial statements at the date and for the six-months period ended June 30, 2020, drawn up in accordance with O.M.F.P. no. 2844/2016 and with the

International Accounting Standard 34 "Interim Financial Reporting", accompanied by the Report of the financial auditor for the revision of the interim financial statements regarding the revision of the interim financial statements, prepared by BDO Audit SRL.;

✓ analysis of the Quarterly Report on the Monitoring of Financial and Non-Financial Key Performance Indicators and their total degree of achievement in relation to the administrators and Directors with a mandate contract, for the period 01.01.2020 - 30.06.2020) and the recommendation for endorsement thereof by the BoD;

✓ analysis of the rectified Budget for 2020, as per the Substantiation Note no. 24916/ 07.08.2020 and the recommendation for endorsement thereof by the BoD in order to submit for approval of the O.G.M.S..

✓ the analysis and endorsement of the quarterly report to the BVB and ASF regarding the economic and financial activity of CONPET S.A. on 30.09.2020 (period 01.01.2020 - 31.03.2020) accompanied by the financial statements on the date and for the period of 9 months ended on 30.09.2020.

✓ the analysis and endorsement of the Activity Report of the Directors with mandate contracts for the period ended September 30, 2020;

✓ analysis of the Quarterly Report on the Monitoring of Financial and Non-Financial Key Performance Indicators and their total degree of achievement in relation to the administrators and Directors with a mandate contract, for the period 01.01.2020 – 30.09.2020 and the recommendation for endorsement thereof by the BoD;

✓ analysis of the information to the BoD regarding the valid bank accounts and the policy applicable for future Company placements of funds in bank deposits;

✓ analysis of the rectified 2020 Revenues and expenditure budget - Annexes 1, 2 and 4 and recommendation for approval by the BoD;

✓ analysis of Budget preliminary Projection related to 2021 and recommendation for identification of certain costs which can be reduced.

In 2021, 9 meetings of the Audit Committee took place, which materialized into 9 reports.

The activity of the Audit Committee in the period 01.01.2021 - 31.12.2021, covered the following topics:

- Endorsement of the Preliminary Report for the period January - December 2020, accompanied by the unaudited preliminary financial statements for the financial year ended on 31.12.2020, prepared based on the accounting regulations compliant with the International Financial Reporting Standards approved by Order no. 2844/2016 of the Ministry of Public Finance and recommends its approval by the Board of Directors in the form presented to the Audit Committee, the materials being reported to the BVB and ASF;
- analysis of the Information on the revaluation of the assets related to the patrimony of the company/public and private domain of the state conceded by CONPET S.A.;
- Approval of the Revenues and Expenditure Budget of CONPET S.A. for the year 2021 (and estimates for 2022 – 2023);
- analysis of the Financial Statements at the date and for the financial year ended on 31.12.2020, accompanied by the Report of the financial auditor BDO Audit SRL, document to the OGMS;

- analysis of the Annual Report of the administrators of CONPET S.A. for the financial year ended on 31.12.2020, accompanied by annexes, with the recommendation for its approval by the Board of Directors, the material being presented to the OGMS as part of the Annual Financial Report for 2020;
- analysis of the proposals to the OGMS on the distribution of the net profit for the financial year 2020 and on the distribution of the retained earnings, the establishment of the gross dividend per share, the proposal to the Board of Directors regarding the establishment of the registration date and date of dividends' payment to the shareholders;
- analysis of the Annual Report of the directors with mandate contract on the activity for the period concluded on 31.12.2020, drawn up in accordance with the provisions of art. 54 of GEO 109/2011 on the corporate governance of public enterprises and the provisions of the mandate contract and the recommendation for its approval by the Board of Directors;
- analysis of the final form of the Report of the Board of Directors on the management activity in 2020, drawn up in accordance with the provisions of art. 55 of GEO 109/ 2011 on the corporate governance of public enterprises and the provisions of the mandate contract;
- approval of the Report prepared by directors with mandate contract regarding the total degree of achievement of the financial and non-financial key performance indicators (KPIs) for 2020 for the company's administrators;
- endorsement of the Report of the Board of Directors monitoring the classification of the key performance indicators (KPIs) of the administrators for 2020 within the limits approved by the OGMS.;
- endorsement of the Accounting Policy Manual of the company CONPET S.A. updated, for approval by the Board of Directors;
- approval of the Report of Directors with mandate contract on the activity ended on March 31, 2021 in accordance with Art. 54 of GEO no.109/2011 *on the corporate governance of public enterprises* and the provisions of the contract of mandate;
- endorsement of the Quarterly Report on the economic and financial activity of CONPET S.A. at March 31, 2021 (period 01.01.2021 – 31.03.2021);
- endorsement of the Financial Statements on the date and for the period of 3 months ended on 31.03.2021 drawn up in accordance with the Order of the M.F.P. no. 2844/2016 and with international accounting standard 34 "Interim financial reporting";
- endorsement of the Report of Directors with mandate contract on the activity ended on June 30, 2021 in accordance with Art. 54 of GEO no.109/2011 *on the corporate governance of public enterprises* and the provisions of the contract of mandate;
- endorsement of the Report of administrators on the activity for the first semester of 2021 (period January - June 2021), drawn up in accordance with the provisions of Article 223 of the ASF Regulation no. 5/ 2018 and art. 55 of GEO no.109/2011, accompanied by: The Financial statements at the date and for the six-month period ended June 30, 2021 drawn up in accordance with O.M.F.P. no. 2844/2016 and with the International Accounting Standard 34 "Interim Financial Reporting", the Declaration of the responsible persons and the Review Report of the independent practitioner on the interim financial statements in the first semester of 2021, prepared by the financial auditor BDO Audit S.R.L.;
- endorsement of the Information on the policy applicable to investments in bank deposits;

- endorsement of 2021 Revenues and Expenditure Budget - rectified for 2021;
- endorsement of the Information Note to the Ordinary General Meeting of Shareholders on the acknowledgment of the prescription of the shareholders' rights to the dividends related to the financial year 2017, unclaimed up to 28.06.2021;
- endorsement of the Report of Directors with mandate contract no. 37694/09.11.2021, on the activity ended on September 30, 2021 in accordance with Art. 54 of GEO no.109/2011 *on the corporate governance of public enterprises* and the provisions of the contract of mandate;
- endorsement of the Quarterly report on the economic and financial activity of CONPET S.A. at 30.09.2021 (period 01.01.2021 - 30.09.2021), drawn up in accordance with Article 125 of FSA Regulation no. 5/ 2018, accompanied by the Financial Statements as of the date and for the nine-month period ended September 30, 2021 drawn up in accordance with O.M.F.P. no. 2844/ 2016 and with International Accounting Standard 34 "Interim Financial Reporting".
- endorsement of the Draft Annual Internal Public Audit Plan for 2022;
- endorsement of the rectification of Annexes no. 1, 2 and 4 of the amended Revenues and Expenditure Budget for 2021;
- endorsement of the Budget Preliminary Projection for 2022.

Year 2022

Between 01.01.2022-30.06.2022, 6 meetings of the audited Committee took place, which resulted in 6 reports.

The activity of the Audit Committee in the period 01.01.2022 - 30.06.2022, covered the following topics:

- endorsement of the results of 2021 inventory of the elements similar to assets, liabilities and equities, related to Company patrimony.
- endorsement of the results of 2021 inventory of the elements similar to assets related to public and private domain of the State.
- approval of the Revenues and Expenditure Budget of CONPET S.A. for the year 2022 (and estimates for 2023 – 2024).
- endorsement of the accounting policies Manual of the company CONPET S.A.;
- endorsement of the Preliminary Report for the period January - December 2021, accompanied by the unaudited preliminary financial statements at the date and for the financial year ended on 31.12.2021, prepared based on the accounting regulations compliant with the International Financial Reporting Standards approved by Order no. 2844/2016 of the Ministry of Public Finance and recommends its approval by the BoD in the form presented to the Audit Committee; the materials will then be reported to the BVB and ASF.
- analysis of the Financial Statements at the date and for the financial year ended on 31.12.2021, accompanied by the Report of the financial auditor BDO Audit SRL., document submitted to the OGMS;
- analysis of the Annual Report of the administrators of CONPET S.A. for the financial year ended on 31.12.2021, accompanied by annexes, with the recommendation for its approval by the Board of Directors, the material being presented to the OGMS as part of the Annual Financial Report for 2021;

- analysis of the proposals subject to OGMS regarding the distribution of the net profit related to 2021 financial year.
- analysis of the annual Report of Directors with mandate contract on the activity related to the period ended on 31.12.2021, prepared in accordance with the provisions of Art. 54 of the GEO no. 109/2011 *on the corporate governance of public enterprises* and the provisions of the contract of mandate and the recommendation for approval thereof by the BoD.
- analysis of the Report of directors with mandate contract regarding the monitoring of the framing of their financial and non-financial key performance indicators (KPIs) for 2021 within the limits.
- analysis of the Board of Director's report on the administration activity in 2021, prepared in accordance with Art. 55 of GEO no. 109/2011 *on corporate governance of public enterprises* and the provisions of the contract of mandate.
- analysis of the Report prepared by directors with mandate contract regarding the total degree of achievement of the financial and non-financial key performance indicators (KPIs) for 2021 for the company's administrators;
- analysis of the Report of the Board of Directors monitoring the classification of the key performance indicators (KPIs) of the administrators for 2021 within the limits approved by the OGMS.
- analysis of the Report of Directors with mandate contract on the activity ended on March 31, 2022 in accordance with the provisions of the GEO no.109/2011 *on the corporate governance of public enterprises* and the provisions of the contract of mandate.
- analysis of the Quarterly Report on the economic and financial activity of CONPET S.A. at 31.03.2022 (period 01.01.2022 - 31.03.2022), accompanied by the financial statements on the date and for the period of 3 months ended 31.03.2022, prepared in compliance with the Ministry of Public Finance Order no. 2844/2016 and IAS 34, "Interim financial reporting"..
- analysis of the proposal to rectify Annexes no. 1,2 and 5 to 2022 Budget.

At the same time, during the meetings of the Audit Committee briefings were analyzed regarding the total degree of fulfillment of the financial and non-financial key performance indicators (KPIs) of the administrators and directors with mandate contract (preliminary data and audited data 2021 and quarterly analysis), information on the monitoring of the performance of the internal management control system and risk management at CONPET level in 2021, periodical reports on the activity of CONPET S.A. (cumulated).

THE COMMITTEE FOR DEVELOPMENT AND RELATION WITH INVESTORS AND AUTHORITIES

The committee for Development and Relation with the Investors and Authorities was established by the Decision of the Board of Directors no. 20/28.08.2018 (following the reunion of the Committee for the development and relation with authorities with the Financial and IR Relation Committee).

During **23 august 2018–31decembrie 2018** the committee did not convene.

In 2019, 7 meetings of the Committee for Development and Relation with the Authorities took place, which materialized in 7 reports.

The activity of the Committee for Development and Relation with Investors and Authorities during 01.01.2019 – 31.12.2019 included the following topics:

- analysis of the 2019 Investments Program and estimates for 2020 and 2021, the current repairs program for 2019, the Note for the empowerment of the Director General as to approve the revision of the investments program within the same values approved by the annual Budget, the Information Note regarding the state of achievement of 2018 estimated Investments Program;
- the rearranged Investments Program, respectively Annex no. 1 (detailed structure by objectives) and Annex no. 2 (9 independent facilities and equipment) and 2019 Investments Program - proposal to the OGMS;
- analysis of the proposals for the decommissioning/declassification of the goods belonging to the state's public domain, whose operational maintenance is no longer justified and analysis of the proposed methods to capitalize those goods;
- analysis of 2019 Investments Program - rectified in May 2019, the Annual Procurement Program - revision 2, Information note regarding the difficulties encountered for obtaining the building permits for the achievement of the objectives included in the Investments Program;
- analysis of 2019 Investments Program rectified in August 2019 and estimates for 2020 and 2021, the revised 2019 Current Repairs Program and the Information Note no. 31192/05.08.2019 regarding the status of implementation of 2019 investments program, semester 1;
- analysis of 2019 Investments Program rectified in October and estimates for 2020 and 2021.
- analysis on the state of completion of the Investments program detailed by activity periods.

In 2020, 6 meetings of the Committee for Development and Relation with the Authorities took place, which materialized in the conclusion of 6 reports.

The activity of the Committee for Development and Relation with the Investors and Authorities and authorities during the period 01.01.2021 – 31.12.2021 included the following topics:

- analysis and amendment of the Investment Program for 2020, respectively Annex no. 1 - Detailed structure by objectives which also includes estimates for the years 2021 and 2022 and Annex no. 2 – List of independent facilities and equipment for 2020 and recommendation for approval thereof by the BoD;
- analysis and endorsement of the capital repairs program for 2020, advanced by the Substantiation Note prepared by Investments Management Department and recommendation for approval thereof by the BoD;
- endorsement of the Investments Program for 2020 by the OGMS (including the estimates of the investment expenditures for 2020 and 2021), proposed by Annex 1 in the Substantiation Note advanced to the OGMS, drafted by the Investment Management Department and recommendation for approval thereof by the BoD;
- analysis of the Report prepared by the Asset Management Department, having as scope the approval, by the BOD, of the starting price at the auctions for 30 vehicles Dacia Logan and Dacia

Duster, resulted following the appraisal report prepared by the self-employed, certified appraiser Constantin Valerica and the recommendation for being approved by the BoD;

- analysis and endorsement of the executive management proposals regarding the decommissioning/ downgrade of the goods belonging to the Company's patrimony, where their operability is no longer justified and endorsement of the proposed means to materialize these goods and recommendation for approval by the BoD;
- analysis of the executive management proposals regarding the decommissioning/ downgrade of the goods belonging to the Company's patrimony, where their operability is no longer justified and the proposed means to materialize these goods and recommendation for approval by the BoD;
- analysis and endorsement of the capital repairs program for 2020, as per the Report no.10907/ 19.03.2020 prepared by the Procurement Department and recommendation for approval thereof by the BoD;
- analysis of the state of development of the Investments Program 12 months 2019, as per the Information Note no. 10293/16.03.2020 prepared by the Investments Management Department.
- It is reiterated the request addressed to the executive management to submit to the BoD a proposal note in view of mitigating the potential repetition of the misconduct ascertained in the Conciliation Note no. 8999/ 05.03.2020 concluded between CONPET S.A. and Prahova Chamber of Accounts and also to perform an internal audit for the identification of the causes and persons responsible for the verification of the signaled aspects and justification/setting of the reasons having caused the failure to do so;
- analysis and endorsement of the 2020 Investments Program, rectified July and estimates for 2021 and 2022 and recommendation for approval by the BoD;
- analysis and endorsement of the Current Repairs Program for 2020, revised;
- analysis and endorsement of the 2020 Investments Program - rectified October 2020 and estimates for 2021 and 2022 for approval by the BoD;
- analysis and endorsement of the 2020 Investments Program - rectified in December 2020, also including the estimates for 2021- 2022 for approval by the BoD;
- analysis of the Annual Procurement Program for 2020 - revised in December, for approval by the BoD;
- analysis of the 2021 Annual Procurement Program Draft 2021 and of the 2021 Investments Program Draft, also including estimates for the period 2022-2023, submitted to the BoD for information.

In 2021, 7 meetings of the Committee for Development and Relation with the investors and Authorities took place, which materialized into 7 reports.

The activity of the Committee for Development and Relation with the Investors and Authorities and authorities during the period 01.01.2021 – 31.12.2021 included the following topics:

- analysis of the Report accompanied by the Evaluation Report concerning the starting prices at auction for 3 tanks belonging to the private domain of the state, included in GD no. 952/ 2014.

- analysis of the Information on the necessity and opportunity of the objectives/works included in the Investment Program for 2021, respectively Annex no.1 "Detailed structure by objectives that also includes estimates for the years 2022 and 2023" and Annex no. 2 "List of independent facilities and equipment for 2021".
- analysis of the Investment Program for 2021, respectively Annex no. 1 - Detailed structure by objectives that also includes estimates for the years 2022 and 2023 and Annex no. 2 – List of independent facilities and equipment for 2021.
- analysis of Current Repairs Program for 2021.
- analysis of 2021 Annual Procurement Program.
- analysis of the executive management's proposals for decommissioning of fixed assets and their capitalization by sale with auction, based on a starting price established in accordance with internal procedures and approved by the executive management.
- analysis of the Information Note on the stage of implementation of the Investment Program for 2020.
- approval of 2021 annual Procurement Program - Revision 10.
- analysis of the Note containing measures to improve the degree of achievement of the indicator Investments financed from the Modernization Quota on 30.06.2021.
- endorsement of decommissioning of 10 fixed assets (means of motor transport) belonging to the company patrimony proposed to be scrapped and the proposed capitalization means in relation to these goods.
- approval of 2021 Investments Program and estimates for 2022-2023, rectified in September 2021.
- analysis of the Internal Procurement Procedural Rules - revision 4, amended and completed.
- endorsement of the Report on the approval by the Board of Directors of the starting auction prices for 10 means of transport, which represent the market prices set in the Appraisal Report drawn up by the authorized appraiser.
- endorsement of the 2021 Investments Program - rectified in December and estimates for 2022-2023.
- endorsement of the Annual Procurement Program for 2021 - December revision.
- endorsement of 2022 Annual Procurement Program.
- analysis of the Information on the necessity and opportunity of the objectives/works included in the Investment Program 2022 and estimates for 2023 - 2024.

Year 2022

During 01.01.2022-30.06.2022, 5 meetings of the Committee for Development and Relation with the Authorities took place, which materialized into the conclusion of 5 reports.

The activity of the Committee for Development and Relation with the Investors and Authorities during 01.01.2022 - 30.06.2022 included the following topics:

- analysis of the Investment Program for 2022- Annex no. 1(detailed structure by objectives which also includes estimates for the years 2023 and 2024) and Annex no. 2 (independent facilities and equipment for 2022).

- endorsement of 2022 Investments Program (and estimates of the Investment Expenditures for 2023 and 2024), proposed by Annex no. 1 to the OGMS;
- analysis of Current Repairs Program for 2022.
- analysis of the Briefing regarding the amount of the allowances related to 2022 and the activity performed within the month of January 2022 by the non-governmental organizations where CONPET has acquired membership.
- Approval of the Note regarding the augmentation of the share capital of CONPET S.A. by the value of the land plots related to the 48 land ownership certificates.
- Endorsement of the Report comprising the proposal concerning CONPET S.A.'s joining ARIR, as associate member;
- Endorsement of the report on advancing an auction starting price for pipeline stock in total quantity of 8,936.0 l.m.
- endorsement of 2022 Annual Procurement Program.
- Endorsement of the proposals to the BoD regarding the opportunity to maintain CONPET S.A.'s capacity as a contributing member to the Non - governmental organizations where the company is operating;
- Analysis of the information on the extension of the deadline related to the pursuit of the measures provided in the Decision no. 28/2013 of Prahova Court of Accounts.
- Analysis of the Information regarding the ongoing dispute between Ploiesti municipality and CONPET S.A. having as scope to determine the deprivation from the use of the land plot related to the buildings forming Vointa Sports Base.
- Analysis of the Information no. 9452/15.03.2022 on the extension of the deadline related to the accomplishment of the measures contained in the Resolution no. 14/2013 of Prahova Chamber of Accounts.
- Analysis of the report on the approval, by the OGMS, of the transaction with S.N.T.F.M." C.F.R. MARFĂ", having as scope the increase in the transport tariff (addendum to the contract).

At the same time, in the meetings of the Committee for Development and Relations with Investors and Authorities, were analyzed the activity reports drafted by monthly and cumulative reporting periods were analyzed for monthly and cumulative reporting periods regarding the acquisitions and periodical informing information and notes on the fulfillment stage of the Investment Program.

5. Development of the internal managerial control system implemented in CONPET S.A.

The company CONPET S.A., defined as a public entity in accordance with the Order of the Secretary General of the Government no. 600/2018, applies the Code of the internal managerial control of public entities approved by the afore-mentioned legislation.

Following the issue of O.S.G.G. 600/ 2018 and for the correlation with the requirements of the GD 583/ 2016 for the period 2016-2020, the Code of Ethics drafted, in 2016, was updated/supplemented and in November 2018 entered into force "The Code of Ethics and Integrity of CONPET S.A."

Currently, the “**Code of Ethics and Integrity of CONPET S.A.**” is in force within the company and has been since May 2021 and an ethics and integrity advisor has also been appointed by decision of the Director General. The employees of the company have signed an individual commitment to comply with the rules of ethical conduct and integrity contained in the Code of Ethics and Integrity of CONPET S.A. and the Ethics and Integrity advisor monitors the compliance of the organization’s employees with the principles and norms of conduct and provides consultancy and assistance in the field of ethics, according to the Regulation in force on the activity of the ethics and integrity counselor within CONPET S.A.

The Code of Ethics and Integrity shall be revised in the following period, for the harmonization with the new National Anti-corruption strategy 2021-2025, approved pursuant to GD no. 1269/2021 and the requirements of the standards SR ISO 37001:2017 Anti-bribery management systems and SR ISO 26000:2021 Guidelines on social responsibility.

According to the provisions of OSGG no. 600/2018 for the approval of the Internal Managerial Control Code of the public entities, **the Committee for the monitoring of the internal control management system** has been appointed, a decision which has been updated during 2018-2022, whenever structural, organizational or personnel changes have occurred.

The Monitoring Committee of the internal control management system has the following duties:

- ✓ Draws up the Development Program of the internal managerial control system covering the objectives of CONPET S.A. in the field of internal managerial control, including, for each standard of internal managerial control, activities, officers in charge and deadlines, as well as other relevant elements in implementing and developing the internal managerial control system.
- ✓ Distinctly highlights, in the program, the actions of professional development in the field of internal managerial control system, both for persons with management positions and for those with executive positions;
- ✓ Monitors the achievement and provides the updating of the development program of the internal managerial control system;
- ✓ Coordinates the process of updating the general and specific objectives, the procedural activities, the risk management process, the performance monitoring system, the current status of the procedure and of the monitoring and reporting system, respectively information to the Director General.
- ✓ Centralizes via the technical secretariat, the significant risks in the Risk Registry of CONPET S.A., based on the identification of risks by the risk management teams at the level of directorates, units and offices directly subordinated to the Director General.
- ✓ Analyzes and prioritizes the significant risks that might affect the achievement of CONPET S.A.’s objectives, by establishing the risk profile and risk tolerance limit.
- ✓ Annually analyzes and endorses the risk profile and the risk tolerance limit proposed by the technical secretariat, based on the Risk Registry within CONPET S.A and submits them to the Director General, for approval.

- ✓ Analyzes the Annual Plan of implementation of the control measures for the significant risks within CONPET S.A., drafted by the technical secretariat and submits it to Director General, for approval.
- ✓ Drafts, via the technical secretariat, the Briefing to the Director General, approved by the Chairman of the Monitoring Committee, on the deployment process of risk management and monitoring of performance at CONPET S.A., based on annual reports from the directorates, departments and bureaus directly subordinated to the Director General.
- ✓ Analyzes the Annual Report on the internal managerial control system and submits it for approval to the Director General.
- ✓ Analyzes and endorses the Report on the stage of implementation of the actions of the Program for the development of the internal managerial control system, elaborated according to the provisions of the operational procedure "Monitoring and reporting of key performance indicators", code PO-20-15.

Each member of the Monitoring Committee is responsible for fulfilling the tasks from the development program of the internal control management system and for the observance of the deadlines met. The Monitoring Commission shall cooperate with all organizational entities so as to implement and develop the internal managerial control system.

The Internal Public Audit Bureau shall advise the Monitoring Commission and attends its meetings. The Internal Public Audit Bureau monitors the activities of the Monitoring Commission and regularly informs the Director General on the activity of the Monitoring Committee and the problems they are facing it and which may affect the process of implementing and maintaining the internal managerial control system.

The Development Program of the internal managerial control system of CONPET S.A. is analyzed and updated annually by the Monitoring Commission, after the self-evaluation of the level of implementation, according to the provisions of OSGG no. 600/ 2018. The program for the development of the internal control management system is being approved by the Director General and has been updated for the period 2018-2022 whenever internal or external changes have occurred.

In compliance with the provisions of the system procedure "Settlement of CONPET objectives, the Director General set on an annual basis, the general objectives of CONPET S.A., and at the level of all organizational entities have been annually defined and approved SMART specific objectives.

At the settlement of the specific objectives have been taken considered the company's mission, the strategic objectives from the Administration Plan 2018-222 and the general objectives set annually, as well as the objectives of the processes identified within the organization.

The objectives have been updated for the period 2018 – 2022, whenever internal or external context changes occurred.

Meetings of all risk management teams (RMT) took place on an annual basis, where each team reviewed the risks corresponding to the set objectives and analyzed the status of implementation

of the due control measures, and where appropriate, these risks were subjected to rectification, as to observe the organizational changes, respectively of the update of the applicable specific objectives. Control measures have been proposed to mitigate risks, as well as deadlines for their implementation, according to the provisions of the system procedure "Risk management". The significant risks and their control measures were the subject of debate within the meetings of the Commission for the monitoring of the internal control management system.

Based on the risk profile applicable at CONPET S.A. level, the Monitoring Commission analyzed and annually endorsed the **risk tolerance limit**. For 2022, the risk tolerance limit is **12 maximum exposure**, the risk appetite being medium (risks with exposure higher than 12 after remedy are not allowed). If the exposure of a risk increased above the tolerance limit, the Monitoring Commission would meet for an analysis/ for urgent action.

The Technical Secretariat of the Monitoring Commission annually developed the **Significant Risk Registry within CONPET S.A.** (with a tolerance level greater than or equal to 9). The actions of significant risks treatment were centralized and the **annual implementation plan of control measures for significant risks** was developed, as required by the provisions OSGG no. 600/2018, which have been annually approved by the Director General. The last risk re-assessment took place in 2022 Q1. **All the identified risks fall within the approved tolerance limits.**

The risk profile at the CONPET S.A. level for 2022 Q1 is as follows:

- ✓ 61 tolerable risks (with exposures from 1-4);
- ✓ 73 high tolerability risks (exposure between 5-8);
- ✓ 29 low tolerability risks (exposure between 9-12);
- ✓ 0 intolerable risks (exposure 15-25).

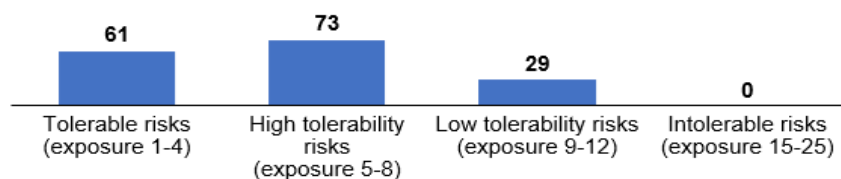


Chart 11 - Risk profile for 2022

The comparative risk profile for the period 2019 - 2022 is as follows:

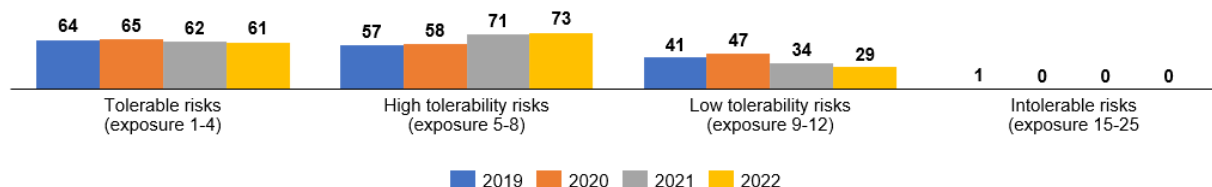


Chart 12 - Risk profile comparative presentation 2019-2021

The **sensitive functions** have been identified and proper control measures have been established, as to minimize the negative effects on the activities deployed. "The inventory of the sensitive functions at CONPET S.A. level", approved by the Director General and registered under no. 42956/ 22.12.2021 is in force at the date of the report.

The situations which may affect the continuity of the company's business, the preventive measures and the measures to enable continuity were documented in **CONPET S.A.'s Continuity Plan**, prepared as per the provisions of standard 11 "Continuity of the activity" from OSGG no. 600/2018.

The continuity plan of CONPET S.A., approved by the Director General and registered under no. 31279/ 02.10.2020 is in force at the date of the report.

During the reporting period (2018 - 2022), all the actions included in the program for the internal management control system at CONPET S.A. have been made within the deadlines set in the program.

CONPET S.A. does annual self-assessments of the degree of implementation of the internal managerial control standards and reports in accordance with the legal requirements.

Following the self - assessment of the internal managerial control system in accordance with the provisions of the OSGG no. 600/2018, it has been declared compliant, on 31.12.2021, with all 16 standards implemented.

The self-assessment results are submitted annually to the line authority.

- **The maintenance and improvement of the integrated management system implemented in CONPET S.A.**

Certification of the Integrated management system quality - environment - occupational health and safety was held for the first time in September 2007 with recertification every three years.

In September 2016 the energy management system certification took place, implemented and integrated with the previous management systems.

During the reporting period, the audit for the recertification of the HSEQ integrated management system - energy took place in September 2019

Surveillance audits conducted by the auditors of the certification body DET NORSKE VERITAS occurred annually.

Following the external supervisory audit in September 2021, the following certificates stand:

- 179568-2015-AQ-ROU-RvA, for the quality management system;
- 179569-2015-AE-ROU-RvA, for the environment management system;
- 179565-2015-AHSO-ROU-RvA, for the occupational health and safety management system
- 207619-2016-AE-ROU-RvA, for the energy management system.

The company CONPET S.A. is targeted towards the compliance of the clients' requirements and increase of their satisfaction towards the service provided.

Pursuant to the mutually advantageous contractual relation, the clients have faith and have the certainty that they will receive the transported product in due time and the whole quantity wherever they need it, and their property (crude oil, rich gas, condensate etc. is protected.

The Health, Safety, Environment and Quality (HSEQ) policy is oriented towards satisfying the needs of the clients and other relevant interested parties, the observance of the legal requirements in the crude oil, rich gas, ethane and condensate transport and provision off a healthy and secure environment for the entire personnel, with emphasis on the following action lines:

- ✓ Ensuring availability and timeliness of crude oil, rich gas and condensate transport services;
- ✓ Efficient solving of interventions on the transport installations without affecting the clients' or other stakeholders' interests;
- ✓ Optimization of technological consumptions of transported product;
- ✓ Compliance with legal and other requirements relating to occupational safety and health;
- ✓ Continuous improvement of the performance in the environmental protection activity, in particular by adopting prevention measures for pollution, technological risks and accidents which can have negative repercussions on the environment;
- ✓ Raising awareness of the company's staff and of the staff working on behalf of and of communication in order to ensure active participation in the achievement of the goals;
- ✓ Hazard removal and reduction of risks of occupational illness and injury at work;
- ✓ Consultation of employees regarding any aspect of occupational health and safety;
- ✓ Ensuring the organizational framework appropriate for setting the goals of the integrated management system quality-environment-operational health and safety.
- ✓ The permanent assessment of the risks/opportunities posed by the context the organization evolves into and of the risks/opportunities related to the processes and determination of the actions for their remedy, correlated with the actions set at local/national level;

Starting 2010, within CONPET S.A. the railway safety management system is implemented and maintained in accordance with the national legal requirements on railway safety and reference European directives. The field of application of this system includes the railway ramps where CONPET carries out railway shunting, for which the company holds the "[License for the performance of rail transport services \(railway shunting\)](#)", granted by the Romanian Railway Authority (Ro. AFER).

Through the railway safety policy, the company CONPET S.A. has undertaken to maintain and improve a railway safety management system as per the requirements set out in the national and EU regulations. The main action lines are:

- ✓ Compliance with existing legal requirements and other relevant stakeholder requirements relating to the development of railway shunting operations;

- ✓ Ensuring the appropriate organizational framework for setting objectives and assessing the performance of the safety management system;
- ✓ Identification of hazards, assessment and evaluation of risks associated with railway operations, including those arising from external factors;
- ✓ Establishing appropriate safety measures to be implemented to mitigate these risks, with a view to preventing accidents/incidents by rail and cooperate with relevant stakeholders on the implementation of appropriate safety measures in case of common risk identification;
- ✓ Assuming the coordination of the safety management system activities at the level of the management and delegation of responsibilities within the organization;
- ✓ Provision of programs to train staff and maintain their competence in performing tasks, both for staff in charge of management, training and control tasks and for staff performing railway safety-related activities, programs for staff training and skills maintaining for both the staff with management, training and control duties and the staff with responsibilities in railway safety.

After the implementation of the GEO no. 73/2019 regarding rail safety (which repeals Law no. 55/2006), approved pursuant to Law no. 71/02.06.2020 and of the Order of the Minister of Transport, infrastructure and Communication no. 743/2020 for the issue of a single safety certificate for the operators performing exclusively rail shunting in Romania, in September 2020 there has been issued the single Safety Certificate no. OMF 2020008, for the rail ramps where CONPET S.A. performs exclusively rail shunting on one's own behalf/for third parties/on an industrial rail line which is not property of the company.

In February 2021, AFER Bucharest issued Annex B to the Single Safety Certificate no. OMF 2020008, updated and in June 2021, AFER Bucharest issued the Single Safety Certificate no. OMF 2021007, after the update of the certificate no. OMF 2020008, upon CONPET request for a new amendment of annex B.

In September 2021, the company obtained from AFER Bucharest the annual endorsement stamp on the Single Safety Certificate no. OMF 2021007, valid until 20.09.2022.

The Energy policy of CONPET S.A. promotes the goals of ongoing improvement of energy performance based on the implementation, maintenance and improvement of the energy management system, by ensuring compliance with the legal provisions and other applicable requirements regarding energy consumption and energy efficiency, minimizing the loss of electricity and fuel to produce heat, vehicles and rail shunting in the rail ramps, cost reduction related to energy, procurement and use of energy-effective products and services.

The annual energy management system provides annual energy objectives and targets, as well as actions to reach them.

In 2022, the energy objectives and targets are:

Energy objective 2022	Energy target 2022
O1: Maintaining energy efficiency for electricity use.	O1/T1: Maintaining the electricity annual average specific technological consumption at a level of maximum 3.3 Kwh/product ton inside the Transport Operations Unit O1/T2: Maintaining the electricity annual average consumption in CONPET administrative buildings at the level of the reference period 2019.
O2: Increasing energy efficiency for uses of natural gas.	O2/T1: Reducing natural gas consumption at CONPET as compared to the reference period 2019.
O3: Increasing energy efficiency for uses of diesel.	O3/T1: Reduction of specific diesel consumption for the rail shunting within CONPET as compared to the 2019 reference period
O4: Increasing energy efficiency for the uses of automotive fuels.	O4/T1: Maintaining the auto fuel consumption in CONPET compared to the reference period 2019.
O5: Increasing energy performance for the uses of water	O5/T1: Maintenance of the water consumption at CONPET, for every location, by the observance of the Water Rights Permit

Table 13 – 2022 Energy objectives and targets

The company carries out actions to raise staff awareness and improve communication, in order to ensure active participation in the achievement of the energy goals and targets.

Throughout the reporting period have been achieved or are currently being deployed actions for the improvement of the energy efficiency, as follows:

- ✓ Pumping systems modernization
- ✓ Modernization of the LED-powered lighting system, replacement of electric transformer station
- ✓ Modernization of the installation for the production of the technological steam used to heat crude oil
- ✓ Thermal rehabilitation of buildings
- ✓ Transformation of the hydraulic diesel-operated locomotives (LDH) into electrical-operated locomotives LE or LEA
- ✓ Monitoring car fleet by the GPS system
- ✓ Operational control of the energy uses

The internal audit of the integrated quality-environment-occupational health and safety **management system** and the railway safety management system shall provide information regarding the compliance with the requirements of the references and applicable legal requirements. Internal audits are also aimed at assessing the effectiveness and continuous improvement of the management systems implemented.

The internal audits were conducted in accordance with the approved annual program for and the audit criteria established in the audit plans. The audited entities have been notified on the results based on the dissemination of the Audit Reports. The company annually provides resources to develop adequate internal audit, mandatory requirement of the reference standards SR EN 9001:2015, SR EN ISO 14001:2015, SR ISO 45001:2018 and SR EN ISO 50001:2019, as well as the regulations on railway safety.

The top management reviews, on an annual basis, the HSEQ - energy integrated management system and the rail safety management system, as to continue to operate in a manner which corresponds, is accurate, effective and aligns to the corporate strategic line of business. Consequently, **the Management conducts**, annually, **Review sessions**, which is a mandatory requirement of the reference standards and regulations concerning rail safety.

The actions set on these occasions and implemented at corporate level contribute to the continuous **improvement of the** quality-environment-occupational health and safety - energy **integrated management system** and of the rail safety management system.

For CONPET S.A., doing business and process deployment by the observance of the highest standards of ethics and integrity stands for a constant preoccupation.

CONPET S.A. joined the national anti-corruption strategy and implemented adequate integrity plans.

One of the actions set within the integrity plan is the implementation of the anti-bribery management system within CONPET S.A., action which was carried out as per the Program for the implementation of the requirements SR ISO 37001:2017 anti-bribery management system.

In March 2021, **the anti-bribery policy** established by the Director General of CONPET S.A. was approved by the Board of Directors decision no.5/23.03.2021 and disseminated to the staff of the organization.

By the anti-bribery policy, CONPET S.A. commits not to tolerate any bribery act, not to manifest any type of sanction or retaliation against any relevant employee or third party for the refuse to be part of a bribery act and to observe the anti-bribery legislation applicable to the organization.

The scope of the anti-bribery management system has been determined by defining it in the Integrated Management System Manual. Thus, the anti-bribery management system includes the prevention, detection and fight against bribery, which may occur in the conduct of any process of the organization, at any of the locations of the organization, by any employee of the organization at the interface with the stakeholders included in the Register of stakeholders.

The Director General has designated by decision the working group to carry out the anti-bribery compliance function's tasks for:

- ✓ supervising the design and implementation of the anti-bribery management system;
- ✓ counseling and guidance to staff on the anti-bribery management system and associated aspects;
- ✓ ensuring that the anti-bribery management system complies with the requirements of ISO 37001;

- ✓ report on the status of implementation of the anti-bribery management system to the Director General and the Board of Directors of CONPET S.A.

Also, the working group ensures the integration of the anti-bribery management system with the quality, environmental, health and safety at work and energy management systems implemented and certified in CONPET S.A.

In the course of 2021 and early 2022, have been revised SMI documents (SMI manual, flow diagrams, process sheets, procedures, CONPET S.A. Stakeholder Registry) to include the requirements of the standard SR ISO 37001:2017.

As regards to this year, since April, the anti-bribery management system has also been subjected to the internal audit, as per the internal audit program revised and approved on 24.03.2022. Following the internal audits of the anti-bribery management system conducted during April-June 2022, there has not been identified any deviance or observation in the audited sites. 7 opportunities for improvement have been formulated, on the occasion of these audits.

Within the month of May 2022, there has been submitted the documentation of the anti-bribery management system to the certification body SRAC CERT, for the assessment thereof. The report for the assessment of the documentation was received on 02.06.2022, with observation from SRAC auditors. At the date of the report, it is being deployed the implementation of the actions for the elimination of the observations.

The audit for the certification of the anti-bribery system will take place within the month of June 2022.

In June 2022, took place **the analysis performed by the function anti-bribery compliance**, finalized by “The report of the work group for the implementation of the requirements of the anti-bribery management system, established as per the Decision of the Director General no. 275/16.05.2022, group also fulfilling the anti-bribery compliance function” registered with no. 22356/ 17.06.2022.

As per the conclusions of this report, the requirements SR ISO 37001:2017 have been transposed in SMI documents, being adequately implemented.

In order to provide the continuous improvement of the anti-bribery management system, recurrent assessment reports will be prepared by the compliance function, will be adequately materialized the results of the internal audits, of the external audits and the results of the investigation of the bribery cases.

Until the date of this report, have not been signalized cases/suspicious of bribery and there are no investigations in progress, as per the report here-above mentioned.

Risk management

At the level of CONPET S.A., a Significant Risk Registry has been developed, along with an Annual Plan containing measures to control significant risks, personnel in charge and time-frames for the measures.

There have been identified, assessed and centralized risks that may affect the achievement of objectives. At CONPET level, it has been developed a Significant risk registry (with exposure level equal to or greater than 9) and an annual plan containing measures to control significant risks, personnel in charge and time-frames for the measures. The risks were revised as a result of organizational changes and the Significant Risk Register and the Risk Control Plan were updated/revised in October 2021.

Half-yearly accounting reports

At the level of the company there is a well-defined timetable and process regarding the drafting of accounting and financial information in accordance with the requirements of financial-accounting and capital market reporting, as well as their verification and approval by the Board of Directors in view of their publication.

The quarterly and semi-annual accounting reports were prepared on the basis of accounting regulations in accordance with international financial reporting standards ("IFRS") approved by the Order of the Minister of Public Finance no. 2844/2016 and published within the deadlines provided by law and in the financial calendar.

Internal audit

The internal public audit activity in was carried out based on the Internal Public Audit Plan, approved by the Director General of CONPET S.A. and endorsed by the Audit Committee, made up of three members of the Board of Directors.

During the analyzed period, a number of 6 missions were carried out, classified in the areas corresponding to the legislative framework applicable to internal audit (budgetary, financial accounting, company-specific functions and other fields of activity).

Auditing of the financial statements

The annual financial statements have been audited by the independent financial auditor BDO Audit SRL, appointed by GMS Decision no. 5/30.09.2019 for three years, starting with the financial year 2019. The financial auditor fulfilled the mission to review the interim financial statements drawn up for 2020H1 and 2021H1.

Results of the operating activity

CONPET provides transport services for its customers both through the National Transport System and by rail, from loading ramps to refineries, for oil areas that are not connected to the main transport pipelines.

The comparative situation of the quantities of products (crude oil, condensate and rich gas) transported through the National Transport System (NTS) and of the revenues achieved, by transport subsystems, in the period 2018-2021, and Budget forecast related to 2022 are exposed in the table below:

Quantities (thousand tons)	2018	2019	2020	2021	Revenues and Expenditure Budget 2022
Import Subsystem Quantities	3,362	3,637	3,284	3,410	3,557
Domestic Subsystem Quantities	3,493	3,487	3,401	3,241	2,920
Total Quantities	6,855	7,124	6,685	6,651	6,477

Table 14- Transported quantities 2018-2022 Budget

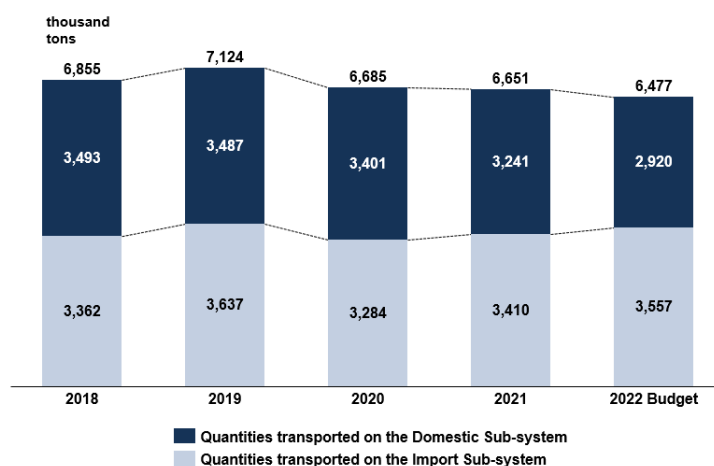


Chart 13 - Transported quantities 2018-2022 Budget

The transport services supplied by CONPET S.A. are addressed to a reduced number of clients; consequently, the transported crude oil volumes are closely related to the trade policy applied. OMV Petrom is the client with the highest share in the transport revenues of the company (82.6%).

Indicators (thousand RON)	2018	2019	2020	2021	Budget 2022
Revenues from transport services import subsystem	90,420	106,385	102,857	114,197	132,735
Revenues from transport services domestic subsystem	290,159	295,632	299,928	296,280	309,307
Total revenues from transport services	380,579	402,017	402,785	410,477	442,042

Table 15 - Transported revenues 2018-2022 Budget

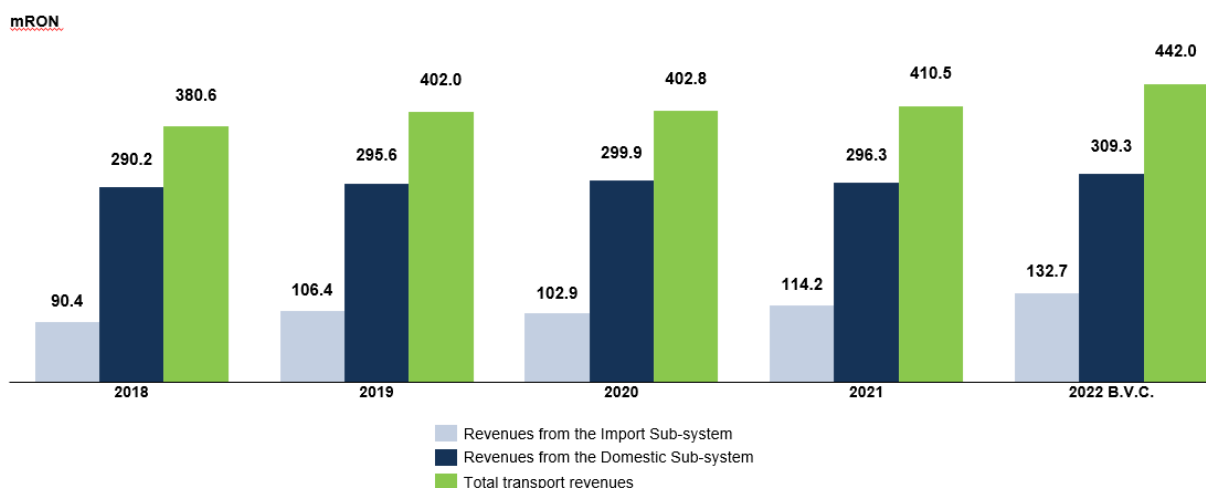


Chart 14 – Transport revenues 2018-2022 Budget

6. Financial performance during 2018-2022

During 2018 – 2022 the company recorded positive financial results, reflected both in a secure financial standing and high profitability.

The evolution of the main indicators of the financial results during 2018-2021 and regarding the Revenues and Expenditure Budget is the following:

Indicators (mRON)	2018	2019	2020	2021	2022 Budget
TURNOVER	385.1	407.8	406.9	412.8	444.8
Operating revenues, out of which:	418.7	443.0	447.6	458.4	495.9
Transport revenues	380.6	402.0	402.8	410.5	442.0
Operating Expenses	352.5	380.9	382.6	400.7	439.9
EBIT (operating profit)	66.2	62.1	65.0	57.7	56.0
Value adjustments on fixed assets, less adjustments related to rights of use resulted from lease contracts	44.5	46.6	47.4	52.0	55.5
EBITDA	110.7	108.7	112.4	109.7	111.5
Financial Result	5.5	7.6	5.4	3.1	2.7
EBT (gross profit)	71.7	69.7	70.4	60.8	58.7
NET PROFIT	60.7	58.9	60.9	51.9	49.8
Average number of employees	1,635	1,587	1,540	1,511	1,504
Number of employees at the end of the period	1,657	1,599	1,585	1,543	1,504

Table 16 - Main indicators of the financial results 2018-2022

Evolution of the main economic- financial indicators

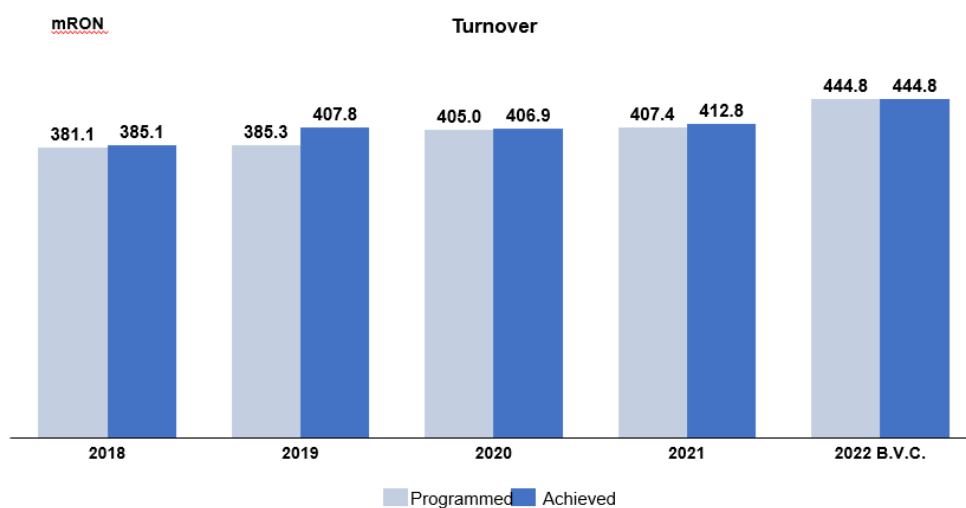


Chart 15 – Turnover evolution 2018 - 2022 Budget

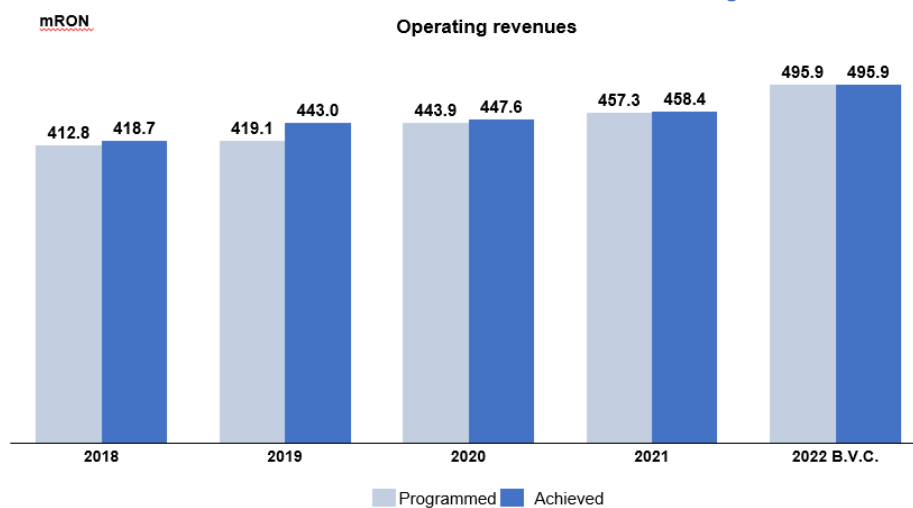


Chart 16 - Evolution of the operating revenues 2018-2022 Budget

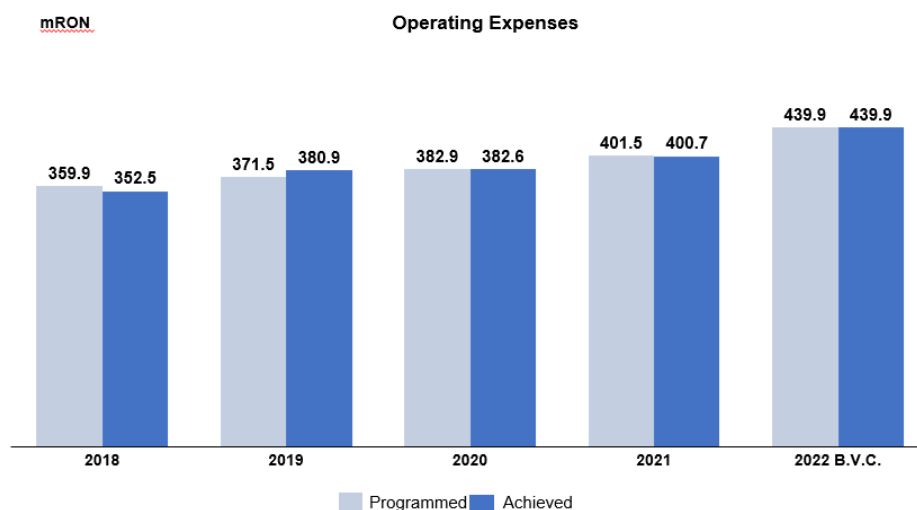


Chart 17 - Evolution of the operating expenses 2018 - 2022 Budget

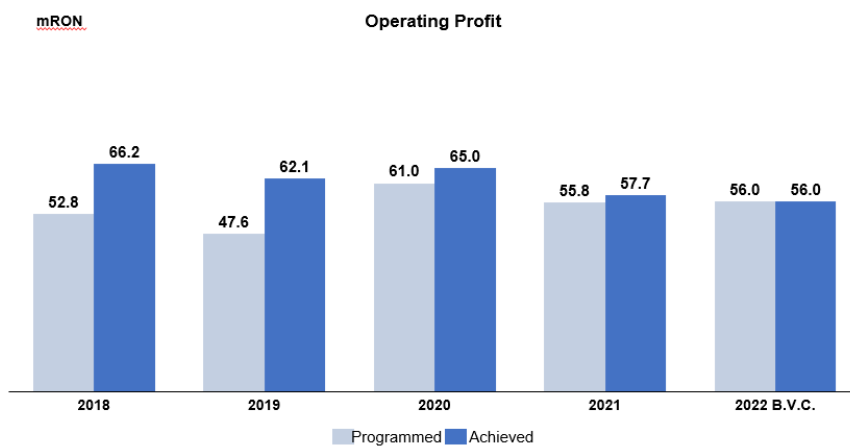


Chart 18 - Evolution of the operating profit 2018-2022 Budget

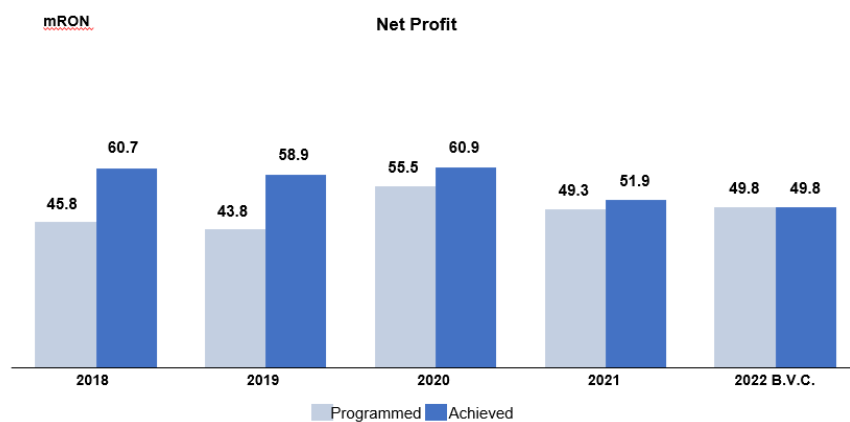


Chart 19 - Evolution of the net profit 2018-2022 Budget

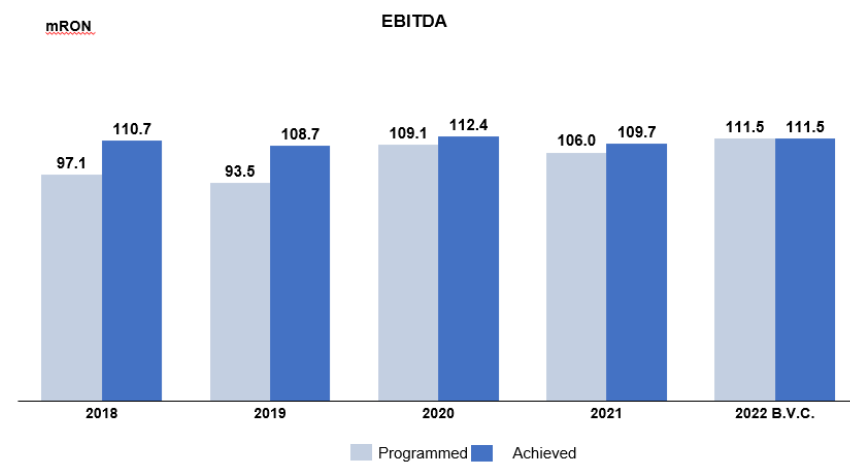


Chart 20 - Evolution EBITDA 2018-2022 Budget

Statement of the Financial Standing

Indicator (thousand RON)	2018	2019	2020	2021	2022 Budget
ASSETS					
Intangible assets					
Tangible assets	430,599	466,978	504,534	512,823	572,947
Intangible assets	2,844	2,998	4,313	6,942	7,627
Financial Assets	861	811	1,112	411	503
Deferred corporate tax receivables	3,047	5,422	4,956	4,637	5,043
Total non-current assets	437,351	476,209	514,915	524,813	586,120
Current assets					
Inventories	9,168	8,170	5,912	5,312	5,112
Trade receivables and other receivables	43,156	42,249	40,260	48,922	48,500
Cash and cash equivalents	259,682	238,577	198,257	191,751	134,611
Prepaid expenses	1,771	1,862	603	624	832
Total current assets	313,777	290,858	245,032	246,609	189,055
TOTAL ASSETS	751,128	767,067	759,947	771,422	775,175
EQUITY AND LIABILITIES					
Equities					
Subscribed and paid-up share capital	28,570	28,570	28,570	28,570	28,570
Legal reserves	5,714	5,714	5,714	5,714	5,714
Revaluation reserves	25,811	21,112	20,932	18,360	17,067
Other reserves	496,092	495,540	500,269	517,047	524,786
Retained earnings	44,689	43,997	40,679	46,289	41,086
Result of the period	60,676	58,877	60,847	51,929	48,921
Total Equities	661,552	653,810	657,011	667,909	666,144
Long-term trade liabilities	14,760	-	-	1,288	-
Long-term liabilities to the employees	893	16,269	19,864	16,629	17,242
Other long-term liabilities	1,074	4,545	3,470	3,458	3,500
Total long-term liabilities	16,727	20,814	23,334	21,375	20,742
Current liabilities					
Trade liabilities	19,154	27,179	23,584	32,148	33,435
Current Income Tax	3,787	3,077	738	2,049	2,093
Other liabilities	31,649	33,053	29,893	27,106	27,838
Short-term liabilities to employees	12,261	14,652	14,128	12,066	14,798
Short-term provisions	5,998	14,482	11,259	8,769	10,125
Total current liabilities	72,849	92,443	79,602	82,138	88,289
Total liabilities	89,576	113,257	102,936	103,513	109,031
TOTAL EQUITIES AND LIABILITIES	751,128	767,067	759,947	771,422	775,175

Table 17 - Statement of the financial standing 2018-2022 Budget

Profit and Loss Account

The evolution of the main financial indicators of the profit and loss account, during 2018-2021 and concerning the Budget related to 2022, is presented below:

Indicator (thousand RON)	2018	2019	2020	2021	Budget 2022
Revenues from contracts	385,140	407,822	406,928	412,787	444,819
Other revenues	33,507	35,181	40,708	40,684	45,308
Earnings from disposal of assets	64	0	0	4,915	5,816
Total Operating revenues	418,711	443,003	447,636	458,386	495,943
Inventories Expenses	7,012	7,605	6,106	5,448	6,440
Expenses with energy and water	11,163	13,089	12,465	16,553	29,789
Personnel Expenses	140,266	159,901	162,559	168,219	179,752
Value adjustments on fixed assets, less adjustments related to rights of use resulted from lease contracts	44,502	46,639	47,385	51,939	55,449
Value adjustments for rights of use resulted from leasing contracts	-	1,622	1,926	1,673	2,043
Value adjustments on current assets	1,266	(717)	(347)	278	100
Expenses related to external services	99,058	107,103	107,482	109,776	105,302
Loss from disposal of assets	-	213	41	-	-
Provision adjustments	4,273	10,480	(2,802)	(4,144)	2,840
Other expenses	44,931	34,920	47,805	50,907	58,182
Total Operating Expenses	352,471	380,855	382,620	400,649	439,897
Operating Profit	66,240	62,148	65,016	57,737	56,046
Financial Revenues	5,462	7,874	6,123	3,428	3,119
Financial Expenses	11	318	686	330	465
Financial profit	5,451	7,556	5,437	3,098	2,654
Profit before corporate tax	71,691	69,704	70,453	60,835	58,700
Expenses with current income tax	12,760	12,959	9,177	9,155	9,394
Expenses with (revenues coming from) deferred income tax	(1,745)	(2,132)	429	(249)	(465)
Profit of the period	60,676	58,877	60,847	51,929	49,771
Other global result elements which will not be reclassified later on in profit or loss	(1,036)	(941)	216	3,383	-
Net increase of the modernization quota reserve	-	(1,017)	3,193	9,811	-
Total other global result elements that will not be subsequently reclassified as profit or loss	-	(1,017)	3,193	9,811	-
Total other global result elements	(1,036)	(1,958)	3,409	13,194	-
Total global result	59,640	56,919	64,256	65,123	49,771
Earnings per share	7.01	6.80	7.03	6.00	5.75

Table 18 - Statement of the profit and loss account 2018-2022 Budget

Economic-financial Indicators

Name of the indicators	Calculation formula	2018	2019	2020	2021	Budget 2022
Profitability indicators						
Gross sales margin	EBIT (operating profit)	17.2%	15.2%	16.0%	14.0%	12.6%
	Turnover					
Operating profit margin	EBIT (operating profit)	15.8%	14.0%	14.5%	12.6%	11.3%
	Operating Revenues					
EBITDA in total sales	EBITDA	28.8%	26.7%	27.6%	26.6%	25.1%
	Turnover					
EBITDA adjusted in total sales	Adjusted EBITDA	32.1%	26.4%	28.4%	28.9%	27.8%
	Turnover					
EBITDA in equity	EBITDA	16.7%	16.6%	17.1%	16.4%	16.7%
	Total Equities					
EBIDTA adjusted in equity	Adjusted EBITDA	18.7%	16.5%	17.6%	17.9%	18.6%
	Total Equities					
Gross Profit Rate	Gross result	18.6%	17.1%	17.3%	14.7%	13.2%
	Turnover					
Liquidity Indicators						
Current liquidity indicator (times)	Current assets	4.31	3.15	3.08	3.00	2.14
	Current liabilities					
The quick ratio indicator (acid test)	Current assets - Inventories	4.19	3.06	3.00	2.94	2.08
	Current liabilities					
Profitability indicators						
Return on Assets (ROA)	Net result	8.1%	7.7%	8.0%	6.7%	6.4%
	Total Assets					
Return on Equity (ROE)	Net result	9.2%	9.0%	9.3%	7.8%	7.5%
	Total Equities					
Return on Sales (ROS)	Net result	15.8%	14.4%	15.0%	12.6%	11.2%
	Turnover					
Inventories turnover speed (days)	Medium inventory X360	478.8	415.5	416.6	370.7	291.3
	Sales costs					
Duration of inventory turnover (times)	Sales costs	0.76	0.87	0.86	0.97	1.24
	Average inventory					
Rotation speed of the clients debits (days)	Average inventory clients X360	28	29	28	28	30
	Turnover					
Rotation duration of the clients debits (times)	Turnover	12.94	12.37	12.98	13.05	12.12
	Average stock clients					
Rotation speed of supplier credits (days)	Average stock suppliersX360	27	28	28	26	26
	Procurement from suppliers of goods and services					

Name of the indicators	Calculation formula	2018	2019	2020	2021	Budget 2022
Rotation speed of the suppliers' credits (times)	Procurement from suppliers of goods and services	13.24	12.86	12.96	13.67	13.67
	Average balance suppliers					
RISK INDICATORS						
Leverage degree indicator	Borrowed capital	0.16%	0.70%	0.53%	0.59%	0.52%
	Total Equities					

Table 19-Economic-financial indicators 2018-2022 Budget

Detailed information regarding the economic financial results and the performance indicators are to be found in the Annual report of the administrators and the Annual financial statements prepared in compliance with IFRS-EU, public documents, posted on the company's website.

7. Investments – development during 2018-2022

The investment projects within CONPET mainly target the increase of the efficiency of the transport activity.

The investments were financed entirely from own sources, which consist of: the modernization quota and other sources.

Out of the modernization quota, CONPET finances the investment objectives within the rehabilitation, modernization and development programs agreed with the National Agency for Mineral Resources as per "The Oil Agreement for the concession of the operation activity related to the national transport system of crude oil, rich gas, condensate and ethane, here-included the major pipelines and the installations, equipment and related endowments.

The development of the investments achieved during 2018-2021 and programmed 2022 Budget is the following:

Investments (thousand RON)	2018	2019	2020	2021	2022 Budget
Total investments, out of which:	69,649	80,143	84,415	63,536	115,000
<i>Operating domain</i>	<i>6,257</i>	<i>13,469</i>	<i>15,019</i>	<i>17,940</i>	<i>20,000</i>
<i>Public domain</i>	<i>63,392</i>	<i>66,674</i>	<i>69,396</i>	<i>45,596</i>	<i>95,000</i>

Table 20- Investments' Evolution 2018-2022 Budget

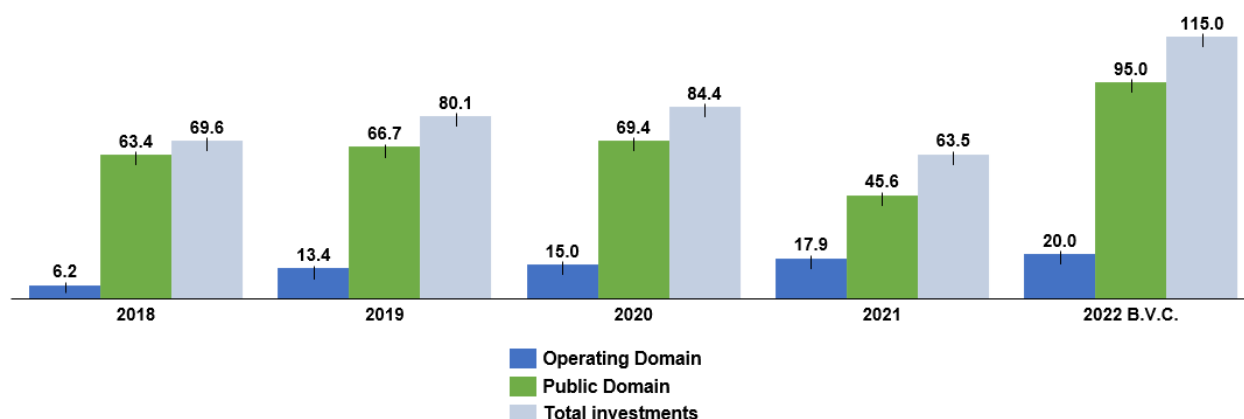


Chart 21 - Investments' Evolution 2018-2022 Budget

1. Achievement of the investments program 2018 – 2022 (5 months) divided by areas

Crt.No.	Name of the element (thousand RON)	Achieved	Programmed
	Grand total, out of which:	316,631	387,894
1	YEAR 2018	69,649	76,625
	- investments related to the public domain	63,392	68,030
	- investments in the operating domain	6,257	8,595
2	YEAR 2019	80,143	86,000
	- investments related to the public domain	66,674	71,375
	- investments in the operating domain	13,469	14,625
3	YEAR 2020	84,415	97,500
	- investments related to the public domain	69,396	76,373
	- investments in the operating domain	15,019	21,127
4	YEAR 2021	63,536	96,000
	- investments related to the public domain	45,596	69,000
	- investments in the operating domain	17,940	27,000
5	YEAR 2022 (5 months)	18,888	31,769
	- investments related to the public domain	14,098	24,666

Crt.No.	Name of the element (thousand RON)	Achieved	Programmed
	- investments in the operating domain	4,790	7,103

Table 21- Achievement of the investments program 2018 – 2022 (5 months) divided by areas:

2. Statement of the Commissionings 2018-2022 (5 months)

Crt.No.	Commissionings related to investment works	Amount (thousand RON)
	Value (thousand RON)	294,521
	Modernization quota	235,343
	own sources/profit	59,178
1	YEAR 2018	44,277
1.1	Modernization quota	36,383
1.2	own sources/profit	7,893
2	YEAR 2019	80,103
2.1	Modernization quota	70,467
2.2	own sources/profit	9,635
3	YEAR 2020	68,308
3.1	Modernization quota	55,538
3.2	own sources/profit	12,769
4	YEAR 2021	75,115
4.1	Modernization quota	52,602
4.2	own sources/profit	22,512
5	YEAR 2022 (5 months)	26,717
5.1	Modernization quota	20,350
5.2	own sources/profit	6,366

Table 22 - Statement of the commissioning 2018-2022 (5 months)

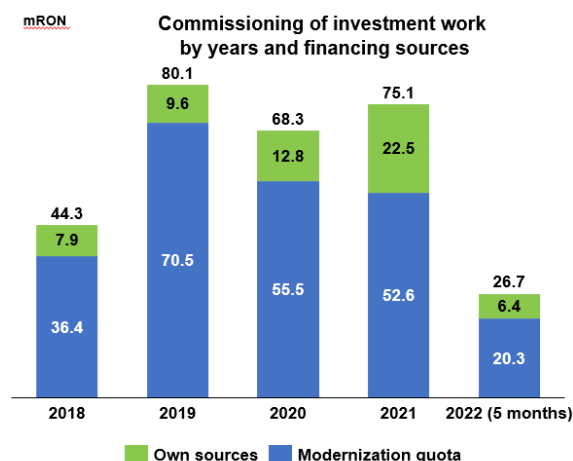


Table 22 - Commissioning 2018-2022 (5 months)

In order to perform the transport of crude oil, rich gas and ethane, from and to all its business partners, in conditions of maximum operation, high efficiency and operating costs as low as possible, in compliance with the legislation in force relating to environmental protection and labor protection and the other normative acts in the field, CONPET carries out a continuous activity on the improvement of the technical condition of the National Transport System.

3. Pipeline rehabilitation during 2018-2022 (5 months)

Crt. No.	Name of the objective (thousand RON)	2018	2019	2020	2021	5 months 2022	TOTAL
	General total, out of which:	69,649	80,143	84,415	63,536	18,888	316,631
1.	Pipelines rehabilitation public domain	30,435	26,747	39,806	16,902	6,729	120,619
2.	Pipelines rehabilitation operating domain	322	222	1,930	686	197	3,357
3.	Other public works	32,957	39,927	29,590	28,694	7,369	138,537
4.	Other works operating domain	5,935	13,247	13,089	17,254	4,593	54,118

Table 23 - Pipeline rehabilitation during 2018-2022 (5 months)

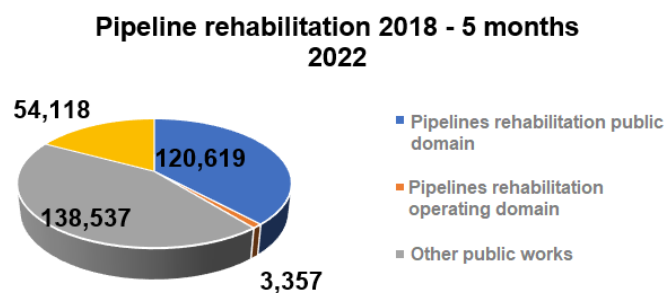


Chart 23 - Pipeline rehabilitation 2018 – 2022 (5 months)

4. Pipeline rehabilitation during 2018 - 2022 (5 months)

KM of pipeline	Achieved	Programmed
2018	32.46	29
2019	16.09	16
2020	29.42	31
2021	13.08	10
2022(5 months)	7.04	19
TOTAL	98.09	105

Table 24 - Pipeline replacements during 2018 - 2022 (5 months)

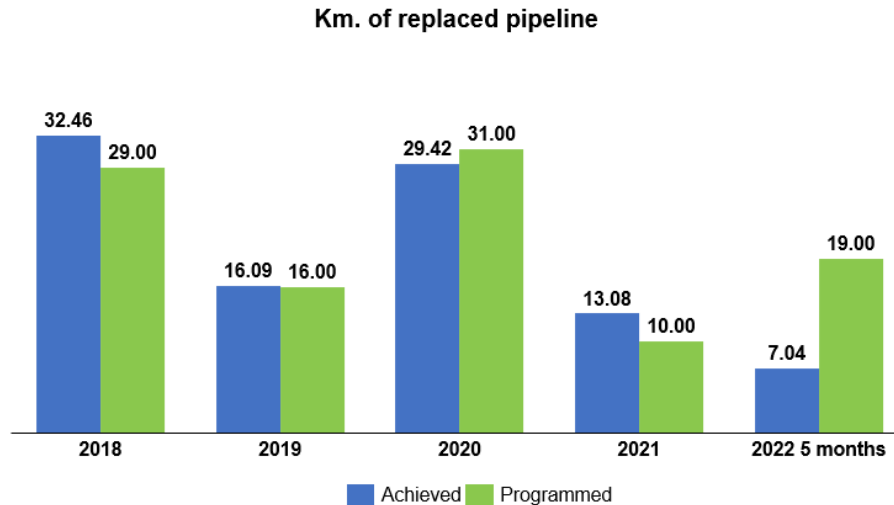


Chart 24 - km of replaced pipeline

4. PIPELINE BREAKDOWNS during 2018 – 30.06.2022

Year	Total	Technical breakdown	Triggered breakdown
2018	36	24	12
2019	31	26	5
2020	28	21	7
2021	19	15	4
2022H1	21	15	6

Table 25 - Pipeline breakdowns during 2018 - 30.06.2022

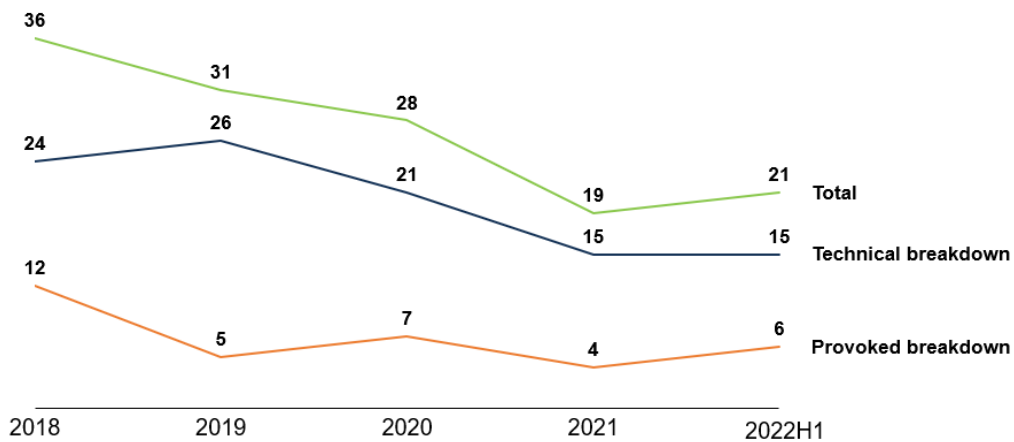


Chart 25 - Pipeline breakdowns

It can be noticed that the permanent concern to increase safety into operation of the transport system and the improvement of the technical condition of the same results into less technical

breakdowns registered in 2018; as compared to 2021, the number decreased by 38%, from 24 to 15 breakdowns.

Furthermore, the number of triggered breakdowns lowered by 67%, from 12 to 4.

The overall statement of the breakdowns, both technical and triggered breakdowns lowered by 47%, from 36 to 19.

The most important investment works performed during 2018 – 2022, which have been completed and commissioned, are the followings:

Year 2018

- ✓ Modernization of the crude oil tank R6 Bărbătești, with a value of 1,256 thousand RON.
- ✓ Modernization of thermal power plant and Marghita heating network, with a value of 967 thousand RON.
- ✓ Microwave radio relay transport capacity increase on Bărăganu- Constanta section and displacement of Constanta Nord location + microwave radio relay system software upgrade, with a value of 799 thousand RON.
- ✓ Modernization of the external lightening installations by using the LED powered technology, with a value of 4,718 thousand RON;
- ✓ Replacement of the Ø 10¾" F1+F2 pipeline Poiana Lacului - Siliște -in the area of park 14 Cobia, Blidari locality Dâmbovița County, on a length of approximately 570 m on each line and in the area of the over crossing the irrigation ditch Bucsani locality and County Road DJ 720 A Adanca - Bucsani Dâmbovița County County, approx. 2700 m on every line, with a value of 2,758 thousand RON.
- ✓ Replacement of 28" pipeline Constanta-C1 on a total length of 10145 m, with a value of 4,524 thousand RON.
- ✓ Replacement of the Ø 24" crude oil pipeline Constanta - Midia, in the area of Ovidiu city, Constanța County, on a length of approximately 1140 m, with a value of 1,307 thousand RON;
- ✓ Replacement of a pipeline section of about 1,350 m of the crude oil transport pipeline Ø8 5/8" Boldești-Ploiești, between Teleajen River left bank valve and Balastiera exit, with a value of 594 thousand RON.
- ✓ Replacement of the crude oil transport pipeline 14-inch Bărăganu - Călăreți resulted following the in-line inspection with smart pig on a length of 7.5 km (by sections), with a value of 3,887 thousand RON.
- ✓ Safe disposal works on Ø6 5/8" Urlați-Ploiești and Ø4" pipelines and optical fiber support for Teleajen river undercrossing, with a value of 1,062 thousand RON.
- ✓ Replacement of the crude oil pipeline Ø 14" Constanta - Baraganu, Castelu - Cuza Vodă - Mircea Voda area, Constanța County, on a length of approximately 12580 m, with a value of 5,701 thousand RON;
- ✓ Interconnection working site Cota 2000 in relation to the telecommunication system of CONPET S.A., with a value of 854 thousand RON.

- ✓ Pilot system for the detection and location of the product leaks from the crude oil major pipeline transport system Poiana Lacului - Siliște - Ploiesti, with a value of 3,335 thousand RON.
- ✓ Optimization of SCADA system and Hardware and Software of the automation data remote transmission units, with a value 2,031 thousand RON.

Year 2019

- ✓ Replacement of the Ø 14" C2 – C3 crude oil pipeline, on 8 sections in Balta Ialomitei area, Ialomița County, on a length of approximately 4037 m, with a value of 6,143 thousand RON;
- ✓ Replacement of the 12"+14" pipeline Cartojani-Ploiesti in the areas: Crivat-Catunu 550 m + 30 m horizontal drilling undercrossing National Road DN 1A Buc.-PI. Ghimpati locality,- Colentina river crossing on a length of approximately 500 m, with a value of 1,207 thousand RON;
- ✓ Safe disposal works for the aerial crossing of Prahova river by the 12 3/4" and 14 3/4" pipelines Cartojani-Ploiesti, Stejaru village, Brazi commune, with a value of 7,253 thousand RON.
- ✓ Replacement of the Ø 12¾" and Ø 14¾" crude oil pipeline Cartojani - Ploiesti, in the area of Baldana locality, Dambovită County, on a length of approximately 530 m, with a value of 1,254 thousand RON;
- ✓ Thermal power plant for technological steam production used in the warehouse and Barbătești ramp, with a value of 4,650 thousand RON.
- ✓ Modernization of Independența crude oil loading ramp, with a value of 4,322 thousand RON.
- ✓ Modernization of tank R9 Cartojani, with a value of 4,382 thousand RON.
- ✓ Smart pigging, inspection of Ø 28" Constanța – Bărăganu pipeline condition, with a value of 920 thousand RON.
- ✓ Modernization of Moreni pumping system, with a value of 1,070 thousand RON.
- ✓ Modernization of Mădulari pumping system, with a value of 1,143 thousand RON.
- ✓ Safe disposal works for Argeș River crossing, Cateasca area, Argeș County, stage 2, with a value of 4,164 thousand RON.
- ✓ Optimization of SCADA system and Hardware and Software of the automation data remote transmission units, stage III and IV, with a value 6,388 thousand RON
- ✓ Safety disposal works for Argeș River aerial crossing, Ratești area, Argeș County, with a value of 5,262 thousand RON.
- ✓ Modernization and monitoring of the cathodic protection system related to SNT domestic and import– 10,588 thousand RON.

Year 2020

- ✓ Replacement of the crude oil pipeline Ø 10 3/4"Line1, Budele areas (2.1 km), with a value of 2,745 thousand RON)
- ✓ Optimization of SCADA system and Hardware and Software of the automation data remote transmission units, stage V, with a value 3,894 thousand RON

- ✓ Replacement of Ø10³/₄" F2 crude oil pipeline Radinesti-Orlesti, in the area Olteanca creek valve- Batar Site, on the territory of Olteanca, Glavile and Aninoasa localities, Valcea county, on a length of approximately 3000 m, with a value of 2,889 thousand RON
- ✓ Cyber Security within the Telecommunication system for similar SCADA channels (UPS monitoring, Air Conditioning etc), with a value of 8,665 thousand RON.
- ✓ PABX switch board migration to full-IP, with a value of 1,223 thousand RON)
- ✓ Replacement of two sections of the pipeline Ø65/8" Urziceni– Albești Paleologu pipeline, section Jilavele valve - Borna 1,1900 m in length and Borna 2 - valve Armășești road, 400 m in length, with a value of 1,053 thousand RON
- ✓ Construction of a new PSI (Fire prevention and extinguishing) tank in the crude oil automated station Calareti, with a value of 870 thousand RON
- ✓ Replacement of the crude oil pipeline Ø10 3/4" L1 + L2 crude oil pipeline Silistea Ploiesti, L= 2 x 3481m, in the areas Ilfoveni-Iuda Forest, Racovita valley line, Habeni-Comisani, Mija, with a value of 5.549 thousand RON;
- ✓ Transformation of LDH 1250 HP in LEA - with a value of 2,973 thousand RON
- ✓ Modernization of thermal power plant in Călăreți station, with a value of 623 thousand RON
- ✓ Construction of a new crude oil tank R3 in Călăreți station 31,500 cubic meters, with a value of 15,933 thousand RON
- ✓ Systematization of technological keyboards of the Ø10³/₄" F1 and Ø10³/₄" L2 pipelines Siliste-Ploiesti, respectively Ø8"+Ø10" Ploiesti Beltway and mounting of the cleaners reception installation on the Ø10³/₄"L1 crude oil pipeline Siliste-Ploiesti in the area of Gara de Vest Railway Station, Ploiesti city, Prahova County with a value of 1,418 thousand RON
- ✓ Safe disposal works for the aerial crossing of Prahova river with the 12 3/4" and 14 3/4" pipelines Cartojani-Ploiesti, Stejaru village, Brazi commune, Prahova county, - the final stage, complex project, with a value of 5,827 thousand RON
- ✓ Modernization of thermal power plant and heating network related to crude oil station Baicoi Centru, with a value of 1,510 thousand RON
- ✓ Patrimonial geographical inventory system stage 1, with a value of 686 thousand RON)
- ✓ Replacement of the crude oil pipeline Ø 10 3/4"Line1, Budele areas (2.1 km), with a value of 2,745 thousand RON).
- ✓ Optimization of SCADA system and Hardware and Software of the automation data remote transmission units, stage V, with a value 3,894 thousand RON.
- ✓ Replacement of Ø10³/₄" L2 crude oil pipeline Radinesti-Orlesti, in the valve area Olteanca creek - Batar Point, on the territory of Olteanca, Glavile and Aninoasa localities, Vâlcea county, on a length of approximately 3000 m, with a value of 2,889 thousand RON.
- ✓ Cyber Security within the Telecommunication system for similar SCADA channels (UPS monitoring, Air Conditioning etc.), with a value of 8,665 thousand RON.
- ✓ PABX switch board migration to full-IP, with a value of 1,223 thousand RON).
- ✓ Replacement of two sections of the pipeline Ø65/8" Urziceni– Albești Paleologu pipeline, section Jilavele valve - Borna 1,1900 m in length and Borna 2 - valve Armășești road, 400 m in length, with a value of 1,053 thousand RON.

- ✓ Construction of a new PSI (Fire prevention and extinguishing) tank in the crude oil automated station Călăreți, with a value of 870 thousand RON.
- ✓ Replacement of the crude oil pipeline Ø10 3/4" L1 + L2 Silistea Ploiesti, L= 2 x 3481m, in the areas Ilfoveni-Iuda Forest, Racovița valley line, Hăbeni-Comișani, Mija, with a value of 5.549 thousand RON;
- ✓ Transformation of LDH 1250 HP in LEA - with a value of 2,973 thousand RON.
- ✓ Modernization of thermal power plant in Călăreți station, with a value of 623 thousand RON.
- ✓ Construction of a new crude oil tank R3 in Călăreți station 31,500 cubic meters, with a value of 15,933 thousand RON.
- ✓ Systematization of technological keyboards of the Ø10³/₄" F1 and Ø10³/₄" F2 pipelines Silistea-Ploiesti, respectively Ø8"+Ø10" Ploiesti Beltway and mounting of the cleaners reception installation on the Ø10³/₄"F1 crude oil pipeline Silistea-Ploiești in the area of Gara de Vest Railway Station, Ploiești city, Prahova County with a value of 1,418 thousand RON.
- ✓ Safe disposal works for the aerial crossing of Prahova River by the 12 3/4" and 14 3/4" pipelines Cartojani-Ploiesti, Stejaru village, Brazi commune, Prahova county- the final stage, complex project, with a value of 5,827 thousand RON.
- ✓ Modernization of thermal power plant and heating network related to crude oil station Baicoi Centru, with a value of 1,510 thousand RON.
- ✓ Patrimonial geographical inventory system stage 1, with a value of 686 thousand RON).

Year 2021

- ✓ Replacement of the 14-inch crude oil pipeline Bărgăanu-Călăreți, resulted following the smart pigging (on sections) with a length of 15,972 m with a repair coefficient estimated higher than 0.8, with a value of 16,047 thousand RON.
- ✓ Transformation of LDH 700 HP in LEA - with a value 3,736 thousand RON.
- ✓ Construction of a new crude oil tank R3 in Poiana Lacului station 2500 cubic meters, with a value of 6,920 thousand RON.
- ✓ Replacement of crude oil pipeline Ø 24" Călăreți – Pietroșani (7 sections) in total length of 5.9 km and under crossing of Leaota creek in a length of about 0.1 km, with a value of 11,915 thousand RON.
- ✓ Smart pigging, pipe condition detection 12"L1 and 12"L2 Călăreți - Petrotel - with a value of 996 thousand RON.
- ✓ Replacement of crude oil pipeline Ø 10 3/4" Icoana – Cartojani, in length of 4007 m, in Bucov forest area, Râca locality, in length of 1500 m, in Plescara forest area, Miroși locality, Argeș County - on a total length of 5500 m, with a value of 3,596 thousand RON.
- ✓ Replacement of Ø85/8" Lucăcești-Vermești crude oil transport pipeline - the section from Deal Măgura (Crucea Roșie) to Vermești (Vermești mine road), approx. 9 km in length, with a value of 1,883 thousand RON.
- ✓ Replacement of a pipeline section, about 3400 m in length, Ø103/4" in diameter, from the pipeline Ø103/4" Icoana – Cartojani necessary to be replaced, which has as starting point

the entry to the forest from park 4 Roata ending to the exit part of forest park 4 Roata, with a value of 2,309 thousand RON.

- ✓ Replacement of a pipeline section, 3500 m in length, with diameters Ø12 3/4" and Ø14 3/4" Cartojani - Ploiesti in the water tributary to Neajlov River and Sf. Gheorghe Forest, with a value of 2,294 thousand RON.
- ✓ Upgrade of CONPET S.A. headquarters building in Ploiesti, no.7 Independenței Avenue, with a value of 5,379 thousand RON.
- ✓ Optimization of SCADA system and Hardware and Software of the automation data remote transmission units, stage III and IV, with a value 3,836 thousand RON.
- ✓ Upgrade of videocall software, with a value of 448 thousand RON.

2022

- ✓ Construction of a new crude oil tank in the crude oil automated station Orlești, 2,500 cubic meters, with a value of 6.789 thousand RON.
- ✓ Construction of a new crude oil tank in Biled loading ramp, 2,500 cubic meters in volume, with a value of 5,250 thousand RON.
- ✓ Modernization of Berca loading ramp, with a value of 2,949 thousand RON.
- ✓ Modernization and monitoring of the cathodic protection system related to SNT domestic and import– 3,520 thousand RON.
- ✓ Transformation of LDH 1250 HP into LEA - with a value of 2,848 thousand RON.
- ✓ Replacement of pipeline section Constanța – C1 14", Cuza Voda area, approx. 550 m in length, with a value of 722 thousand RON.

During 2017-2022 have been deployed outstanding activities for the completion of the project "Replacement of connection lines Danube Connection lines Danube crossing C1-C2 and C3-C4 Borcea arm - Danube and Borcea undercrossing of the crude oil volumes transported via pipelines Constanța- Bărăganu 14", 20", 28".

We submit hereunder, the status of the Contract **LCA 292 – CIS Danube and Borcea**

In 2017-2019, was prepared and approved: _Solution study on the Danube and Borcea undercrossing of the crude oil transported through the Constanța– Bărăganu 14",20"and 28" pipelines, study prepared by. SNIF PROIECT S.A. Târgoviște.

Based on the solution study, on 30.08.2021 was signed the Contract for design and execution no. L-CA 292 concluded by CONPET S.A. Ploiesti with the Joint Venture CIS GAZ S.A. Mureș, acting as associate and leader of the Joint Venture and HORIZONTAL DRILLING INTERNATIONAL S.A. Colombes, France for "Replacement of connection lines Danube crossing C1-C2 and C3-C4 Borcea arm - Danube and Borcea undercrossing of the crude oil volumes transported via Constanța- Bărăganu 14", 20", 28" pipelines.

The contract amounts to 107,335,602.65 RON VAT excluded, the price including 760,000 RON, VAT excluded for design services and 106,575,602.65 RON VAT excluded for works execution.

Subsequent to the execution of the Contract for design and execution no. L-CA 292/30.08.2021, have been signed Addendum no. 1/31.08.2021 and Addendum no. 2/19.05.2022 whereupon the

parties agree to amend the contract for the purposes of subdividing stages I, II and III to the contract with the same execution deadlines.

The Building Permits have been obtained for C1 Constanta work site, respectively Building Permit no. 9/14.04.2022 issued by Constanta County Council, in amount of 25,938,726.33 RON and for C2, C3 and C4 Ialomița work sites, respectively Building Permit no. 9/14.04.2022 for works execution with a touch of high urgency, issued by Ialomița County Council, in amount of 74,939,127.65 RON.

To date, has been finalized and paid stage IA, IIA, and on 06.07.2022 has been favorably endorsed in the Technical Economic Committee (Ro. CTE) of CONPET stage IIIA and IIIB. There have also been initiated execution works both for Danube undercrossing and Borcea Arm undercrossing.

In 2018-2022, the proposed investment works were executed, even if there were recorded delays from the initial timeline. The reasons of the delays in the works deployment could be objectively justified, the causes being exposed below.

- ✓ The execution works were put on hold by the Suppliers due to unfavorable weather conditions in certain periods of 2018-2022;
- ✓ The execution works were put on hold by the Suppliers, or the works were executed with less personnel, due to SARS-COV2 pandemic.
- ✓ Delays in the execution as per the works timetable due to the difficulties encountered by the Suppliers in the process of raw material supply;
- ✓ Delays in the execution due to the delays experienced by the Suppliers in the delivery of the equipment (eg. The UK exiting the EU)
- ✓ Delays due to the Suppliers caused by the failure to observe the agreed upon execution charts;
- ✓ Delays in the works execution as per the execution schedules due to the need to implement additional works in the technical project, to the need to perform additional works as compared to the initial scope of work;
- ✓ Extension of the execution deadlines as per the contract based on issue and signing of Addenda for deadline extension.
- ✓ Contracts advanced for termination or terminated contracts.

Measures to improve the degree of achievement of the Investments Program

In what regards the expeditious pursuit of the execution contracts in progress the following actions have been and will be deployed:

- ✓ The thorough monitoring and survey of the execution works by on-site visits;
- ✓ Monitoring and update of the work schedules;
- ✓ Periodic debates, analysis with the Suppliers on the encountered issues and the expeditious remedy thereof;
- ✓ Verifying the on-site progression in terms of quantity and value whilst comparing them to the programmed ones;
- ✓ Enhanced attention paid to the papers drafted and submitted to the audit bodies (State inspectorate of Construction, City Halls, County Councils).

Owing to the improvements brought to the system one can ascertain:

- ✓ reduced technological costs in the storage and transport process;
- ✓ enhancement of the performance of the measuring and control system in terms of transported crude oil quantities;
- ✓ increasing the quality of the works and services supplied by the use of a state-of-the-art crude fiscal measuring system;
- ✓ enhancing safety in operation and higher flexibility of the transport system;
- ✓ minimizing the energy consumptions and costs related to the system's maintenance and operation;
- ✓ minimizing the operating costs and reducing operating difficulties;
- ✓ reduced environmental impacts;
- ✓ ensuring the functioning of the crude oil and rich gas pipeline under safety conditions and designed parameters;
- ✓ eliminating risk of occurrence of a technical failure bearing major implications to the environment, the refinery's schedule for crude oil supply;
- ✓ avoiding risk of production of major ecological accidents.

8. Self-assessment and conformity of the BoD activity with the requirements of the Corporate Governance Code of the BVB.

Corporate Governance

The Corporate governance system of CONPET is constantly improved, as to be compliant with the rules and recommendations applicable to a company listed on BVB.

The Board of Directors assumed, by its own Corporate Governance Regulation, the corporate governance principles set out in the Corporate Governance Code of the Bucharest Stock Exchange.

The regulation is published on the company's web page, under the link
<http://www.conpet.ro/guvernanta-corporativa/regulament-de-guvernanta-corporativa/>

In the Annual Reports of administrators (2018-2021) was included a chapter on Corporate governance which refers, inter alia, to: information regarding the Board of Directors and Consultative Committees; information on risks and internal control; information on remuneration policy. At the same time, the chapter on governance also includes the Declaration of compliance with the Code of Governance of BSE.

The Board of Directors and the Consultative Committees operate according to their own Organization and Functioning Regulation. Delimitation of BoD responsibilities of the ones of the Director General is provided in the Corporate Governance Regulation.

The Organization and Functioning Regulation of the Board of Administration and the consultative committee are published on the web page of the company.

Transparency, Information and Communication

The Board of Directors monitored the implementation of a full and fair information to all shareholders and investors by including on the website the releases addressed to the participants

in the capital market, the half-yearly and quarterly financial statements, annual reports and the procedures to be followed for access and participation in the GMS.

As a company listed at the Bucharest Stock Exchange, the company observed all reporting obligations to the shareholders and investors and the capital market institutions, drafting and submitting periodic reports and current reports required by the regulations of the Exchange. The company has also implemented a strategy of communication to other stakeholders (authorities and local communities, media, etc.).

As a company operating in a competitive environment of great significance for the economy in general, CONPET aims to achieve the appropriate balance between information of a confidential nature and those of public interest. Internal regulations have been adopted for the dissemination of information and compliance with confidentiality.

In accordance with the Corporate Governance Regulation, the company published the quarterly and half-yearly financial reports calendar and announced a schedule of meetings with analysts and investors.

The quarterly financial reports were drawn up and published according to the data of the financial calendar. At each financial reporting the financial analysts were sent a presentation material of the reported data, in the synthesis and a conference call was held with the financial analysts of the stock market, to analyze the published reporting. The presentation materials prepared on the occasion of the events mentioned above have been published on the company's website.

Furthermore, particular importance has been given to the relationship with shareholders and investors, by showing increased transparency. The company's representatives answered positive to all the petitions coming from the participants to the capital market. The company CONPET took part in numerous events organized within the capital market, showing openness towards both institutional and individual investors.

For an effective communication with investors, the company provided a contact number and email address (infoinvestitori@conpet.ro), through which they can clarify certain issues or address various questions, and thus have direct contact with investor relations team of the company.

The evolution of CONPET S.A. share is monitored by the research departments of the major financial investment services companies from the Romanian capital market. Furthermore, the entity that manages the relationship with the investors maintains a permanent connection with all financial analysts in the capital market.

The Board of Directors monitored the implementation of a full and fair information to all shareholders and investors by including on the website the releases addressed to the participants in the capital market, the half-yearly and quarterly financial statements, annual reports and the procedures to be followed for access and participation in the GMS.

As a company listed at the Bucharest Stock Exchange, all reporting obligations to the shareholders and investors and the capital market institutions have been complied with, drafting and submitting periodic reports and current reports required by the regulations of the Exchange. The company has also implemented a strategy of communication to other stakeholders (authorities and local communities, media, etc.).

As a company operating in a competitive environment of great significance for the economy in general, CONPET aims to achieve the appropriate balance between information of a confidential nature and those of public interest. Internal regulations have been adopted for the dissemination of information and compliance with confidentiality.

The Management of Conflicts of Interest

Within CONPET S.A. there were registered no conflicts of interest, as shown in the declarations of interest submitted by the senior management and The Board of Directors' members, pursuant to Law no. 176/2010 regarding the integrity in exercising public functions and dignities, for the amendment and supplementation of Law no. 144/2007 on the establishment, organization and functioning of the National Integrity Agency, as well as for the amendment and supplementation of other normative acts.

In view of implementation of the National Anti-Corruption Strategy 2016-2020, to which CONPET S.A. has adhered, in 2017 has been approved the Integrity Plan, document upgraded in 2021 by decision of the Director General of CONPET S.A. - which details, in a personalized manner, the measures applicable to CONPET S.A., subsumed to the general and specific objectives provided in NAS for the identification of risks, vulnerabilities and specific intervention needs.

There have been undertaken measures/actions in relation to the deployment of programs related to the training, raising awareness and anti-corruption education of the personnel.

The activity of periodic awareness of the staff had an amplitude at the level of the entire society in the field of integrity, through the actions taken in connection with the training of the staff on the knowledge of the provisions of the Code of Ethics and Integrity and the training, evaluation and testing of the staff on conflicts of interest and incompatibilities.

Following the tasks of education and awareness of CONPET S.A. personnel in the issues of integrity and anticorruption, activities were carried out to inform the employees, by the elaboration, presentation and dissemination of the informative materials, regarding the provisions of the National Anticorruption Strategy 2016 - 2020 and of the Integrity Plan adopted at the level of the society, as well as those related to the corruption crimes provided for in the Criminal Code. There were elaborated materials with topics related to corruption prevention, among which we mention informative material on conflicts of interests and incompatibilities (the topic of training staff for training, evaluation and testing of employees).

CONPET S.A. has developed its own Code of Ethics, based on clear principles of observance of the legal frame and internal rules, focusing on quality, confidentiality, avoiding conflicts of interest,

respect and trust, responsibility towards the local community, responsibility towards the environment, transparency and loyalty.

The employees of the company have been informed through various means of communication (electronic mail, posting on the company's website, presentation sessions conducted by the Integrity Office, direct communication from the heads of the workplace on the: implementation of NAS, the provisions of the Integrity Plan and the provisions of the Code of Ethics and Integrity.

The administrator or Director General who has interests in a particular operation, directly or indirectly, contrary to the interests of the company, must notify the other administrators and the internal auditor thereof and must not take part in any deliberations concerning this operation. The same is the duty of the administrator or the Director General if, in a particular operation, knows that the spouse, relatives or affiliates up to the fourth degree inclusively are interested.

The members of the Board of Directors keep the confidentiality on any facts, data or information they have acquired in the course of exercising their responsibilities and understand that they have no right to use or disclose them during the activity or after cease of the activity.

In order to avoid the occurrence of conflicts of interest, the company has established a number of ethical rules both by the members of the Board of Directors and by the Director General and employees of the company, in correlation with the applicable legal provisions.

Both in the Rules of Organization and Operation of the Board of Directors of the company CONPET S.A., as well as the Corporate Governance Rules there are dispositions with regards to the management of the conflicts of interests. In practice, the members of the Board of Directors shall inform the Board of any conflicts of interest that have arisen or may arise and shall refrain from attending the discussion and voting for the adoption of a ruling on the matter giving rise to the conflict of interest concerned.

Social and Corporate Responsibility

The Corporate Social Responsibility is the permanent commitment of CONPET to ethical behavior that includes social and environmental concerns in its business and contacts with other parties and contributes to economic development by improving the quality of life for both its own human resources and for the community it belongs to.

The Corporate Social Responsibility is an inherent part of CONPET's strategy. Respect for people, responsibility for the environment and involvement in the community life are essential values and major priorities for CONPET.

The Corporate Social Responsibility acts as an integrated policy in the activity of the company and also influences the day-to-day decisions as well as the actions of the organization on all levels.

The company has assumed commitments related to environmental protection by optimizing its performances in environmental protection, pollution prevention, efficient use of energy, natural resources, raw materials, information and awareness of its own staff and those working on behalf

of society on the importance and necessity of complying with regulations and recommendations aimed at protecting the environment, the community and the employees.

Consistent with the principles of sustainable development, CONPET uses the specific tools of a modern economy offered by the continuous preservation and improvement of the Integrated Quality, Environment, Occupational Safety and Health Management System, the Railway Safety Management System, and the maintenance and improvement of the Energy Management System and the standards contained in the Code of Internal Control Management.

As an expression of the adherence to the fundamental values, principles, objectives and monitoring mechanisms of the National Anti-Corruption Strategy, within CONPET the Declaration on adherence to the National Anti-Corruption Strategy 2016 - 2020 and support of the anti-corruption fight, the promotion of integrity, the priority of the public and company interest as well as transparency of the decision-making process was adopted.

Also, through the Decision of the Director General of CONPET it was approved the "Integrity Plan" and the "Inventory of institutional transparency and corruption prevention measures" elaborated at CONPET level, in order to implement the National Anti-Corruption Strategy in the period 2016 - 2020.

In the medium term, it is proposed to create a corporate social responsibility policy that defines the areas in which CONPET can intervene on the local community level, as well as to monitor and communicate the company's performance in this respect, disseminating information via various channels of communication.

The company has committed to maintaining the highest standards in all aspects of its business and continually exerting a positive impact on all communities in which it operates. Particular attention is paid to education, sports and cultural activities and the humanitarian spirit.

This engagement involves not only providing financial support to certain institutions but also working together for each employee, partner, collaborator or shareholder to be treated with dignity and respect.

At the same time, one of CONPET's long-term strategic objectives is to participate in the professional development of employees through the continuous improvement of knowledge and skills.

The human resources policy of the company aims at the same time the training and improvement of the existing personnel, in new or traditional domains, one of the most important competitive advantages of CONPET being the united and experienced body of personnel.

Since the training of a specialist in the field of petroleum involves a long period of professional training and qualification, the company has chosen to work with the Petroleum and Gas University of Ploiesti to choose from the best students of the relevant faculties. Even before they become employees of the company, the youth with high performances are offered the opportunity to deploy a practical stage internship in the company.

Each year, on the Company's Day and Oilman Day, as well as on various other occasions, CONPET organizes actions meant to promote the image of the company: symposiums, lectures, conferences. The employees of the company are engaged in competitions and internal manifestations specific to the organizational culture (Soccer Cup, Bowling Cup, Childhood Workshops - on June 1st, etc.)

The company is also involved in volunteer activities (e.g. education, social, environmental protection) as well as demonstrative actions - anti-terrorist intervention drills, in collaboration with the county institutions that constitute the National System for Preventing and Combating Terrorism (SNPCT).

Ethics and Integrity in Business, fighting corruption

CONPET S.A. promotes fair business relationships and pursues legal compliance in all commercial transactions and activities carried out, acting for the deterrence, prevention and combating of corruption deeds.

By the Code of Ethics and Integrity the company has established the rules of conduct governing corporate values, responsibilities, obligations and business conduct, binding rules applicable to all employees, from all the organizational structures of CONPET.

The Code of Ethics and Integrity defines honest conduct and behavior, prohibits participation of employees in decision-making in situations where there is a conflict of interest, imposes restrictions in terms of offering/accepting gifts, favors or services, establishes the obligations of the employees with regard to the protection of the company's assets and resources, specifies how to relate with the authorities based on the principles of fairness, transparency and good collaboration and mentions the rules of conduct during national and international trips. Clear rules for dealing with shareholders regarding equal treatment and privileged information, as well as the use of honest and lawful practices in dealing with business partners, are also specified.

No cases of conflicts of interest or integrity alerts have been signaled.

Social and Personnel Policy

In the monthly and quarterly reports, the directors with a mandate contract present information on compliance with the applicable legislation in the field and on the internal regulations on the organization of the activity within the company and the efficient allocation of the resources necessary for carrying out the activity.

When social and personnel risks are identified that could have a significant impact on future work, the executive management communicates them to the Board of Directors.

The legal requirements in the HR and OHS areas at the level of the company are also complied with by the implementation and certification of the integrated management system. In addition, certain requirements are included in the Internal Regulations and the Code of Ethics and Integrity.

CONPET S.A. promotes a transparent business climate, communication and cooperation with all the parties involved in the conduct of its business, with respect for the community and the environment. CONPET S.A. supported, through sponsorship actions, projects of tradition or with significant impact on the community, but also request of less amplitude targeting ideas, actions or individual performance.

CONPET S.A., acting as a company listed at BVB, Premium category, adopted the provisions of the Corporate Governance Code of the BVB and reports the total or partial compliance on the Declaration on the compliance non-compliance with the provision of the Corporate Governance Code issued by Bucharest Stock Exchange included in the Administrators' Report.

Provisions of the Corporate Governance Code	Complies	Fails to comply or partially complies	Reason for Non-Compliance
A.1. All companies should have internal regulation of the Board which includes terms of reference/responsibilities for Board and key management functions of the company, applying, among others, the General Principles of Section A.	YES		Delimitation of BoD responsibilities of the ones of the Director General is provided in the Corporate Governance Regulation.
A.2. Provisions for the management of conflict of interests should be included in the Board regulation. In any event, members of the Board should notify the Board of any conflicts of interest which have arisen or may arise and should refrain from taking part in the discussion (including by not being present where this does not render the meeting non-quorate) and from voting on the adoption of a resolution on the issue which gives rise to such conflict of interest.	YES		Both the Rules of Organization and Operation of the Board of Directors of the company CONPET S.A and the Corporate Governance Rules approved by the Board of Directors contain provisions concerning the management of the conflict of interests. In practice, the members of the Board inform the Board, whenever needed, on any conflict of interests having arisen or that may arise and refrain from taking part to discussions and from the voting for the adoption of a Resolution regarding the issue giving rise to such conflict of interests.
A.3. The Board of Directors or the Supervisory Board should have at least five members.	YES		
A.4. The majority of the members of the Board of Directors should be non-executive. In case of the Premium Tier companies, at least two non-executive	YES		

Provisions of the Corporate Governance Code	Complies	Fails to comply or partially complies	Reason for Non-Compliance
members of the Board of Directors should be independent. Each independent member of the Board of Directors should submit a declaration at the moment of his/her nomination for election or re-election as well as when any change in his/her status arises, on the grounds on which he/she is considered independent in character and judgment in practice and according to the following criteria: A.4.1. Not to be the CEO/executive officer of the company or of a company under his/her control and not have been in such position for the previous five (5) years; A.4.2. Not to be the CEO/executive officer of the company or of a company under his/her control and not have been in such position for the previous five years; A.4.3. Not to receive and not have received additional remuneration or other advantages from the company or from a company under his/her control, apart from those corresponding to the capacity of non-executive administrator; A.4.4. Not to be or not have been an employee of, or not have or have had any contractual relationship, during the previous year, with a significant shareholder of the company, controlling over 10% of the voting rights, or with a company under his control; A.4.5. Not to have and not has had during the previous year a business or professional relationship with the company or with a company under his/her control, either directly or as a customer, partner, shareholder, member of the Board/Administrator, Director General/executive officer or employee of a company having such a relationship if, by its substantial character, this relationship could affect his/her objectivity; A.4.6. Not to be and not has been in the last three years the external or internal auditor or a partner or associate employee of the current external financial auditor or			

Provisions of the Corporate Governance Code	Complies	Fails to comply or partially complies	Reason for Non-Compliance
internal auditor of the company or of a company under his/her control; A.4.7. Not to be a Director General/executive officer in another company where another Director General/executive officer of the company is a non-executive administrator; A.4.8. Not to have been a non-executive administrator of the company for more than twelve years; A.4.9. Not to have family ties with a person in the situations referred to at points A.4.1. and A.4.4.			
A.5. Any relatively permanent professional commitments and engagements of a member of the Board, here-included the executive and non-executive Board positions in companies and not-for-profit institutions, should be disclosed to shareholders and to potential investors before appointment and during his/her mandate.	YES		Part of the professional commitments and obligations are communicated in the Statements of Assets and Liabilities of the Board members (in compliance with provisions of Law 176/2010 regarding integrity in the exercise of the positions and public dignities, for the amendment and complementation of Law no.144/2007 regarding the incorporation, organization and operation of ANI, as well as for the amendment of other normative acts).
A.6. Any member of the Board should submit to the Board, information on any relationship with a shareholder who holds directly or indirectly shares representing more than 5% of all voting rights. This obligation concerns any kind of relationship which may affect the position of the member on issues decided by the Board.	YES		The existing provisions included in the independence statements, respectively in the Corporate Governance Rules regarding the conflict of interest provide compliance with the requirement.
A.7. The company should appoint a secretary of the Board responsible for supporting the work of the Board.	YES		
A.8. The corporate governance statement should inform on whether an evaluation of the Board has taken place under the leadership of the president or the		Partially compliant	In compliance with the provisions of the EGO 109/2011, the assessment of the administrators' activity is

Provisions of the Corporate Governance Code	Complies	Fails to comply or partially complies	Reason for Non-Compliance
nomination committee and, if so, summarize the key action points and changes resulting from it. The company should have a policy/guidance regarding the evaluation of the Board containing the purpose, criteria and frequency of the evaluation process.			being performed annually by the general meeting of Shareholders and is aiming at both the contract execution and the administration plan. The Nomination and Remuneration Committee drafts a report regarding the administrators' evaluation, also considering the assessment surveys filled in for every BoD member.
A.9. The corporate governance statement should contain information on the number of meetings of the Board and the committees during the past year, attendance by the administrators (in person and in absentia) and a report of the Board and committees on their activities.	YES		
A.10 The corporate governance statement should contain information on the precise number of the independent members of the Board of Directors or of the Supervisory Board.	YES		
A.11. The Board of Premium Tier companies should set up a nomination committee formed of non-executives, which will lead the process for new Board appointments and make recommendations to the Board. The majority of the members of the nomination committee should be independent.	YES		The procedure for the appointment/nomination of the Board members is performed in compliance with the provisions of the EGO no.109/2011 on the corporate governance of the public enterprises.
B.1 The Board should set up an audit committee where at least one member should be an independent non-executive. The majority of members, including the President, should have proven an adequate qualification relevant to the functions and responsibilities of the committee. At least one member of the audit committee should have proven an adequate auditing or accounting practice. In the case of Premium Tier companies, the audit committee should be composed of at least three members and the majority	YES		

Provisions of the Corporate Governance Code	Complies	Fails to comply or partially complies	Reason for Non-Compliance
of the audit committee should be independent.			
B.2. The President of the audit committee should be an independent non-executive member.	YES		
B.3. Among its responsibilities, the audit committee should undertake an annual assessment of the system of internal audit.	YES		
B.4. The assessment should consider the effectiveness and scope of the internal audit function, the adequacy of risk management and internal audit reports to the audit committee of the Board, management's responsiveness and effectiveness in dealing with identified internal audit failings or weaknesses and their submission of relevant reports to the Board.	YES		
B.5. The audit committee should review conflicts of interests in relation to the transactions of the company and its subsidiaries with related parties	YES		
B.6. The audit committee should evaluate the efficiency of the internal control system and risk management system.	YES		
B.7. The audit committee should monitor the application of statutory and generally accepted standards of internal auditing. The audit committee should receive and evaluate the reports of the internal audit team.	YES		
B.8. Whenever the Code mentions reviews or analysis to be exercised by the Audit Committee, these should be followed by recurrent (at least annual), or ad-hoc reports to be submitted to the Board afterwards.	YES		
B.9. No shareholder may be given undue preference over other shareholders with regard to transactions and agreements made by the company with shareholders and their related parties.	YES		The company CONPET S.A. observes the recommendations of the Corporate Governance Code of the BSE.
B.10. The Board should adopt a policy ensuring that any transaction of the company with any of the companies it has		Partially compliant	We have no policy in this respect

Provisions of the Corporate Governance Code	Complies	Fails to comply or partially complies	Reason for Non-Compliance
close relations with, that is equal to or bigger than 5% of the net assets of the company (as stated in the latest financial report), should be approved by the Board following an obligatory opinion of the Board's audit committee, and fairly disclosed to the shareholders and potential investors, to the extent that such transactions fall under the category of events subject to disclosure requirements.			
B.11. The internal audits should be carried out by a separate structural division (internal audit department) within the company or by hiring an independent third-party entity.	YES		
B.12. To ensure the fulfillment of the core functions of the internal audit department, it should report functionally to the Board via the Audit Committee. For administrative purposes and in the scope related to the liabilities of the management to monitor and mitigate risks, it should report directly to the Director General.	YES		
C.1. The company should publish a remuneration policy on its website and include in its annual report a remuneration statement on the implementation of this policy during the annual period subject to review.	YES		
D.1. The company should have an Investor Relations function - indicating, to the general public, the person (s) responsible or the organizational unit. In addition to the information required by legal provisions, the company should include on its website a dedicated Investor Relations section, both in Romanian and English, with all relevant information of interest for investors, including:	YES		
D.1.1 The main corporate regulations: the articles of incorporation, the procedures on general shareholders' meetings;	YES		On the company website are published information relevant for the investors (Articles of Incorporation, shareholders' rights etc.). The General Meetings of Shareholders are held by the observance of the

Provisions of the Corporate Governance Code	Complies	Fails to comply or partially complies	Reason for Non-Compliance
			legislation in force regarding the companies and the capital market, in compliance with the legal provisions regarding the call and performance of the general meetings.
D.1.2. Professional CV's of the members of the governing bodies of the company, other professional commitments of the Board members, including the executive and non-executive Board positions in companies or non-profit institutions;	YES		
D.1.3. Current and periodic reports (quarterly, semi-annual and annual reports) – at least the ones provided at item D.8 – including current reports with detailed information related to non-compliance with this Code;	YES		
D.1.4. Information related to general meetings of shareholders: the agenda and supporting materials; the procedure for the election of Board members; the rationale for the proposal of candidates for the election to the Board, together with their professional CV's; shareholders' questions related to the agenda and the company's answers, including the decisions made;	YES		
D.1.5. Information on corporate events, such as payment of dividends and other distributions to the shareholders or other events leading to the acquisition or limitation of rights of a shareholder, including the deadlines and principles applied to such operations. Such information should be published within a time-frame that enables investors to make investment decisions;	YES		
D.1.6. The name and contact data of a person who should be able to provide, upon request, relevant information;	YES		
D.1.7. Corporate presentations (e.g. investors presentations, quarterly results presentations, etc.), financial statements	YES		

Provisions of the Corporate Governance Code	Complies	Fails to comply or partially complies	Reason for Non-Compliance
(quarterly, semi-annual, annual), auditor reports and annual reports.			
D.2. The company should provide a policy related to the annual distribution of dividends or other benefits to the shareholders, proposed by the Director General or the Management Board and adopted by the Board of Directors, as a set of directions the company intends to follow regarding the distribution of net profit. The principles of the annual dividend distribution policy should be published on the corporate website.	YES		
D.3. A company should adopt a policy with respect to forecasts, whether they are disclosed or not. Forecasts refer to the quantified conclusions of studies aimed at determining the total impact of a list of factors related to a future period (so called assumptions): by nature, such a task is based upon a high level of uncertainty, with results sometimes significantly differing from forecasts initially presented. Policy on rate forecast will establish the frequency, the period considered and the content of forecasts. Forecasts, if published, may only be part of annual, semi-annual or quarterly reports. The forecast policy should be published on the corporate website.	YES		The forecasts have been presented in the summary of the Administration Plan approved in the GMS dated 18.12.2018, published on the company website.
D.4. The rules of general meetings of shareholders should not restrict the participation of shareholders in general meetings and the exercising of their rights. Amendments of the rules should take effect, at the earliest, as of the next general meeting of shareholders.	YES		
D.5. The external auditors should attend the shareholders' meetings when their reports are presented there.	YES		
D.6. The Board should present to the annual general meeting of shareholders a brief assessment of the internal audit and significant risk management systems, as well as opinions on issues subject to resolution at the general meeting.	YES		

Provisions of the Corporate Governance Code	Complies	Fails to comply or partially complies	Reason for Non-Compliance
D.7. Any professional, consultant, expert or financial analyst may participate in the shareholders' meeting upon prior invitation from the Board. Accredited journalists may also participate in the general meeting of shareholders, unless the President of the Board decides otherwise.	YES		
D.8. The quarterly and semi-annual financial reports should include information, in both Romanian and English, regarding the key drivers influencing the change in sales, operating profit, net profit and other relevant financial indicators, both on quarter-on-quarter and year-on-year terms.	YES		
D.9. A company should organize at least two meetings/conference calls with analysts and investors each year. The information presented on these occasions should be published in the "Investors Relation" section of the company website at the time of the meetings/conference calls.	YES		
D.10. If a company supports various forms of artistic and cultural expression, sport activities, educational or scientific activities, and considers the resulting impact on the innovativeness and competitiveness of the company is part of its business mission and development strategy, it should publish the policy guiding its activity in this area.	YES		

Table 26 – Statement on the compliance and non-compliance with the provisions of the Corporate Governance Code issued by Bucharest Stock Exchange

Since performance represents the objective result of every act related to the administration, supervision and control of the executive management, in the understanding of the CONPET S.A.'s administrative management, along with an effective strategic vision, the strategic directions for its materialization were also defined.

The outstanding professional competencies, vast professional expertise but also the capacity to control and steer the predictable and unforeseeable dynamics and psychology of the

management body, are just some of the strong points of CONPET S.A.'s private administrative management of CONPET S.A.

The current Board of Directors managed to substantiate several outstanding administration and management plans, effective in terms of corporate monitoring, targeting to streamline and develop the company's business in the context of a domestic and international challenging environment.

By the consensus of the company's private management, the use of modern instruments for operationalization and measurement of the performance, instruments successfully used in strategic management shall enable the effective monitoring of the established lines of action so as to reach the strategic goals related to the company's administration for the period 2018 - 2022.

The Board of Directors is analyzing the status of the measures ordered by the BoD decisions, this representing a powerful working tool in terms of monitoring the company's activity, analyzed in relation to the dynamics of the exigencies, role and duties of the BoD, as to render the BoD decision making process appropriate, effective and competitive.

In the annual Report of the administrators, which is recommended for approval to the Ordinary General Meeting of Shareholders (OGMS), together with the annual financial statements, the company's administration activity is detailed in relation to the objectives assumed by the Administration Plan. As per the legal provisions in force, the company's administrators submit to the OGMS the discharge of administration, approved every year throughout the mandate duration.

The structure of CONPET S.A.'s Board of Directors provides balance between the non-executive administrators and the executive administrator, so that no person or small group of persons be able to dominate the decision-making process of the Board of Directors, which is and will remain a collective responsibility of the Board, this one being jointly liable for all the decisions made in exercising one's duties and competencies.

The members of the Board of Directors permanently update their knowledge and improve their expertise on the company's business as well as in regard to the application of the best corporate governance practices for fulfilling their role.

In compliance with the provisions of the updated Articles of Incorporation of the Company, the BoD President is appointed from within the Board of Directors' members, for a period which cannot exceed the duration of the administrator mandate. The Chairman of the Board of Directors (BoD) is not the Director General of the company.

The undersigned, **Gheorghe Cristian - Florin**, was elected member of the Board of Directors of CONPET S.A. pursuant to the Resolution of the Ordinary Meeting of Shareholders no. 5/22.08.2018. The granted time of office is 4 years. This period started on 22.08.2018 and ends on 21.08.2022.

I consider that, throughout the mandate, I have properly performed all duties falling under my capacity of **non-executive administrator**, paying significant contribution to the deployment of the Company's business under optimal conditions, considering the following:

- ✓ Vast technical and professional experience acquired in the administration and control/management of large and medium enterprises, of the companies listed at the stock market;
- ✓ The strategic perspective and my capability to assess the general impact on the company's business and results;
- ✓ Training and experience in company administration;
- ✓ Outstanding capabilities of institutional and interpersonal communication, both within the Board and in concerning its relations with the executive management and the interested parties of the Company;
- ✓ The capacity and ability to develop and maintain an effective, dynamic relational system, according to the specific of the company's business;
- ✓ The capacity to provide a clear delimitation between the roles and duties of the Board of Directors and those of the executive management;
- ✓ The determination that characterizes me, my quality as a good organizer, dynamism, the ability to communicate and my openness to dialogue;
- ✓ Creativity, work power, eagerness to get involved and the strength to assume responsibility for the administration of a large company, team spirit;
- ✓ Independent reasoning in the decision-making process, critical and constructive thinking, collective responsibility.

In what regards to the activity performed throughout my 2018 - 2022 mandate, acting as non-executive administrator of CONPET S.A., I hereby state that it was achieved:

- ✓ In conjunction with the legislation incidental to the business sector, in the company's interest and the societal performance;
- ✓ In a professional, competent manner, targeting performance and excellence in business;
- ✓ In good faith, loyalty, being entrusted the mandate of an upright administrator of the company's assets and by the intake of the other shareholders;
- ✓ For the purposes of observing the best corporate governance practices;
- ✓ In a transparent, prudent manner, with maximum responsibility and seriousness;
- ✓ Respecting the standards of ethics, moral and professional integrity;
- ✓ Through total involvement and assuming responsibilities and projects of national and international importance;
- ✓ Effectively, based on consensus and effective communication both in terms of actions taken and in what concerns the decisions taken for the company's administration;
- ✓ Sustainable administration, by reshaping and developing business, through the strategic repositioning of the company, the latter becoming a major actor on the European, regional and international energy stage.

CONPET S.A.'s Board of Directors in capacity acted collectively, unitarily, as per the legal provisions in force and in strict compliance with the terms of the mandate during 2018 - 2022.

All in all, in concerns to the architecture, competence and activity of the current Board of Directors of CONPET S.A., one can mention the following:

- The members of the current Board of Directors have extensive experience and expertise in the control and administration of the companies listed at BVB, proven strategic vision, moral and professional integrity, ability to make decisions in an effective manner;
- Each member of the Board has the necessary qualifications and skills to properly assess the company's operations and policies on various lines of business and the determination to commit to the best judgments;
- The administrators act competently, in a professional manner and in conjunction with the legislation incidental to the business sector, in the company's interest and for its performance;
- The members of the Board of Directors of CONPET S.A. are well aware and acknowledge the role they are playing in the Company's administration and consequently act to their full competence, professional qualification and determination, for undertaking responsibility for that role and fulfilling their duty.
- The constituency of the Board is well balanced in terms of professional experience and technical/economic/legal expertise.
- The administrators supervise and control the executive management and the Company's business;
- Throughout their expertise and skills, they provide guidance to the executive management in the effective achievement of their duties and attributions;
- Every administrator acts independently and critically, constructively, in relation to the executive management; the BOD members complement one another, describing a very good collaborative relationship with each other, and also with the executive management.