

MINISTRY OF ENERGY

Annex to the Order of the Minister of Energy 612/30.05/2025

- LETTER OF EXPECTATIONS (UPDATED) **in the process of selecting a member of the Board of Directors of** **the Company CONPET S.A.**

This Letter of Expectations is the updated form of the Letter of Expectations related to the selection process carried out in 2023, developed following the vacancy of a member position in the Board of Directors of CONPET S.A.

The Ministry of Energy, as the Public Supervisory Authority for CONPET S.A. (the Company, CONPET S.A.), has updated the Letter of Expectations by which it establishes the expected performances from the Company's administrative and management bodies for the remaining period until the completion of the mandate of the Board in office, namely until 21.08.2027, according to the selection procedure carried out previously.

This document was prepared pursuant to the provisions of Government Emergency Ordinance No. 109/2011 on the corporate governance of public enterprises, as subsequently amended and supplemented (hereinafter referred to as GEO No. 109/2011) and Government Decision No. 639/2023 for the approval of the methodological norms for the application of Government Emergency Ordinance No. 109/2011 on the corporate governance of public enterprises (hereinafter referred to as GEO No. 639/2023).

According to art. 1, para. (1) of Annex no. 1b to the GD no. 639/2023, "The letter of expectations is part of the set of mandatory documents with which the selection process of board members for public enterprises begins and is part of the initial component of the selection plan", and para. (3) specifies that "The letter of expectations includes the objectives of the public enterprise, which are the basis for establishing the specific selection criteria for the candidates on the shortlist".

in accordance with the provisions of art. 2, para. (2) and (3) of Annex no. 1b to the GD no. 639/2023, "The letter of expectations contains a summary of the financial and non-financial objectives of the company, established by the tutelary public authority, in consultation with the shareholders, as the case may be, representing individually or together at least 5% of the share capital of the public enterprise" and "The letter of expectations describes the expected general results, indicating some indicative values, which are recommended to the administrative and management bodies of the public enterprise, and recommends a series of performance indicators for the public enterprise".

Based on the elements in the Letter of Expectations, the candidates for the position of administrator of the Company, selected and included in the Short List, present their vision or program regarding the development of the public enterprise.

The Letter of Expectations will be brought to the attention of interested persons by publishing it on the websites of the Ministry of Energy, CONPET S.A. and the Agency for Monitoring and Evaluation of Public Enterprises Performance (hereinafter referred to as AMEPIP).

I. General information regarding the company and its framing

The company "CONPET" S.A. is a joint-stock company, with a unitary system administration, as per Law no. 31/1990 on the companies, republished, subsequent amendments, registered at the Prahova Trade Registry under no. J1991000006291/6/1991 and the Financial Supervisory Authority by the registration certificate no. 7227/1997.

The registered offices are located in Ploiesti Municipality no. 1-3, Anul 1848 Street, Prahova County.

As per the Articles of Incorporation, the company's core business is the transport of crude oil, rich gas, ethane and condensate via pipelines aiming at supplying the refineries with crude oil and derivatives out of domestic production, as well as with imported crude oil (NACE code 4950-transport via pipelines).

Taking pride with an existence of over a century, under various names and types of organization, the company CONPET S.A. operates the crude oil, rich gas, ethane and condensate national transport system via pipelines. The foundations of the crude oil pipeline transport activity were laid in 1900, with the construction of the first crude oil pipeline connecting Buștenari area to Băicoi railway station, in Prahova County. In the same year, the joint-stock company "Conductul Național" was founded, headquartered in Ploiești, considered the ancestor of the current CONPET company.

The Company CONPET S.A. was established in 1990, based on the Government Decision no. 1213/1990 regarding the set-up of joint-stock companies in the industry, by taking-over the entire assets and liabilities of I.T.T.C.) Ploiești, being the first company established in the oil industry in Romania.

Following the take-over of all assets and liabilities of I.T.T.C. Ploiești, CONPET has become the operator of the crude oil, rich gas, condensate and ethane National Transport System. The crude oil, rich gas, condensate and ethane National Transport System (NTS) is part of the State's public property and bears strategic importance.

CONPET S.A. is the concessionaire of the operating activity of the National Transport System of crude oil, rich gas, condensate and ethane quality acquired in 2002, by the conclusion, with the National Agency for Mineral Resources (NAMR), the competent authority representing the State interests in the oil resources domain, of the Oil Concession Agreement, approved by GD no. 793/25.07.2002.

The National Oil Transport System is part of the public domain of the Romanian State and is administered by the National Regulatory Authority for Mining, Petroleum and Geological Storage of Carbon Dioxide (in accordance with the provisions of the Petroleum Law).

According to the provisions of the Petroleum Law no. 238/2004, The transport of oil through the National Transport System (S.N.T.) constitutes a public service of national interest and strategic importance, and the company CONPET S.A., through GEO no. 216/2000 approved by Law no. 254/2001, was declared, in turn, of strategic interest.

The National Transport System via pipelines was built taking into account the natural distribution of oil

fields, so as to ensure the transport of the crude oil from all these fields to the refineries.

The National Oil Transport System represents a vast network of pipelines, major and local, whose total installed length is approximately 3,800 km, out of which 3,200 km are available. The Company has an operational pipeline network of approximately 2,200 km, which is why the total nominal transport capacity of approximately 27.5 million tons per year is operationally reduced to approximately 18.75 million tons per year. This is caused by the closure over time of some crude oil, rich gas and ethane production and processing units in Romania, which led to the inactivation of some pipelines and related pumping stations.

The transport operations are coordinated from the Central Dispatch.

The pipeline system it manages includes pumping stations, unloading ramps, CF boilers and tank farms. For the operation and maintenance of the National Pipeline Transport System, the Company has a fleet of maintenance machinery and equipment.

The crude oil National Transport System represents the ensemble of the major interconnected pipelines ensuring the collection of the oil extracted from the exploitation areas or originating from imports, its routing from the points where it is handed over by producers/importers to the processing units.

Acting as concessionaire of the NTS, CONPET S.A is legally bound to provide, to all authorized legal person petitioners, free access to the system's available throughput, under equal conditions, in a non-discriminatory and transparent manner.

The NTS is structured into 4 main sub-systems:

1. The domestic crude oil transport subsystem
2. The imported crude oil transport subsystem

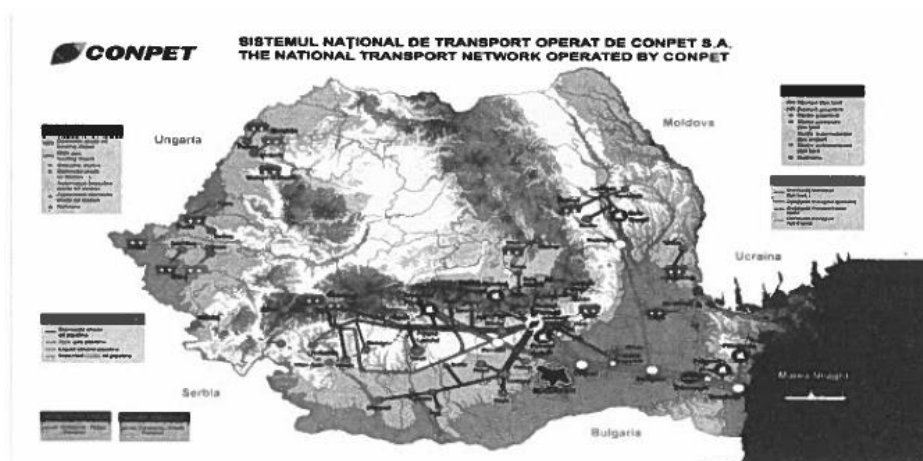
3. The rich gas and liquid ethane transport subsystem;
4. The rail transport subsystem for crude oil and liquid ethane.

The distribution of the transport operational infrastructure by subsystems is the following:

Domestic Crude oil	Imported crude oil	Rich gas/liquid ethane	Railway crude/rich gas
1173 km of pipelines	971 km of pipelines	28 km of pipelines	13 product loading ramps
6.2 million tons/year transport throughput	12.5 million tons/year transport throughput	0.07 million tons/year transport throughput	2 unloading ramps
12000 cubic meters storage capacity	79500 cubic meters storage capacity	250 cubic meters storage capacity	13 locomotives and 55 rail tanks

The system's operational transport throughput is approx. 18.75 million tons/ year.

The Company CONPET supplies transport services for its clients via both the National Transport System, conceded under the Concession Agreement and by rail, from the loading ramps to the Beneficiaries, for the oil areas which are not connected to the major transport pipelines.



The Transport services are performed based on contracts concluded with customers, developed according to the framework contract approved annually by the National Regulatory Authority for Mining, Petroleum and Geological Storage of Carbon Dioxide (ANRMPSG).

CONPET S.A. operates as a joint stock company, according to Law No. 31/1990 on companies, republished, is a publicly held company, being registered with the National Securities Commission (CNVM) - Securities Registry Office (registration certificate no. 7227/1997).

As of September 5, 2013, the shares issued by CONPET S.A.- on the regulated market administered by the Bucharest Stock Exchange (BVB), Ist Tier, under "COTE symbol". Since 05.01.2015, the shares have been included in the PREMIUM category, and starting with 2023, CONPET S.A. shares have been included for the first time in the MSCI Frontier IMI and MSCI Romania IMI indices.

The company has a subscribed and paid-up shared capital in amount of 28,569,842.4 RON, divided into 8,657,528 nominative shares with nominal value of 3.3 RON each.

On December 31,2024, CONPET has a capitalization of 652.7 million RON -131 thousand EURO (75.40 lei/share on 31.12.2024), occupying position 34 in the "Top of issuers by capitalization".

CONPET S.A. did not carry out transactions involving its own shares and, as a result, the Company does not hold own shares.

Currently, the shareholding structure is the following:

Name of shareholder	Number of shares	Percentage of shares held (%)
The Romanian State by the Ministry of Energy	5,083,372	58.7162;
Legal persons	2,083,424	24.0649;
Natural Persons	1,490,732	17.2189;
Total	8,657,528	100%

*Source: Depozitarul Central, date 31.12.2024.

The number of CONPET S.A. Shareholders, registered at Depozitarul Central at the end of 2024, was of 16,251 shareholders.

The company CONPET S.A. is a public enterprise according to the provisions of Art .2, item

2, letter b) of the GEO no. 109/2011.

The company is managed in a unitary system by the Board of Directors consisting of 7 members, and the executive management is delegated to several directors with a mandate contract, one of whom is appointed Director General.

II. Summary of the governmental strategy in the field where the company performs, inclusive of the sector and fiscal-budgetary objectives of the State in and long-run

The vision of the Romanian Energy Strategy 2025-2035, with a view to 2050, is to grow the energy sector in conditions of security, sustainability, economic growth and accessibility. The development of the energy sector is part of Romania's development process. The energy sector must ensure the uninterrupted physical availability of energy products and services, at an affordable price for consumers.

Given the imperative of energy security, in which the energy sector faces significant challenges deriving from market fluctuations and regional vulnerabilities caused by the war provoked by the invasion of Ukraine by the Russian Federation and, implicitly, by Romania's geostrategic position on the eastern border of the European Union, it is necessary to build a resilient energy sector, capable of reacting promptly and efficiently in the context of any type of crisis, in order to guarantee continuous and secure energy supply.

In this context, Romania has the natural, financial and human resources necessary to modernize the energy sector, in line with the community objectives of achieving climate neutrality by 2050, and it must be prepared to support the transformation of the economy as a whole, as well as the improvement of the quality of life.

The vision of the Romanian Energy Strategy 2025-2035, with a view to 2050, is to develop the energy sector in conditions of security, accessibility and sustainability, ensuring economic competitiveness and a central place for the consumer, taking into account the EU climate targets for the years 2030, 2040 and 2050.

The achievement of the vision and objectives must take into account a series of principles that must be fulfilled simultaneously:

- Prioritizing security of supply and crisis response capacity;
- Developing the energy sector on the principle of efficiency and economic rationality;
- Economic and social equity for regions and people;
- Achieving climate neutrality by 2050;
- Creating a free, competitive and entrepreneurial energy market;
- Technological neutrality and exploitation of all energy resources that may contribute to reducing emissions and strengthening the production chain;
- Developing the electricity and thermal energy storage sector;
- Strengthening the supply chain dedicated to the energy industry;
- Developing the circular economy (for example by using energy resulting from industrial processes in efficient centralized heating and cooling systems);
- Energy efficiency above all.

The objectives of the Romanian Energy Strategy 2025-2035, with a perspective of 2050, are:

1. Energy security;
2. Low-carbon energy;
3. Energy efficiency;
4. Physical access to energy for all consumers and financial accessibility and economic competitiveness of energy;
5. Effective energy markets;
6. Digitalization, development of smart grids and cybersecurity.

From the perspective of the government strategy in the field in which the public enterprise operates, CONPET S.A. will prioritize and correlate its investment program and modernization of the operational infrastructure of the National Transport System for crude oil, rich gas, condensate and ethane in the medium and long term, in accordance with the measures established by the government program and other long-term economic reform measures.

III. The vision of the Public Guardianship Authority and the shareholders, the mission and objectives of the Company, derived from the government policy in the field of activity in which the Company operates

III.1 The vision of the Public Supervisory Authority and the shareholders

The activity of CONPET S.A. must be correlated with the priorities of the national energy strategy, with the changes in the environment in which the company operates, but also with the performances that must be obtained by the administrators in exercising their duties according to the mandate, by creating a cooperative relationship based on mutual trust, respecting the principles of transparency, responsibility, economic efficiency and profitability of the Company.

The energy sector contributes essentially to the development process of Romania, through its profound influence on the quality of life, the competitiveness of the economy, the environment and the climate. In order to support the expectations of energy consumers, the energy sector in Romania must become more economically efficient, more technologically advanced and less polluting. Increasing the quality of the energy governance system in Romania constitutes a foundation for achieving all other strategic objectives.

The state has an important role in the energy sector, through its functions as legislator, regulator and implementer of energy policies, on the one hand, and as owner and administrator of assets or significant shareholder, on the other hand. The awareness that state assets must be managed with the same care and competence as private ones must become a strategic priority, an important step in the future of the country's economy, where state-owned companies still have an extremely large contribution to economic development.

The Romanian energy system represents an extremely important area, the special attention it enjoys resulting both from its importance for the entire national economy and from the need to respect the commitments assumed by Romania towards the European Union and other international institutions and bodies.

According to Law no. 59/2016 on the control of major accident hazards involving hazardous substances,

the Company is obliged to take all necessary measures, in accordance with the provisions of the legislation in force, to prevent major accidents and to limit their consequences on human health and the environment.

The majority shareholder - the Romanian State through the Ministry of Energy and the other shareholders of CONPETS.A. wish that the Company's administrators pay special attention to improving the quality of the operating, rehabilitation and maintenance services of the crude oil and other petroleum products transport pipelines, tanks, pumping stations, other related installations and equipment that make up the operational infrastructure of the National Transport System, as well as to increasing the safety in operation and functioning of all specific installations.

The Public Supervisory Authority and the shareholders also expect the administrators to work together to ensure the timely completion of the Company's strategy review for the next period and reserve the right to request further information regarding the strategic direction of the public enterprise and the general expectations expressed in this Letter of Expectations.

The Company operates in a national and European energy context marked by change, imperatively influenced by the transition to "green" energy within the framework of joint efforts to combat the effects of climate change, through which a lasting and sustainable transformation of the economy is desired.

The expectations of the Public Supervisory Authority and the shareholders are mainly directed towards:

- a) adopting an appropriate management and development strategy for the Company;
- b) efficient administration of the Company's assets and resources;
- c) increasing the Company's turnover and profit;
- d) optimizing the operation of storage and transport capacities, including their modernization;
- e) making profitable and sustainable investments in modernization and development, improving the quality of repair, rehabilitation and maintenance programs for installations and equipment;
- f) total compliance of the Company's situation with the applicable legislative requirements;
- g) promoting and respecting organizational values (professionalism, social dialogue, respect for people and the environment, respect for organizational culture, community, history);
- h) improving the implementation of the principles of good Corporate Governance, ethics and integrity;
- i) identifying and avoiding incompatibilities and conflicts of interest, preventing and reporting fraud, acts of corruption and reporting irregularities.

Administrators must ensure the fulfillment of their obligations regarding the application of good Corporate Governance practices and applicable legislation, such as: reporting, achieving financial and non-financial performance indicators, transparency regarding economic and financial results, etc.

III. 2 Company CONPET S.A. Mission

CONPET mission is the operation of the National Transport System via Pipelines under safety and efficient conditions, free access to the available capacity of the system to all solicitors, authorized

legal persons, under equal conditions, in a non-discriminatory and transparent manner.

III.3 The objectives of the Company CONPET S.A.

The general objective of the Company is to operate the infrastructure in safe conditions for personnel, environment, population and technological installations, as well as to ensure financial performance in conditions of sustainability in the medium and long term, ensuring the appropriate quality of services and products according to customer needs, adapted to the market requirements.

The strategic objectives established and assumed by the administrators through the Administration Plan, for the period 2023-2027, were defined in close correlation with the strategic directions, vision and expectations of the supervisory authority and shareholders.

In accordance with the Administration Plan in force, **the strategic objectives of CONPET S.A. are the following:**

- Strategic objective 1: Increasing efficiency and improving business performance;
- Strategic objective 2: Develop new activities, related and non related to the core business;
- Strategic objective 3: Ensuring effective management in the management of human resources;
- Strategic objective 4: Selection of company directors based on criteria of professionalism and integrity;
- Strategic objective 5: Ensuring modern management by implementing and maintaining risk management, control, ethics, integrity and corporate governance processes;
- Strategic objective 6: Ensuring a balance between the dividend policy and that regarding the provision of the necessary funds for the investment programs undertaken by the company for development and modernization.

IV. The company's framing in one of the following categories: trade, monopoly or public service

The company CONPET S.A. falls into the category of public enterprises that operate for commercial purposes, in which the aim is to increase the company's turnover and profit.

It is worth mentioning that the Company has a particular character, CONPET S.A. holds a natural monopoly position for the pipeline transport of crude oil, rich gas, condensate and ethane in Romania, being however dependent on the limited number of customers or potential customers.

V. Expectations regarding the dividend policy applicable to the Company

The Company's dividend policy must comply with the provisions of Government Ordinance no. 64/2001 on the distribution of profit to national companies, national companies and commercial companies with full or majority state capital, as well as to autonomous public authorities, with subsequent amendments and additions, which currently regulates the distribution of a minimum of 50% of the profit as payment/dividends to the state budget or local budget.

The dividend distribution policy will be influenced by the business model of the Company CONPET S.A., in accordance with the legal provisions in force, by the fact that it may have different investment needs that will be covered from its own sources, having implications on the profit to be distributed.

The principles of the annual dividend distribution policy should be published on the corporate website. The distribution of dividends is carried out in accordance with the legal provisions and their distribution will be made after the approval of the annual financial statements.

The Romanian State, through the Ministry of Energy, as the majority shareholder, as well as the minority shareholders will pursue the long-term maximization of the company's profit and implicitly the value of the dividend. The dividend policy will be responsible, prudent and predictable, appropriate to the specific situation of the Company and which will also respect its development investment needs.

VI. Expectations regarding the investment policy applicable to the Company.

Investment spending is essential for the development of society. The implementation of the Investment Program is an important aspect within the policy of increasing capital expenditures, including against the background of reducing the share of operational expenditures through the efficient use of equipment and by optimizing the activities carried out.

The investment projects aim both to increase the efficiency of the transport activity and the safe operation of the National Transport System.

From a functional point of view, the investment work proposals consider ensuring the transport of crude oil at the proposed parameters - quantity, pressure, compliance with the allowed technological losses, as well as choosing solutions that allow for well-being, in the case of pipeline replacements, which will ensure the safety of operation of the main crude oil transport pipelines, eliminating risk factors.

To ensure optimal conditions for transport of crude oil and avoid the risk of further damage with serious environmental consequences, replacing or restoring crossings shall be necessary.

Annual and multi-annual programs represent the main tools in monitoring the planning, budgeting and implementation of modernization and development works, investments in the NTS, repair and rehabilitation works and services to ensure the maintenance of the NTS.

According to Petroleum Law, the National Petroleum Transport System is the oil transport system in the public property of the state and is of strategic importance. At the same time, according to art. 14 paragraph (2) of Law 238/2004, investments made from the owner's own sources, during the concession period, are part of the public property of the state.

The oil transport tariffs charged by the Company, approved by A.N.R.M.P.S.G. include a modernization quota that is intended to finance the investment objectives included in the rehabilitation, modernization and development programs, agreed with the National Regulatory Authority for Mining, Petroleum and Geological Storage of Carbon Dioxide according to the "Petroleum Agreement for the concession of the operation activity of the national transport system for crude oil, rich gas, condensate and ethane, including main pipelines and associated installations, equipment and facilities".

The modernization quota is used by CONPET S.A. exclusively to finance investment works regarding the National Transport System. The modernization quota is collected as the invoices representing the

equivalent value of transport services are collected.

Considering the strategic importance of the national transport system, the main obligation of the company CONPET S.A. is to maintain the integrity of the transport system, to carry out its continuous rehabilitation and modernization.

In order to fulfill the mission, vision and medium and long-term development objectives, the company CONPET S.A. also aims to implement investment projects that satisfy the following lines of action:

- improving the performance of the national transmission network by continuing to implement the system for detecting and locating leaks in pipelines, modernizing the cathodic protection system and the monitoring, control and data acquisition system, renewing the pipeline network, carrying out a program for the rehabilitation and resizing of the tank fleet, adapted to the quantities transported;
- modernizing, re-technologizing and automating machinery, equipment and installations in order to increase labor productivity, reduce operating times, improve the working environment, increase safety and security in operation, protect customer property, reduce technological and utility consumption etc.;
- improving the control of environmental aspects (soil, subsoil, water, air) by modernizing and ensuring that all technological installations are in optimal operating condition at all times.

Crt. no.	Name of the Objective	Program	(Estimated)	
		2025	2026	2027
1.	Public domain			
1.	Pipelines rehabilitation, out of which:			
1.1.	Pipeline replacement	X	X	X
1.2.	Safe disposals	X	X	X
2.	Modernization and monitoring of the cathodic protection system related to the domestic and import NTS	X	-	-
3.	Consultancy and Technical Assistance	X	X	X
4.	Tanks	X	X	X
5.	Energy works	X	-	-
6.	Telecommunication works	X	X	X
7.	Pumping systems modernization	X	X	X
8.	Stations/ramp modernization	X	X	X
9.	Buildings, stations' fencing	X	X	X
10.	Automation and SCADA works	X	X	X
11.	Other expenses	X	X	X
II	OPERATOR FIELD			

1.	Pipelines rehabilitation	X	X	X
2.	Buildings, stations' fencing	X	X	X
3.	LDH and tank cars	X	-	-
4.	Other works	X	X	X
5.	Intangible investments	X	X	X
6.	Independent facilities and equipment	X	X	X

The investment objectives which have started/will be started in 2025, representative from a technical and value point of view are presented as follows:

1. Replacement of Ø 24" Midia– Navodari pipeline;
2. Replacement of Ø 10" Videle - Cartojani pipeline, 2300 m, 2 sections;
3. Lascar Catargiu pumping system;
4. Oarja pumping station;
5. Update of hardware and software related to SCADA work stations inside Central Dispatch and Local Dispatch Centers;
6. Leak Detection Constanta-Lukoil;
7. Planned repair type General Repair to locomotive LDH 131-9;
8. RR planned repair to locomotive LEA 010-6;
9. Planned repair type RP-FIR to 9 rich gas transport tank cars and installation of 24 wagon axles.

The most important investment projects for the National Transport System, contained in the *program 2025-2027*, are:

I. PUBLIC DOMAIN

I.1. Pipeline rehabilitation

I.1.1. Pipelines replacement - out of which, the most important are:

- Replacement of crude oil transport pipeline Ø 20" Constanța - C1;
- The layout of a pipeline connecting Pietroșani and Petrobrazi refinery;
- Replacement of two sections of the pipeline Ø 24"- Brazi refinery, undercrossing of Leaota brook;
- Replacement of the crude oil transport pipeline L1, L2 Ticleni - Ploiesti 4 sections (3050 linear meters)
- Replacement of Ø 24" Midia Navodari pipeline;
- Replacement of Ø 10" Videle - Cartojani pipeline, 2 sections (2300 l) inear meters (2300 m);

I.1.2 Safe disposals – out of which, the most important are:

- The safe disposal of the crude oil pipelines L1 and L2 10 ¾" Siliște-Ploiești, at the undercrossing of Ialomița river;
- Safe disposal of the Ø 12" and Ø 14" Cartojani-Ploiești pipelines at the Cricovul Dulce overcrossing.

I.2. Modernization and monitoring of the cathodic protection system related to the NTS domestic and import

- Design and execution project for a number of 4 locations - in progress.

I.3. Consultancy and Technical Assistance

I.4. TANKS – out of which, the most important are:

- Replacement of work site collectors and taps CONPET S.A.- Constanța OIL TERMINAL warehouse;
- Videle station crude oil tank;
- Leak tank Constanta Sud station;
- Modernization of Cathodic protection system (Ro. SPC) on Calareti tanks;
- Orlesti 1000 cubic meters tank
- 2500 cubic meters tank Poiana Lacului station.

I.5. Energy works – out of which, the most important is:

- Orlesti Pump house lighting.

I.6. Telecommunication works – out of which, the most important are:

- Modernization of the microwave radiorelay lines;
- Modernization of the multiplexor network;
- Modernization of telecommunications network cyber security system.

I.7. Pumping systems upgrade – out of which, the most important are:

- Modernization of Satchinez pumping station;
- Modernization of Constanta Sud pumping station.

I.8. Ramps/ stations modernization – out of which, the most important are:

- Modernization of Slobozia crude oil station;
- Crude oil storage Berca village;
- Modernization of Petrobrazi gate 3 measuring system.

I.9. Buildings, station fencing – out of which, the most important are:

- Rehabilitation of the pump house C+D+E Călăreți station and Rehabilitation of the buildings related to connections 6kV, electrical distributors 6/0.4 kv A+B Local Dispatch, electrical distributors CDE, Călăreți station;

I.10. Automation and scada works – out of which, the most important is:

- Design, execution, installation and initial metrological verification of four measuring skids in Petrobrazi P3, Poiana Lacului, Videle and Otești locations;

I.11. Other expenses

II. Operating domain

II.1 Pipelines rehabilitation - of which the most important is:

- Replacement of Ø 6" Urlați-Ploiești, crude oil pipeline network, in the area of National Road 1A Moara Nouă- Corlătești.

II.2. Buildings, station fencing – out of which, the most important are:

- Headquarter 2 Workshops - Buildings C4 , C5 , C10, C11

II.3. LDH and rail tanks - out of which, the most important are:

- RG planned repair to locomotive LDH 789-3;
- GR Planned repair to locomotive LDH 803-2;
- RR planned repair to locomotive LEA 834-7;
- GR Planned repair to locomotive LDH 131-9;

- RR planned repair to locomotive LEA 010-6;
- Planned repair type RP-Line to 9 rich gas transport tank cars and installation of 24 wagon axles.

II.4. Other works - out of which, the most important:

- Integrated IT System;
- Electricity production system (photovoltaic plant) with photovoltaic panels in Constanța-Bărăganu Sector, Constanța Sud crude oil automated station- CONPET S.A. Ploiesti;
- Electricity production system (photovoltaic plant) with photovoltaic panels in Constanța-Bărăganu Sector, crude oilAutomated Station Constanța Sud - CONPET S.A. Ploiești;;
- Design, supply, installation and commissioning of technical / electronic security systems at 9 CONPET S.A. Locality.
- Rehabilitation of booster tank lighting at Constanța Sud station, Constanța-Bărăganu sector by replacing the lighting fixtures with LED lamps;

II.5. Intangible investments - out of which, the most important:

- Provision of Microsoft Enterprise Agreement Renewal licenses (together with the "Software Assurance" component);

II.6. Independent utilities and equipment - out of which the most important:

- Lab technique

The Ministry of Energy, as the Public Supervisory Authority, together with the Company's shareholders, expresses its interest in carrying out the investment projects of CONPET S.A., in order to support development in conditions of efficiency, profitability and sustainability.

VII. Expectations of the Public Supervisory Authority and shareholders regarding communication with the management and management bodies of the public enterprise

The Public Supervisory Authority and shareholders intend to support the Company's activity in a constructive and transparent manner, by approaching an efficient way of working with the members of the management and management bodies, in order to identify ways to improve the company's performance and its efficient management.

It is important to have mutual communication regarding any issues with an impact on the company and/or the interests of shareholders, including the efficient exchange of information regarding identified risks that may influence the proper fulfillment of the Administration Plan.

The main reporting responsibilities of the Board of Directors to shareholders will consider:

- The annual report of the Board of Directors;
- The quarterly financial report;
- The semi-annual financial report;
- The administrators' report on the presentation of the preliminary annual financial results for the previous financial year (according to the ASF-BVB financial calendar);

- The Annual audit report;
- The Audited annual financial statements;
- The Reviewed interim quarterly financial statements;
- The Semi-annual report of administrators;
- The biannual and annual accounting report;
- The annual report on remuneration and other benefits granted to administrators and managers during the financial year.

In accordance with the provisions of art. 57 of GEO no. 109/2011, the Board of Directors or, as the case may be, the Director General, is obliged to transmit to AMEPIP and, as the case may be, to the tutelary public authority or to the shareholders who hold more than 5% of the share capital, semi-annually and whenever requested, substantiations, analyses, situations, reports and any other information regarding the activity of the public enterprise in the format and within the deadlines established by the administrative acts of the authorities.

The public enterprise, through the Board of Directors, shall transmit the requested information to AMEPIP within 30 days of the request.

CONPET S.A. shall submit to the public authority and AMEPIP, no later than May 31 of the year following the year for which it is reported, a report that includes the status of achievement of its objectives in terms of corporate governance and transparency, as well as the status of achievement of the assumed financial and non-financial indicators.

The corporate governance structures at the level of CONPET S.A. prepare a quarterly report, by the 20th of the month following the previous quarter, regarding the achievement of the key performance indicators included in the mandate contract, which they transmit to the tutelary public authority and AMEPIP within 3 days of preparation and publish it on their own website.

In the event that the members of the Board of Directors have indications that certain events will lead to significant deviations from the performance indicators established by the Management Plan, they are obliged to notify the shareholders, as appropriate, as soon as possible after coming into possession of the respective information. The Non-significant deviations will be presented and explained in the quarterly reports. The definition of the degree of significance will be made later.

The main reporting responsibilities of the directors to the Board of Directors will consider: The main reporting responsibilities of the Board of Directors will consider:

- The annual report
- The Quarterly reports on the economic and financial activity of the company

(the report will present information on the execution of ones' mandate, significant changes in the business situation and external aspects that could affect the company's performance or its strategic prospects).

For efficient communication and information to all stakeholders, good corporate governance practices require that the company's administrators carry out transparent activity and ensure the publication on the Company's website of all public information required by applicable legislation.

VIII. The Expectations of the Public Guardian Authority and shareholders regarding the quality and safety of the Company's services

The Public Supervisory Authority and shareholders pay particular attention to the quality of services provided to third parties, having the following expectations from the Company:

- maintaining and continuously improving the implemented and certified management systems;
- maintaining and developing the Internal Management Control System, including the Risk Management system, at all levels and in all activities of the Company;
- developing and constantly implementing investment and maintenance plans to ensure the safe operation of its installations and protect customers' products.

The Company's services must be oriented towards meeting all the legitimate requirements and expectations of stakeholders, unless this is likely to affect the interests of the Company and the shareholders.

The Company must develop a culture of social responsibility based on business ethics, social and economic equity, environmentally friendly technologies, fairness in labor relations and integrity. Also, the Company must also consider a medium/long-term program regarding the environmental protection and rational management of natural resources.

Through the systems related to the operational safety of storage and transportation capacities, as well as through continuous assessment processes, the Company must ensure that the activity is fully aligned with safety policies and objectives at all existing levels.

IX. The expectations in what concerns ethics, integrity and corporate Governance

IX 1 Expectations in the field of ethics and integrity

The majority shareholder - the Romanian State through the Ministry of Energy and the other shareholders of CONPET S.A. expect the Company's administrators to continue to act in accordance with the requirements of the New Governance Code of BVB, with the provisions of the Code of Ethics and Integrity, the Corporate Governance Regulation, the National Anti-Corruption Strategy, as well as in the spirit of responsibility and transparent business practices.

The management of the privileged information must be carried out ensuring equal treatment for all shareholders of the company. The majority shareholder - the Romanian State through the Ministry of Energy and the other shareholders of the company.

Regarding ethics, integrity and corporate responsibility, CONPET S.A. has implemented a Code of Ethics through which it has established the behavioral norms for management and employees through which they, in fulfilling their functional duties, act constantly, coherently and responsibly strictly in accordance with the interest of the Company.

The Company has adhered to the fundamental values, principles, objectives and monitoring mechanism of the application of the National Anti-Corruption Strategy 2021 -2025, developing an Integrity Plan for the implementation of this strategy.

Also, the Company's administrative and management bodies will continue to promote and maintain a sustained and formalized activity of informing and familiarizing all personnel with the principles and

provisions of the procedural framework corresponding to the implementation of the National Anti-Corruption Strategy 2021 -2025, with the legislation regarding whistleblowers in the public interest and will act consistently to maintain integrity at the organizational level.

Transactions with affiliated parties represent another important aspect related to the ethics of CONPET S.A., and the adoption by the Company of internal regulations regarding both these and the management of conflicts of interest have been a priority and continue to be, so as to satisfy the concrete expectations that the Ministry of Energy and minority shareholders have from the administrators of CONPET S.A..

The Code of Ethics and Integrity adopted by the Board of Directors and published by the Chairman of the Board of Directors on the Company's own website will be reviewed annually, if necessary, with the opinion of the internal auditor, and will be republished on May 31 of the current year.

IX 2 Expectations in the field of Corporate Governance

The members of the Board of Directors will exercise their mandates with the prudence and diligence of a good administrator, with loyalty, in the interest of the Company, fulfilling all the necessary acts to achieve the object of activity of the company, in compliance with the provisions of the Articles of Association and the applicable legislation.

The Board of Directors is responsible for fulfilling all the necessary and useful acts to achieve the object of activity of the Company.

The Board of Directors will have to establish clear directions for the strategic development of the Company and ensure that its resources are allocated efficiently.

The Board of Directors will develop corporate regulations as well as other internal regulations specifically mentioned by the applicable legislation.

The majority of the members of the Board of Directors are non-executive and independent directors within the meaning of art. 138² of Law no. 31/1990, republished, subsequent amendments and additions, in accordance with the provisions of item IV.2.2 of Law no. 48/2025 on the approval of the Public Policy on Private State Property "The provisions of art. 138^{A2} para. (2) of Law no. 31/1990, republished, as amended and supplemented, in conjunction with the provisions of art. 28 paragraph (6) of Government Emergency Ordinance no. 109/2011, approved with amendments and supplements by Law no. 111/2016, as amended and supplemented, and, in the case of listed companies, the BVB Corporate Governance Code provides criteria that must be taken into account when appointing an independent administrator". The Board of Directors will delegate the management powers of the company, under the conditions and limits provided by law and the Company's Articles of Incorporation.

The Board of Directors and the executive management will have to ensure the maintenance and development of the Internal Management Control System (IMCS), in accordance with and in agreement with the standards of the Order of the Secretary General of the Government no. 600/2018, regarding the approval of the Code of Internal Management Control of Public Entities, as well as by assimilating international good practices in the field as a basis for ensuring transparency towards shareholders, in particular, but also towards all stakeholders, in general.

Considering the above, the Public Supervisory Authority and the shareholders of CONPET S.A. support

the continuation of the steps to increase the company's transparency and improve the quality of the information reporting process in accordance with the applicable legislation.

X. Evaluation of the business environment where the Company operates

Romania's crude oil reserves rank it first in the European Union.

In 2023, the domestic crude oil production was 2,879.9 thousand tons, covering 27.5% of demand, highlighting a critical vulnerability to international developments. The decline in average annual domestic production has been significant in recent years, decreasing by 4.4% in 2023 compared to 2022.

The refining sector in Romania consists of four operational refineries: Petrobrazi (owned by OMV Petrom), Petromidia and Vega (owned by Rompetrol), Petrotel (owned by Lukoil) with a total operational capacity of approximately 12 million tons per year. Romania has a crude oil processing capacity greater than the domestic demand of petroleum products.

However, Romanian refineries purchase the national production of crude oil and import about two-thirds of the required. In 2023, the Romanian refineries processed 10.2 million tons of crude oil and additives, of which 2.8 million tons of domestic production and 7.4 million tons from import.

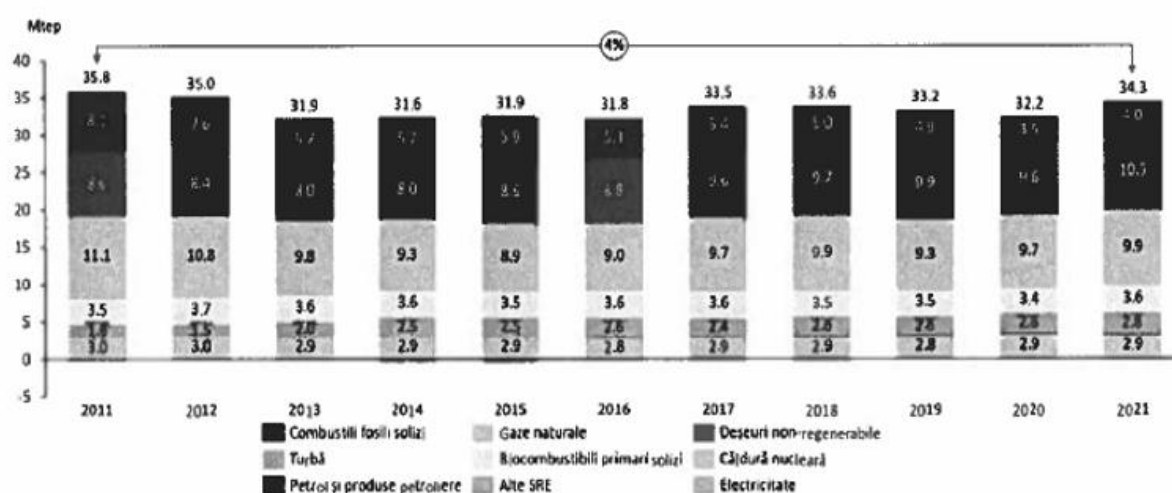
In 2021, the import level for crude oil was 68%. Regarding the countries of origin of imported crude oil, in 2021, 73% of it came from just two countries, Kazakhstan (46%) and the Russian Federation (27%).

Annual imports of crude oil and petroleum products (especially diesel) are significant for the Romanian market, representing on average approx. 63% of total diesel imports and on average approx. 80% of crude oil imports.

In recent years, there has been a decline in indigenous refining activity, due to the relatively high price of energy in the EU compared to competing non-EU countries, the orientation of oil-producing countries towards domestic refining, correlated with the high costs generated by European regulations on the reduction of CO₂ and noxious emissions.

Primary energy consumption in Romania in the period 2011-2021 reveals several trends, although total primary consumption was rather constant. First of all, primary consumption of solid fossil fuels decreased by more than half, and natural gas consumption decreased by approximately 10%. On the other hand, the primary consumption of other RES (except biomass - primary solid biofuels) increased by over 70% in the analyzed period, due to the increase in electricity production from RES. In addition, the increase in activity in the transport sector contributed to the increase in primary consumption of oil and oil products by over 20%.

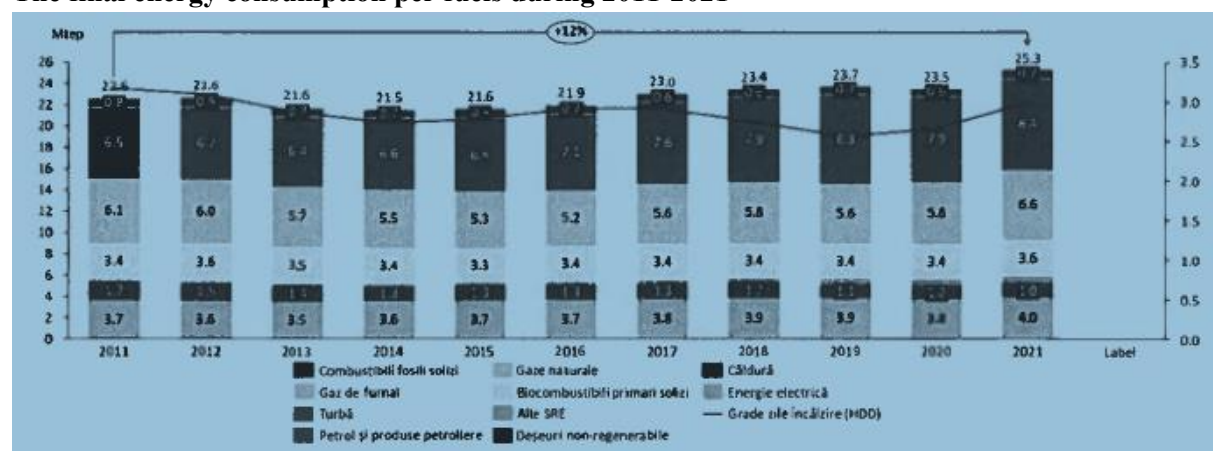
The primary energy consumption per fuels during 2011-2021



Source: Eurostat

In terms of final energy consumption per technology, only final energy consumption from solid fossil fuels and heat decreased during the period analyzed. On the other hand, the largest increases in terms of final energy consumption were recorded for other RES (excluding biomass), by over 120% during the period 2011-2021, and for crude oil and other petroleum products by approximately 30% during the same period.

The final energy consumption per fuels during 2011-2021



Source: Eurostat

In accordance with the Energy Strategy of Romania 2025-2035, with a view to 2050, the average annual consumption of fuels (rich gas, diesel, aviation fuels) in Romania is at a level of approx. 7.3 million tons/year, of which the largest share is held by diesel consumption, with an average annual value of approx. 5.9 million tons/year (petrol-approx. 1.3 million tons/year).

The current context is marked by major geopolitical tensions and imminent challenges in the energy sector. As a border country of the EU and NATO, Romania is directly exposed to hostile international developments in the Black Sea Basin. Therefore, Romania is faced with the legal, economic and social imperative to consolidate its autonomy and energy security.

In this context, the large companies in which the state is a shareholder, such as Nuclearelectrica, OMV Petrom, Hidroelectrica, Romgaz, Transelectrica, Electrica, OIL TERMINAL, Transgaz, **CONPET Ploiești**, Rompetrol Rafinare, represent the backbone of the national energy sector. Taking into account Romania's geographical and strategic positioning, as well as the vision for the development of the energy sector, these companies have the potential and conditions to acquire an important role in ensuring energy security and system services at the regional level. The contribution of these energy companies with a regional role to the energy security of the region has been clearly observed in recent years during periods when the energy systems of the countries in this part of Europe have been affected by extreme weather conditions. The size of these companies, the energy produced, delivered and, respectively, transported, have ensured the proper functioning of the national energy sector, but also of the energy systems in neighboring countries. Romania's status as a provider of energy security in the Republic of Moldova and in the region is largely supported by the activity of these companies.

All these companies have ambitious development plans, including new investment objectives, re-engineering and modernization of some objectives in operation and expansion in the region.

The transport services are performed based on contracts concluded with customers, developed according to the framework contract approved annually by the National Regulatory Authority for Mining, Petroleum and Geological Storage of Carbon Dioxide (ANRMPSG).

The tariffs for the supply of the crude oil, rich gas, condensate and ethane are regulated and approved by the National Regulatory Authority in the Mining, Petroleum and Geological Storage of Carbon Dioxide and are distinguished for each transport subsystem. For the transport of crude oil through the Import subsystem, differentiated tariffs are applied depending on the intervals of transported quantities.

The transport tariffs include a modernization quota meant exclusively for the financing of the investments related to the National Transport System.

The transport of the crude oil transport volumes is being performed from the sites of delivery by the producers or importers, from the extraction areas, or from Oil Terminal, to the processing units (refineries) by the use of certain facilities both at the pumping sites, and the delivery sites.

These facilities are the crude oil and condensate storage tanks from the warehouses, storage tanks for

the storage of rich gas, the technological pipes from the pumping/receiving warehouses, pumping aggregates (booster pumps, main pumps, actuators), major pipelines, crude oil and rich gas loading and unloading ramps, tank cars.

The turnover of the company is 99.6% achieved from the transport revenues; the 0.4% remaining percentage represents revenues from lease of land plots and telecommunication equipment, rail shunting, etc.

XI. Assessment of the risks which the Company is subject to

Considering the Management Plan in force and starting from the complexity of the activity and operations it carries out, the Company may face risks originating from various areas and different domains, namely:

a) Operational risks originating from:

- degradation of the National Transport System (NTS) through pipelines as a result of the low degree of use (small quantities, low frequency);
- possible escalation of the criminal phenomenon of pipeline attacks with a significant impact on the NTS through pipelines and on the environment;
- Impossibility to achieve the rail transport programs exclusively due to the railway operator;

b) The Market risk, which stems from the fact that the company is not interconnected to other transport systems in the region, being strictly dependent on the level of crude oil processing in Romanian refineries;

c) The risk related to the regulatory framework and authorizations, which is significant given that the company must obtain and periodically renew a series of permits, authorizations, obtain certificates, attestations. The company is subject to a large volume of regulations in various fields, an aspect that may lead to additional expenses and delays in the start or completion of some works, with possible negative effects on achieving the objectives (increasing taxes, introducing new taxes and fees, reducing or suspending some tax benefits, etc.);

d) The risk related to significant environmental aspects, which requires the development and monitoring of programs, including the control of major accident hazards involving hazardous substances;

e) The risk related to litigation, which stems from the defective way in which the legal regime of land under/overpassed by main transmission pipelines was regulated.

CONPET was and is still engaged in a series of processes in which the owners of the respective lands request either the erection of transmission pipelines or their relocation to other locations, at the company's expense. CONPET was and currently is engaged in a series of trials where the owners of those lands claim for the transport pipelines be either lifted, or moved to other sites and the expense be borne by the company;

f) The liquidity risk, which is managed by the company's management, by applying a policy of permanent liquidity assurance intended to cover the settlement of due financial obligations.

The administrators must take measures to identify any other potential risks and to reduce or eliminate their impact on the company's activities.

Taking into account the specifics of the activity of CONPET S.A., risk management must be an integral part of the management and decision-making processes.

The Board of Directors, together with the executive management, must organize and improve the Risk Management System that facilitates the achievement of the established objectives in conditions of economy, efficiency and effectiveness, in accordance with the requirements and standards provided for in the Order of the Secretary General of the Government no. 600/2018 on the approval of the Code of Internal Management Control of Public Entities.

The Risk management will consider the identification and assessment of risks associated with the company's activities and objectives, the identification of possible causes of risks, the establishment of a risk management strategy, the monitoring of control measures and their revision depending on the effectiveness of the results, as well as periodic risk reporting.

In order to mitigate the identified risks and correctly predict potential ones, the Company will develop activities, systems and policies regarding:

- **Development of the internal control system and consolidation of the managerial control function**

In the context of the general principles of good practice found in community legislation, accepted internationally and in the European Union and promoted by the General Secretariat of the Government, the Company CONPET S.A. will develop an Internal Managerial Control System in accordance with the need for good administration and management of the company.

Within the Company, the Internal Managerial Control System will be organized and adapted to the specifics and size of the company, depending on the internal control standards and in correlation with the legal requirements, norms and standards applicable to the activity.

Thus, the development of the Internal Control System will be pursued so as to meet the control and reporting requirements.

- **Monitoring the internal control system through internal audit**

The general objective of internal audit aims, mainly, to improve the management of audited entities/structures by providing:

- a) assurance activities, which represent objective examinations of evidence, carried out with the aim of providing public entities with an independent and objective assessment of risk management, control and governance processes;
- b) advisory activities, aimed at adding value and improving governance processes within the CONPET S.A. Company.

- **Environmental Protection**

The company CONPET S.A. will develop a long-term program to ensure compliance with environmental protection regulations, with employees having to comply with environmental protection norms in any activity they carry out.

- **Social Responsibility**

The Ministry of Energy, as the Public Supervisory Authority and majority shareholder, as well as the minority shareholders support the adoption by the CONPET S.A. Company of the concepts of social responsibility, considering that the sustainable development of the company must be in full accordance with business ethics, respect for customer rights, social and economic equity, environmentally friendly technologies, fairness in labor relations, integrity, as well as compliance with transparency in relations with public authorities.

XII. The expectations of the Public Supervisory Authority and shareholders regarding the capital expenditure, the reduction in expenses and other aspects of the business

The expectations of the PSA are mainly directed towards:

- a) efficient management of the Company's assets and resources;
- b) increasing the Company's turnover and profit;
- c) adopting an appropriate management and development strategy for the Company;
- d) implementing ESG and sustainability standards at the Company level;
- e) optimizing and streamlining the Company's organizational structure;
- f) making investments in compliance with the principle of profitability.

According to the Annual Report of the Administrators of CONPET S.A. for the financial year ended December 31, 2024, published on the website of the Bucharest Stock Exchange, the situation of the audited economic and financial indicators achieved in 2024, compared to the audited results achieved in 2023, is presented as follows:

Indicators (thousand RON)	Achieved 2024	Achieved 2023	▲ ▼ %¹
Net Turnover	533,618	485,114	▲ 10.0%
Operating Revenues	606,282	540,934	▲ 12.1%
Operating Expenses	556,796	474,571	▲ 17.3%
Operating Profit	49,486	66,363	▼ 25.4%
EBITDA	128,642	127,848	▲ 0.6%
Total revenues	612,666	547,624	▲ 11.9%
Total expenses	557,128	474,830	▲ 17.3%
Net Profit	49,323	61,617	▼ 20.0%

¹Achieved 2024 vs Achieved 2023

Main business partners of CONPET S.A. are:

- OMV PETROM
- Lukoil;
- Rompetrol - Rafinare.

In accordance with the provisions of art. 2, para. (3) of Annex no. 1b to Annex no. 1 of GD. no. 639/2023, "The letter of expectations describes the expected general results, indicating some indicative values, which are recommended to the administrative and management bodies of the public enterprise and recommends a series of performance indicators for the public enterprise".

Until the end of the council's mandate (21.08.2027), the recommended performance indicators and their indicative values for the CONPET S.A. Company are those that were established by the Order of the President of AMEPIP no. 651 /24.12.2024, published in the Official Gazette of Romania no. 187/04.03.2025, respectively:

Performance indicators

I. Financial Indicators

The categories of mandatory financial performance indicators applicable to all public enterprises, according to the provisions contained in art. 4⁷ paragraph (2) of the GEO no. 109/2011, are the following:

- Investment policy
- Financing
- Operations
- Profitability
- profit distribution rate in the form of dividends

Financial indicators relevant to the specific activity of the Company CONPET S.A.

- The investment policy with the performance indicators:

1. Capital expenditure rate:

- *Capital expenditure ratio = Capital expenditure/Total assets;*

2. Research and development expenditure rate:

- *Research and development expenditure rate=(Research and development expenditure/Total assets_)* 100;*

- Financing with performance indicators:

3. Current liquidity ratio:

- *Current liquidity ratio=Current assets (current)/Current liabilities;*

4. Immediate liquidity:

- *Immediate liquidity=(Current assets-Inventories)/Current liabilities;*

5. Leverage:

- *Leverage=(Total liabilities)/Total assets;*

6. Debt to EBITDA ratio:

- *Debt to EBITDA ratio = Total debt/ EBITDA;*

- Operations with performance indicators:

7. Asset turnover rate:

- *Asset turnover rate=Net turnover/Average value of all assets;*

8. Inventory turnover rate:

- *Inventory turnover rate=Net turnover/Average value of inventory;*

9. Receivables turnover rate:

- *Receivables turnover rate=Net turnover/(Receivables at the beginning of the period_to +Receivables at the end of the period_ti)/*

- Return by performance indicators:

10. Return on equity:

- *Return on equity (ROE) = Net profit/Equity value;*
- 11. Return on assets:
 - *Return on assets (ROA)= Net profit/Total assets;*
- 12. Operating profit margin:
 - *Operating profit margin = Operating profit/Net turnover;*
- 13. Net profit margin;
 - *Net profit margin = Net profit_t /Net turnover_t;*
- 14. Net turnover growth rate:
 - *Net turnover growth rate = (Current_t net turnover - Previous_t net turnover) / Previous_t net turnover;*
- 15. Annual profit growth rate:
 - *Net profit growth rate = (Current period net profit - Previous period net profit) / Previous period net profit;*
- **The Dividends policy** with the performance indicators:
 - 16. Dividends Payment rate:
 - *Dividend payout ratio = dividends paid_t /Net profit_t.*

No. Crt.no.	Indicators category	Performance indicator	M.U.	Proposed indicative level (target)		
				2025	2026	2027
1.	Investment policy	Capital expenditure rate	%	5.23%	5.23%	5.23%
2.		Research and development expenditure rate	%	0%	0%	0%
3.	Financing	Current liquidity ratio	No.	1.00	1.00	1.00
4.		The quick ratio indicator (acid test)	No.	0.80	0.80	0.80
5.		Leverage	No.	> 0- < 1	> 0- < 1	> 0- < 1
6.		Debt to EBITDA ratio	No.	>0	< 0	> 0
7.	Operations	Asset turnover rate	No.	0.54	0.54	0.54
8.		Inventories turnover rate	No.	57.79	57.79	57.79

No. Crt.no.	Indicators category	Performance indicator	M.U.	Proposed indicative level (target)		
				2025	2026	2027
9.		Receivables turnover rate	No.	8.67	8.67	8.67
10.	Profitability	Return on equity (ROE)	%	8.44%	8.44%	8.44%
11.		Return on assets (ROA)	%	7.28%	7.28%	7.28%
12.		Operating profit margin	%	13.68%	13.68%	13.68%
13.		Net profit margin	%	9.53%	9.53%	9.53%
14.		Net turnover growth rate	%	2.48%	2.48%	2.48%
15.		Annual profit growth rate (Loss reduction rate)	%	6.82%	6.82%	6.82%
16.	Dividends Policy	Dividends Payment rate	%	50% -CPLV*	50% -CPLV*	50% -CPLV*

* as per the legal provisions in force

II. Non - Financial indicators relevant to the specific activity of the Company CONPET S.A.

- Environment indicators:

1. Energy consumption:

- represents Energy consumption expressed in MWh;

2. Scope 1 emissions:

- Scope 1 emissions-represents emissions directly generated by the company's installations;

3. Scope 2 emissions:

- Scope 2 emissions-represents emissions indirectly generated from energy purchase;

Indicators related to clients

4. Customer retention rate:

$Customer\ retention\ rate = (number\ of\ customers_{-t} - number\ of\ new\ customers_{-t}) / number\ of\ customers_{-t,t}$

5. Customer satisfaction score:

- *Customer satisfaction score = total number of 4 and 5 ratings_t / total number of Ratings_t*
- 6. Market share:
 - *Market share = Sales_t / Total sales industry classified according to CAEN_t*
- 7. Average number of training hours per employee:
 - *Average number of training hours per employee = Total number of training hours_t / Total number of employees_t*
- 8. Establishment of an employee safety system:
 - *Confirmation of establishment of the system - Yes/No*
- 9. Number of safety trainings:
 - *Number of safety trainings_t = Total number of safety trainings carried out during year t*
- 10. Total frequency of recorded injuries:
 - *Total frequency of recorded injuries_t = (Total number of recorded accidents_t * 1,000,000) / Total number of hours worked by all employees_t*
- 11. Serious injury frequency:
 - *Serious injury frequency_t = (Number of serious accidents_t * 1,000,000) / Total number of hours worked by all employees_t*
- **Indicators related to innovations**
 - 12. Number of patents per 100 employees:
 - *Number of patents per 100 employees_t = (Number of patents_t * 100) / Total number of employees_t*
 - 13. Number of patents in the last 3 years for 100 employees:
 - *Number of patents in the last 3 years per hundred employees_t = (Number of new patents obtained in the last 3 years_t * 100) / Total number of employees_t*
 - 14. Share of sales of new services and products:
 - *Share of sales of new services and products_t = Sales of new services and products_t / Total sales_t*
- **Indicators related to the Corporate Governance**
 - 15. Rate of independent members in the Board of Directors:
 - *Rate of independent members in the Board of Directors = Total number of non-executive and independent members in the Board of Directors_t / Total number of members in the Board of Directors_t*
 - 16. The share of fixed components in the remuneration of executive and non-executive administrators:
 - *Share of fixed components_t = Value of fixed components in the remuneration package_t / Total value of the remuneration_t package / Total value of the remuneration_t package*
 - 17. The share of variable components in the remuneration of the executive and non-executive administrators:
 - *The weight of variable components_t = Value of the variable components in the*

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remuneration package_t / Total value of the remuneration package_t;

18. Total value of the remuneration package:

-Total value of the remuneration package= Value of fixed components of the remuneration package+ Value of variable components of the remuneration package_t;

19. Number of meetings of the Board of Directors:

-Number of Board of Directors Meetings_t=Number of Board meetings held during the year_t;

20. Board Meeting Attendance Rate:

*- Board Meeting Attendance Rate= $\sum_{t=1}^{N_t}$
Number of participants in the meetings of the Board of
Directors/Number of total members of the Board of Directors*N_t;*

21. Establishing risk management policies:

-Confirmation of establishing policies - YES/NO

22. Rate of female members on the Board of Directors:

- Rate of female members on the Board of Directors_t= the total number of female members of the Board of Directors_t/Total number of members of the Board of Directors_t;

- Job Creation

23. Number of Full-Time Equivalent Employees:

-Number of Full-Time Equivalent Employees_t =Total number of working hours for all employees under contract_t /Number of working hours for a full-time employee_t;

24. New jobs added during the year:

- Number of new jobs added during the year_t =Number of full-time equivalent employees_t -Number of full-time equivalent employees_{t-1};

25. Number of employees with disabilities:

- Number of employees with disabilities_t = Number of employees with disabilities administratively recognized_t;

- Gender equality

26. Rate of female senior management:

- Rate of female senior management_t = Number of female senior management_t /Number of female senior management staff_t;

27. The pay gap between female and male employees:

- The rate of pay gap between female and male employees_t=(Average monthly salary of male employees_t - Average monthly salary of female employees_t)/ Average monthly salary of male employees_t.

Crt.no.	Category of indicators	Performance indicator	M.U.	Proposed indicative level (target)		
				2025	2026	2027
1.	- Environment indicators:	Energy consumption	MWh	-1.30%	-1.30%	-1.30%
2.		Scope 1 emissions	(tons) C02e	-9.72%	-9.72%	-9.72%
3.		Scope 2 emissions	(tons) C02e	-1.90%	-1.90%	-1.90%
4.	Indicators related to customers	Customer retention rate	%	93.84%	93.84%	93.84%
5.		Customer satisfaction score	%	72.00%	72.00%	72.00%
6.		Market share	%	19.00%	19.00%	19.00%
7.	Indicators related to employees	Average number of training hours per employee	No. of hours	18	18	18
8.		Establishment of an employee safety system	YES/NO	YES	YES	YES
9.		Number of safety trainings	No.	4	4	4
10.		Total frequency of recorded injuries	No.	0	0	0
11.		Frequency of severe injuries	No.	0	0	0
12.	Indicators Related to innovation	Number of patents per 100 employees	No.	monitoring	monitoring	monitoring
13.		Number of patents in	No.	monitoring	monitoring	monitoring

		the last 3 years per hundred employees				
14.		Share of sales of new services and products	%	monitoring	monitoring	monitoring
15.		Rate of independent members in the Board of Directors	%	>50%	>50%	>50%
16.		Share of fixed components in the remuneration of executive and non-executive administrators	%	As per the law	As per the law	As per the law
17.		The share of the variable components in the remuneration of executive and non-executive administrators	%	As per the law	As per the law	As per the law
18.	Indicators related to the Corporate Governance	Total value of the remuneration package	RON	As per The law	As per The law	As per The law
19.		Number of meetings of the Board of Directors	No.	4	4	4
20.		Board Meeting Attendance Rate	%	100%	100%	100%
21.		Establishing risk management policies	YES/NO	YES	YES	YES
22.		Rate of female members in the Board of Directors	%	As per The law	As per The law	As per The law
23.		Number of Full-Time Equivalent	No.	monitoring	monitoring	monitoring

	Job Creation	employees				
24.		New jobs added during the year	No.	monitoring	monitoring	monitoring
25.		Number of employees with disabilities	%	As per The law	As per The law	As per The law
26.	Gender equality	Rate of female senior management	%	30%	30%	30%
27.		The pay gap between female and male employees	%	0%	0%	0%

