

NOMINATION AND REMUNERATION COMMITTEE

2017 ANNUAL REPORT

on the Remuneration and other Benefits granted to the Members of the Board and Directors of S.N.G.N. Romgaz S.A.

I. Preamble

This report is drafted in accordance with the provisions of Article 55, paragraph (2) and (3) of the Government Emergency Ordinance No. 109/2011 on public companies corporate governance, as supplemented and amended (Law no. 111/2016) according to which:

- *“(2) The Nomination and Remuneration Committee of the Board of Directors, [...] elaborates an annual report on the remunerations and other benefits granted to members of the Board and directors during the financial year.”*
- *“(3) The report specified in paragraph (2) is submitted to the General Meeting of Shareholders for approval of the annual financial statements. The report is available to the shareholders in accordance with Article 39, paragraph (1) and includes at least the following information:*
 - a) Remuneration structure, explaining the weight of variable component and fixed component;*
 - b) Performance criteria which substantiate the remuneration variable component, the ratio between the achieved performance and remuneration;*
 - c) Reasons that justify any annual bonus schemes or non-cash benefits;*
 - d) Possible supplementary or early pension schemes;*
 - e) Information regarding the duration of the contract, the negotiated period of notice, the quantum of damages for unjust dismissal.*

II. Legal and internal regulations on remuneration and other benefits granted to members of the Board and directors

The legal and internal regulation taken into account for determining the rules on remuneration of members of the Board and directors of the Company are the following:

- ↳ **Articles of Incorporation of the Company**
 - Article 12, paragraph (4), item d) provides as main power of the General Meeting of Shareholders *„the election and dismissal of the Board of Directors’ members, and establishing their remuneration”;*
- ↳ **Company Law 31/1990, as supplemented and amended**
 - Article 111, paragraph (2), item c) provides that GMS has to *„establish the remuneration of the Board of Directors’ members for the current period [...], if not established by the Articles of Incorporation”;*

- Article 142, paragraph (2), item c) includes among the key powers of the Board of Directors that cannot be delegated to managers *“the appointment and dismissal of managers and establishment of managers remuneration;*
- Article 153¹⁸, paragraph (1), provides that :*“The remuneration of the Board of Directors’ members is established either by Articles of Incorporation or by resolution of the General Meeting of Shareholders”;*
- Article 153¹⁸, paragraph (4) provides that: *“(4) The General Meeting of Shareholders, the Board of Directors, respectively [...]and, if the case may be, the Remuneration Committee, shall ensure, when establishing the remuneration and other benefits, that these are in accordance with the specific duties of the respective persons and with the economic status of the company”.*

↳ **Government Emergency Ordinance No. 109/2011 on public companies corporate governance, as supplemented and amended, approved by Law 111/2016**

- Article 37, paragraph (1) provides that: “The remuneration of Board of Directors’ members [...] is established by the General Meeting of Shareholders in terms of structure and within limits specified in paragraph (2) and (4.)”;
- Article 37, paragraph (2) provides that: “The remuneration of non-executive members of the Board of Directors [...] consists of a monthly fixed remuneration and a variable component. The fixed monthly remuneration shall not exceed twice the average of the monthly gross average salary over the last 12 month for work carried out in accordance with the company’s main business, at the level of class of activity, in accordance with the classification of activities of the national economy, as communicated by the National Institute of Statistics, prior to nomination.

The variable component is established based on financial and non- financial performance indicators negotiated and approved by the General Meeting of Shareholders, which are not similar to the performance indicators approved for executive members, determined in compliance with the methodology provided in Article 3¹, paragraph (5), and which are also aiming for a long term sustainability of the company, and compliance with the principle of good governance.

The variable component for non-executive members cannot exceed a maximum of 12-monthly fixed remuneration.

- Article 37, paragraph (3) provides as follows: “The remuneration of the executive members of the Board of Directors [...] consists of a monthly fixed remuneration that shall not exceed six times the average of the monthly gross average salary over the last 12 month for the work carried out in accordance with the company’s main business, at the level of class of activity, in accordance with the classification of activities of the national economy, as communicated by the National Institute of Statistics, prior to nomination.

The variable component is established based on financial and non-financial performance indicators negotiated and approved by the

General Meeting of Shareholders, which are not similar to the performance indicators approved for non-executive members, determined in compliance with the methodology provided in Article 3¹, paragraph (5).

- Article 37, paragraph (4) –provides that “the variable component only of the remuneration of the Board of Directors’ members [...] is annually revised in accordance with the level of achievement of the objectives provided in the governance plan and the level of fulfilment of the financial and non-financial performance indicators approved by the General Meeting of Shareholders, attached to the Contract of Mandate”.
- Article 37 paragraph (5) provides as follows: “The General Meeting of Shareholders shall ensure, when establishing the fixed monthly remuneration for each member of the Board [...] as established pursuant to paragraph (2) and (4), that these are in accordance with the specific duties, the responsibilities within the advisory committees, the number of meetings, objectives and performance criteria provided in the contract of mandate.
- Article 38, paragraph (1) – provides as follows “the remuneration of the members of the Board is set by the Board of Directors and cannot exceed the level of remuneration set for the executive members of the Board of Directors. It represents the sole remuneration form for the directors serving also as members of the Board. “
- Article 38, paragraph (2)- provides as follows “the remuneration consists of a monthly fixed remuneration set within the limits provided in Article 37, paragraph (3) and a variable component representing a participation share to the company’s net profit, granting of shares, stock -options or an equivalent scheme, a pension scheme or another form of remuneration based on performance indicators”;
- Article 38, paragraph (2)- provides as follows “The approved financial and non-financial performance indicators represent elements for determining the variable component of remuneration for the company’s directors”;
- Article 39, paragraph (1) provides as follows: “Remuneration and other benefits granted in accordance with the law and the contract of mandate to directors and managers in one tier system [...] shall be recorded in the annual financial statements and in the annual report of the nomination and remuneration committee, and Board of Directors [...] and will include the remuneration and other benefits granted by the company and its subsidiaries”;
- Article 39, paragraph (3) provides as follows: “The remuneration policy and criteria for the members of the Board and directors, in a one tier system [...]as well as the level of remuneration and other benefits granted to each member of the Board and director, are made available to the public on the company’s web page, by the chairman of the Board of Directors [...]”.

↳ GMS and Board of Directors’ Resolutions

- GMS Resolutions appointing the members of the Board of Directors holding that position during 2017, and approving the form of the director’ agreement (between 2013 and 2017), out of which the following 2017 Resolutions are mentioned:

- Resolution no. 1 of April 25, 2017 (appointment of the interim member of the Board – Mr. Stan Bogdan- Nicolae, Mr Chirila Alexandru, Mr. Gheorghe Gheorghe- Gabriel and Mr. Metea Virgil- Marius and approval of the directors’ agreement form);
- Resolution no. 5 of September 7, 2017 (appointment/reconfirmation of interim members of the Board – Mr. Gheorghe Gheorghe- Gabriel, Mr. Stan Bogdan- Nicolae, Mr. Ciobanu Romeo- Cristian, MR. Nistoran Dorin –Liviu, Mr. Cermonea Ioan Daniel, Mr. Grigorescu Remus and Mrs. Baciu Sorana- Rodica and approval of the directors’ agreement form);
- Resolution no. 9 of December 20, 2017 (election/reconfirmation of the members of the Board for a four month mandate, starting on January 8, 2018, or until the termination of the procedure for selecting the members of the Board – Mr. Nistoran Dorin- Liviu, Mrs. Baciu Sorana- Rodica, Mr. Ciobanu Romeo- Cristian, Mr. Grigorescu Remus, Mr. Cermonea Daniel- Ioan, Mr. Volintiru Adrian Constantin and Mr. Anghel Daniel- Florin).
- GMS Resolution no. 14 of August 26, 2013 setting the general limits for the remuneration of the Director General;
- Board of Directors Resolutions concerning the company’s directors- the Director General and the Economic Director
 - Resolution no. 29 of December 16, 2013 approving the contract of mandate of the Director General- Mr. Metea Virgil- Marius for a four years period.
 - Resolution no. 14 of June 7, 2017 approving the renewal of the Contract of Mandate for the Director General- Mr. Metea Virgil Marius for a four years period;
 - Resolution no. 30 of November 2, 2017 approving the appointment of Mr. Bobar Andrei for the position of Economic Director;
 - Resolution no. 35 of December 14, 2017 approving the contract of Mandate to be concluded with the Economic Director
 - Resolution no. 36 of December 14, 2017 approving the revocation of the mandate of Mr. Metea Virgil Marius;
 - Resolution no. 37 of December 14, 2017 approving the appointment of Mr. Cindrea Corin- Emil for the position of interim Director General.

III. Composition of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee assists the Board of Directors to fulfil its responsibilities as regards the composition and structure of the Board, the selection and remuneration of the members of the Board and directors.

↳ *The current composition of the Nomination and Remuneration Committee is as follows:*

| Item | Surname and name | Position |
|------|-----------------------------|----------|
| 1 | Grigorescu Remus | chairman |
| 2 | Cermonea Ioan Daniel | member |
| 3 | Nistoran Dorin-Liviu | member |
| 4 | Baciu Sorana-Rodica | member |
| 5 | Volintiru Adrian Constantin | member |

↳ *Composition of the Committee as of December 31, 2017 was as follows:*

| Item | Surname and name | Position |
|------|----------------------|----------|
| 1 | Cermonea Ioan Daniel | chairman |
| 2 | Nistoran Dorin-Liviu | member |
| 3 | Baciu Sorana-Rodica | member |
| 4 | Grigorescu Remus | member |

During 2017, the composition of the Nomination and Remuneration Committee established within the Board of Director of S.N.G.N. Romgaz S.A. underwent changes mainly due to changes within the Board of Directors, namely:

- *May 23, 2017:* By Resolution no. 12, the Board of Directors approved the composition of the Nomination and Remuneration Committee as follows: Mr. Tcaciuc Sebastian Gabriel- chairman, Mr. Jansen Petrs Antonius Maria- member, Mr. Buzatu Florin Danut- member, Mr. Chirila Alexandru- member, Mr. Gheorghe Gheorghe Gabriel- member;
- *September 14, 2017:* By Resolution no. 26, the Board of Directors approved the composition of Nomination and Remuneration Committee as follows: Mr. Nistoran Dorin Liviu- chairman, Mr. Gheorghe Gheorghe Gabriel – member, Mr. Stan Bogdan Nicolae- member, Mr. Cermonea Ioan Daniel- member;
- *November 13, 2017:* By Resolution no 32, The Board of Directors approved the composition of the Nomination and Remuneration Committee: Mr. Nistoran Dorin Liviu, Mrs. Baciu Sorana Rodica, Mr. Grigorescu Remus, Mr. Cermonea Ioan Daniel;
- *November 27, 2017:* By Resolution no. 33, the Board of Directors appointed Mr. Cermonea Ioan Daniel as chairman of the Nomination and Remuneration Committee.

IV. Remuneration structure and its quantum, the share of each component of remuneration related to members of the Board and directors

During 2017:

- For performing their duties, the members of the Board received a monthly fixed remuneration and a variable remuneration or only a monthly fixed remuneration pursuant to the valid directors' agreements for each member of the Board;
- Director General received for his activity a monthly fixed remuneration and a variable remuneration;
- Economic Director received for his activity a monthly fixed remuneration;
- The Interim Director General received for his activity a monthly fixed remuneration;
- The fixed and variable remuneration for each member of the Board of Directors as well as the general limits for the Director General remuneration were approved by the GMS.
- The remuneration for directors was approved by the Board of Directors.
- The variable remuneration was granted based on the of the objectives, performance indicators and criteria set under the directors contract/mandate (if applicable);
- The members of the Board benefited from professional liability insurance in the amount approved by the General Meeting of Shareholders.
- The directors benefited from a Directors & Officer Liability type of professional liability insurance, at the expense of the company, in compliance with the

provisions of the Company Law no. 31/1990 republished, as supplemented and amended.

4.1. The remuneration granted to non-executive members of the Board

The total net remuneration for all non-executive members of the Board of Directors for 2017 was in amount of **RON 677,135**, including:

- **RON 480,956** representing the total value of net fixed remuneration (71%) and
- **RON 196,179** representing the total value of net variable remuneration (29%).

further the approval of the 2016 financial year, some of the non-executive members of the Board of Directors were remunerated with the net amount of **RON 308 561**, representing the variable component related to the previous year (2016).

4.1.1. Monthly fixed remuneration was established in accordance with the above mentioned laws and regulations and pursuant to the director's agreement as approved by the related GMS Resolution and considering the following:

- The Chairman of the Board and members of the Board who were members of at least two (2) advisory committees of the Board received the maximum monthly fixed remuneration;
- The members of the Board who were members of at least one (1) advisory committee received a monthly fixed remuneration representing 90% of the maximum monthly fixed remuneration;
- Members of the Board who were not members of the advisory committee received a monthly fixed remuneration representing 85% of the maximum monthly fixed remuneration;

The net fixed remuneration granted to all non-executive members of the Board of Directors during 2017 and in this year was in amount of **RON 480,956**.

4.1.2. Variable remuneration was established in accordance with the above mentioned laws and regulations, and as provided by the director's agreement as approved by the related GMS Resolution.

The variable remuneration in 2017 was granted taking into account the following:

- Some of the members of the Board who performed activities during 2017 received only a monthly fixed remuneration, whilst others received a variable remuneration as well (see table from paragraph 4.1.3);
- The variable remuneration was established in accordance with the accomplishment of the objectives and fulfilment of the performance indicators target level set under the director's agreement and approved by the GMS in 2013 under the Governing Plan.
- The quantum of the variable remuneration of the non-executive members has not exceed the quantum of 12 monthly fixed remuneration;
- The variable remuneration includes two (2) subcomponents: one subcomponent depending on the achievement of the performance indicators quarterly determined and considering the share of each

indicator and fluctuation in regard to the target level set, and a second one if the achieved net profit exceeds by more than 0.4% the one approved in the company's revenue and expenditure budget, namely from the difference between the actual net profit and the estimated net profit of every financial year, but not more than the fixed annual remuneration.

The net variable remuneration for all non-executive members of the Board of Directors for 2017 was in the amount of **RON 196,179**, including:

- **RON 92,613** representing the net value related to the first subcomponent
- **RON 103,566** representing the net value related to the second subcomponent.

These remunerations were granted taking into account that performance indicators were achieved by 101.60%, as described in the table below:

| | Weighting factor | Indicator | Average values 2014-2016 | Target values ¹ | Achieved values | Rate of fulfilment | Share in the rate of fulfilment |
|--|------------------|-----------|--------------------------|----------------------------|-----------------|--------------------|---------------------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7=6/5x100 | 8=2x7 |
| EBITDA | 0.25 | +4.5% | 2,481,269.7 | 2,592,927 | 2,810,436 | 108.4 | 27.10 |
| CA | 0.20 | +6% | 3,985,964.2 | 4,225,122 | 4,585,189 | 108.5 | 21.70 |
| W | 0.10 | +6% | 645.5 | 684.2 | 758.4 | 110.8 | 11.08 |
| C_{exp}/V_{exp} | 0.10 | -0.6% | 597.6 | 594.0 | 548.7 | 108.3 | 10.83 |
| RES | 0.10 | +1% | 2,461 | 2,485.6 | 1,282 | 51.6 | 5.16 |
| dQ | 0.15 | -1.5% | 5,148.7 | 5,251.1 ² | 5,157.5 | 98.2 | 14.73 |
| P_{res} | 0.10 | 0 | 0 | 0 | 0 | 110.0 | 11.00 |
| Total | 1.00 | - | - | - | - | - | 101.60 |

4.1.3. The net fixed remuneration related to each member of the Board is detailed in the table below:

| Item | Surname and name | Fixed remuneration | Variable remuneration | | | Other benefits under the agreement |
|------|---------------------------------|--------------------|------------------------------|------------------------------|------------------------------------|------------------------------------|
| | | | Related to 2016 paid in 2017 | Related to 2017 paid in 2017 | Related to 2017 to be paid in 2018 | |
| 1 | Dorcioman Dragoş | - | 10 187 | - | - | - |
| 2 | Popescu Ecaterina | - | 39 071 | - | - | - |
| 3 | Negruţ Aurora | 15 969 | 49 026 | 1 546 | 13 240 | - |
| 4 | Jansen Petrus Antonius Maria | 32 255 | 51 278 | 22 095 | 35 979 | - |

¹Representing the values approved by Resolution no.1 of April 25, 2017 of the GMS

² Production of 2012 adjusted with the target decline of 1.5%, 2012 is considered to be „the base year”.

| | | | | | | |
|----|-----------------------------------|--------|--------|--------|--------|---|
| 5 | Chisaliță Dumitru | 18 433 | 54 027 | 15 871 | 15 283 | - |
| 6 | Baciu Sorana Rodica | 41 244 | 6 973 | - | - | - |
| 7 | Tcaciuc Gabriel Sebastian | 36 022 | 49 128 | 22 095 | 35 277 | - |
| 8 | Jude Marius Aristotel | 22 236 | 48 871 | 16 357 | 18 436 | - |
| 9 | Buzatu Florin Dănuț | 39 335 | - | - | - | - |
| 10 | Stoicescu Florin Răzvan | 21 052 | - | - | - | - |
| 11 | Chirilă Alexandru | 19 256 | - | - | - | - |
| 12 | Stan Bogdan Nicolae | 37 770 | - | - | - | - |
| 13 | Gheorghe Gheorghe Gabriel | 32 328 | - | - | - | - |
| 14 | Grigorescu Remus | 36 949 | - | - | - | - |
| 15 | Cermonea Daniel Ioan | 36 949 | - | - | - | - |
| 16 | Ciobanu Romeo Cristian | 36 949 | - | - | - | - |
| 17 | Nistoran Dorin Liviu | 36 949 | - | - | - | - |
| 18 | Volintiru Constantin Adrian | 8 630 | - | - | - | - |
| 19 | Anghel Daniel Florin | 8 630 | - | - | - | - |

It should mention that the net variable remuneration *"Related to 2017 to be paid in 2018"* will be granted to non-executive members of the Board of Directors, following the approval by the GMS of the 2017 financial results.

4.1.4. General performance objectives (paragraph (i)- (v)), completed by the specific criteria (paragraph (vi)-(vii)), and based on which the variable remuneration has been granted to members of the Board, were approved by the GMS for the Governing Plan for the period 2013-2017. These objectives were as follows:

- (1) Annual reveue
- (2) Operating income (cumulated for the entire year)
- (3) Overdue payments;
- (4) Increase of labour productivity
- (5) Total operating expenses for RON 1000 operating income
- (6) Volume of geological resources
- (7) Gas production decline

4.2. The remuneration granted to executive members of the Board

When serving as member of the Board of Directors, the Director General concluded both a director's agreement for the position of member of the Board and a contract of mandate for the position of Director General. The Director General was entitled to receive the remuneration pursuant to the contract of mandate.

4.3. The remuneration granted to the directors of the company

The remuneration for the Company's directors was established by the Board of Directors in the contracts of mandate concluded with each person.

The total net remuneration for the company's directors for 2017 was set in the amount of **RON 847,455**, including:

- **RON 349,870**, representing the total value of net fixed remuneration (41%) and
- **RON 497,585**, representing the total value of net variable remuneration (59%).

At the same time, following the approval of the 2016 financial results, the Director General received the variable component for the previous year (2016), in the net amount of **RON 182.211**.

4.3.1. Remuneration granted to the Director General

The **monthly fixed remuneration** has been granted in accordance with the above mentioned laws and regulations and the Contract of mandate.

The net fixed remuneration was set at the amount of **RON 274,113**.

The rate of fulfilment of performance indicators by the Director General is shown in the table below:

| | MU | Performance criteria | Weighting factor | Target values ³ | Achieved values | Rate of fulfilment | Share in the rate of fulfilment |
|--|--------------|----------------------|------------------|----------------------------|-----------------|--------------------|---------------------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7=6/5x100 | 8=2x7 |
| EBITDA | Thousand RON | increase | 0.25 | 1,925,007 | 2,810,436 | 146.0 | 36.50 |
| CA | Thousand RON | increase | 0.20 | 3,801,946 | 4,585,189 | 120.6 | 24.12 |
| W | Thousand RON | increase | 0.10 | 602.53 | 758.38 | 125.9 | 12.59 |
| C_{expl}/V_{expl} | Thousand RON | increase | 0.10 | 653.21 | 548.68 | 119.1 | 11.91 |
| RES | Thousand RON | increase | 0.10 | 2.500.0 | 1,282.0 | 51.3 | 5.13 |
| d_Q | | hold | 0.15 | 4,751 | 5,158 | 108.6 | 16.29 |
| P_{res} | Thousand RON | hold | 0.10 | 0 | 0 | 110.0 | 11.00 |
| Total | - | - | 1.00 | - | - | - | 117.54 |

³Represents the values approved by Resolution no. 1 on April 25, 2017 of the GMS.

It should mention that the net variable remuneration for Q4 of 2017 will be granted in 2018 after the approval of 2017 financial results by the GMS.

Other benefits entitled to for 2017 under the contract: optional health insurance (gross RON 1,084).

4.3.2. Interim Director General remuneration

The monthly fixed remuneration was granted in accordance with the above mentioned laws and regulations and the Contract of Mandate.

The net fixed remuneration was in amount of **RON 16,527**.

No variable remuneration related to 2017 was granted.

Other benefits entitled to for 2017 under the contract: optional health insurance (gross RON 52).

4.3.3. Economic Director Remuneration

The monthly fixed remuneration was granted in accordance with the above mentioned laws and regulations and the Contract of mandate.

The net fixed remuneration was in amount of **RON 59,230**.

No variable remuneration for 2017 was granted.

Other benefits entitled to for 2017 under the contract: rent (net RON 1,381), utilities (net RON 1,316), optional health insurance (gross RON 178), leave benefits (net RON 6,610).

V. Information regarding the directors' agreement and contracts of mandate

5.1. Director's Agreements

The directors' agreement is used for the non-executive members of the Board of Directors.

The directors' agreements were concluded for a four (4) years' period, except those for members selected following a Board vacancy, which were concluded for the remaining term of the predecessor's mandate only.

The directors' agreements for the interim members of the Board were also concluded for periods shorter than 4 years.

The status of the directors' agreements for the members of the Board, who served on the Board during 2017, is described below:

| Item | Surname and name | Effective date of agreement | Termination date of agreement | Appointment/reconfirmation document | Agreement termination before expiry |
|------|---------------------|-----------------------------|-------------------------------|-------------------------------------|-------------------------------------|
| 1 | Negruț Aurora | 10.05.2013 | 10.05.2017 | OGMS no 5/29.04.2013 | |
| 2 | Metea Virgil Marius | 13.05.2013 | 13.05.2017 | OGMS no.5/29.04.2013 | |
| | | 17.05.2017 | 17.09.2017 | OGMS no.1//25.04.2017 | 08.09.2017 |
| 3 | Chisaliță Dumitru | 18.06.2014 | 14.05.2017 | OGMS no.4/13.06.2014 | |

| | | | | | |
|----|-----------------------------------|--------------------------|--------------------------|--|------------|
| 4 | Jansen Petrus Antonius Maria | 06.01.2014 | 06.01.2018 | OGMS no.20/30.12.2013 | 08.09.2017 |
| 5 | Baciu Sorana Rodica | 11.08.2017 08.09.2017 | 07.09.2017 08.01.2018 | OGMS no.18/27.07.2017 OGMS no. 5/07.09.2017 reconfirmed by OGMS no.9/20.12.2017 | |
| 6 | Tcaciuc Gabriel Sebastian | 25.03.2016 | 30.12.2017 | OGMS no. 3/25.03.2016 | 11.08.2017 |
| 7 | Jude Marius Aristotel | 25.03.2016 | 17.05.2017 | OGMS no.3/25.03.2016 | |
| 8 | Buzatu Florin Dănuț | 16.11.2016 | 13.01.2018 | OGMS no.10/15.11.2016 | 08.09.2017 |
| 9 | Stoicescu Florin Răzvan | 16.11.2016 | 13.05.2017 | OGMS no.10/15.11.2016 | |
| 10 | Chirilă Alexandru | 10.05.2017 | 10.09.2017 | OGMS no.1//25.04.2017 | 08.09.2017 |
| 11 | Stan Bogdan Nicolae | 13.05.2017 08.09.2017 | 13.09.2017 08.01.2018 | OGMS no.1//25.04.2017 OGMS no.5/07.09.2017 | 07.11.2017 |
| 12 | Gheorghe Gheorghe Gabriel | 14.05.2017 08.09.2017 | 14.09.2017 08.01.2018 | OGMS no. 1//25.04.2017 OGMS no.5/07.09.2017 | 20.10.2017 |
| 13 | Grigorescu Remus | 08.09.2017 | 08.01.2018 | OGMS no.5/07.09.2017 Reconfirmed by OGMS no.9/20.12.2017 | |
| 14 | Cermonea Daniel Ioan | 08.09.2017 | 08.01.2018 | OGMS no.5/07.09.2017 Reconfirmed by OGMS no.9/20.12.2017 | |
| 15 | Ciobanu Romeo Cristian | 08.09.2017 | 08.01.2018 | OGMS no. 5/07.09.2017 Reconfirmed by OGMS no.9/20.12.2017 | |
| 16 | Nistoran Dorin Liviu | 08.09.2017 | 08.01.2018 | OGMS no.5/07.09.2017 Reconfirmed by OGMS no.9/20.12.2017 | |
| 17 | Volintiru Constantin Adrian | 27.11.2017 | 20.12.2017 | OGMS no.33/27.11.2017 Reconfirmed by OGMS no.9/20.12.2017 | |
| 18 | Anghel Daniel | 27.11.2017 | 20.12.2017 | OGMS no | |

The Directors' agreement includes clauses on:

- Compensation for causeless revocation;
- A 30 days' notice in case a Board member resigns.

During 2017:

- No Board member was revoked due to non-fulfilment of obligations under the agreement.
- No compensation for causeless revocation were granted

5.2. Contract of Mandate

The Contracts of Mandate for the company's directors are concluded for a 4 years' period. In accordance with the law, the duration of the interim directors' mandate is of 4 months, and may be extended, on reasonable grounds, up to 6 months.

The Mandate of the Director General- Mr Virgil Marius Metea was initially valid for the period between June 12, 2013 and June 13, 2017. By Resolution no.14 of June 7, 2017, the Board of Directors approved the renewal of his Contract of mandate for a four years' period and the modification of the performance indicators value for 2017 at the level of those indicators approved by revenue and expenditures budget by the General Meeting of Shareholders.

By Resolution no. 36 of December 14, 2017, the Board of Directors revoked the mandate of director general of Mr Metea Virgil Marius.

By Resolution no. 37 of December 14, 2017, the Board of Directors appointed Mr Cindrea Corin Emil as interim director for a 4 months' period with the possibility of extension up to 6 months.

The Contract of mandate concluded between the Director General and the Board of Directors do not include performance indicators and criteria.

By Resolution no. 30 of November 2, 2017, the Board of Directors appointed Mr. Bobar Andrei as Economic Director.

The Contract of Mandate of the Economic Director does not include performance indicators and criteria. These will be set by addendum to the governing plan by the appointed Board of Directors.

The Contracts of Mandate include clauses on:

- Compensation for causeless revocation;
- A 30 days' notice in case a director resigns.

CHAIRMAN

of the Nomination and Remuneration Committee

Grigorescu Remus

