

## **I.7. Establishing the remuneration of the members of the Board in accordance with the provisions of Government Emergency Ordinance no. 109/2011 on Corporate Governance of Public Companies**

### **A. Legal basis**

Article 37 paragraph (2) of GEO no. 109/2011: *“The remuneration of the non-executive members of the Management Board or of the Supervisory Board consists of a monthly fixed indemnity and a variable component. The fixed indemnity cannot exceed twice the average of the average monthly gross earnings per month for the latest 12 months class level according to the classification of activities in the national economy, communicated by the National Institute of Statistics prior to the appointment. The variable component is established upon the basis of financial and non-financial performance indicators negotiated and approved by the General Meeting of Shareholders. [...] The amount of the variable component of the non-executive members cannot exceed 12 monthly indemnities”.*

Article 37 paragraph (3) of GEO no. 109/2011: *“The remuneration of the executive members of the Board or of the Supervisory Board consists of a monthly fixed indemnity that cannot exceed 6 times the average for the latest 12 months of the monthly average gross salary for the activity developed according to the main activity registered by the company according to the classification of activities in the national economy, communicated by the National Institute of Statistics prior to the appointment, and from a variable component. The variable component shall be based upon the financial and non-financial performance indicators, negotiated and approved by the General Meeting of Shareholders, different from those approved for non-executive directors, determined in accordance with the methodology provided in Art.31 paragraph (5)”.*

*Paragraph (4) The variable component of the members of the Management Board or of the Supervisory Board shall be reviewed annually, depending upon the level of achievement of the objectives included in the management plan and the degree of fulfillment of the financial and non-financial performance indicators approved by the General Meeting of Shareholders, the annex to the mandate contract”.*

Art.38 par. 1 of GEO no. 109/2011: *“The remuneration of the directors shall be determined by the Board of Directors and may not exceed the level of remuneration established for the executive members of the Board of Directors. It is the only form of remuneration for executives who also fulfill the capacity of administrators”.*

Art.38 paragraph 2 of the Government Emergency Ordinance no. 109/2011: *“The remuneration is made up of a monthly fixed indemnity established within the limits provided by Art. no. 3 paragraph (3) and by a variable component consisting of a share of the net profit of the Company, the granting of shares, stock -options or an equivalent scheme, a pension scheme or other form of remuneration based upon performance indicators”.*

### **B. Payment of remuneration**

The variable allowance will be granted annually, depending upon the percentage of achievement of objectives, the performance criteria and involvement in the working groups set up at the company level of each member of the Board of Directors.

The variable component of the members of the Board of Directors for the year 2018: ROL 1.251.348.

Vice-President of the Board,  
Ec. Ioan NANI

Financial Director,  
Ec. Paula COMAN