

I.9.Determining the remuneration of the members of the Management Board in accordance with the provisions of Government Emergency Ordinance no. 109/2011 concerning the Corporate Governance of public enterprises

A. Legal basis

Art.37 paragraph (2) of GEO no. 109/2011: "The remuneration of the non-executive members of the 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 monthly average of the monthly earnings per month for the latest 12 months at 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 on the basis of the financial and non-financial performance indicators negotiated and approved by the general meeting of shareholders. [...] The variable amount 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 of Directors or of the Supervisory Board consists of a monthly fixed indemnity which cannot exceed six times the average gross monthly earnings for the latest 12 months for the activity carried out according to the main object of 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 on the financial and non-financial performance indicators, negotiated and approved by the general meeting of the shareholders, different from those approved for the non-executive directors, determined in compliance with the methodology provided in art.31 paragraph (5).

Paragraph (4) The variable component of the members of the Board of Directors or of the Supervisory Board shall be reviewed annually, depending on 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 Assembly of Shareholders, the annex to the mandate contract."

Art.38 par. 1 of GEO no. 109/2011: The remuneration of the directors shall be established by the Board of Directors and cannot exceed the level of remuneration established for the executive members of the Board of Directors. It is the only form of remuneration for the executives who also meet the quality of administrators".

Art.38 paragraph 2 of GEO no. 109/2011: "The remuneration is made up of a monthly fixed indemnity established within the limits stipulated in Art. 3 paragraph (3) and 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 a different form of remuneration based on performance indicators".

B. The payment of remuneration

The level of fixed annual indemnity of the non-executive members of the Board of Directors:

3,490 lei / month x 2 x 4 months = 27,920 lei member's indemnity for the period January-April 2017 - applicable to the administrators appointed on 20.03.2014 and on 30.04.2015.

3,877 lei / month x 2 x 4 months = 31,016 lei member's indemnity for the period January-April 2017 - applicable to administrators appointed on 19.04.2016.

(3,490 lei x 2) x 2 members x 8 months = 111,680 lei member's indemnity for the period May-December 2017 applicable to the administrators appointed on 20.03.2014 and on 30.04.2015

(3,877 lei x 2) x 2 members x 8 months = 124,064 lei member's indemnity for the period May-December 2017 applicable to administrators appointed on 19.04.2016.

The level of the fixed annual compensation of Executive Directors:

3,877 lei / month x 6 x 12 months = 279,144 lei member's indemnity for the period January-December 2017 applicable to the executive manager appointed on 19.04.2016.

The total of the fixed component (including the committee remuneration) for the non-executive and executive members of the Board of Directors is 628,208 lei.

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

The variable component of the Board of Directors members: 749,976 lei.

Vice Chairman of the Board,
Ec. Ioan NANI

Economic Director,
Ec. Paula COMAN