Approved by the Board of Directors' Decision no.22/22.03.2021 and presented to inform OGSM of 26(27).04.2021

ANNUAL REPORT OF
NOMINATION AND REMUNERATION COMMITTEE

regarding remunerations and other advantages given to OIL TERMINAL SA non executive managers and mandate contract directors for 2020

The nomination and remuneration Committee within the board of directors issues an annual report regarding remunerations and other advantages given to OIL TERMINAL SA non executive managers and mandate contract directors for 2020.

The present report is submitted to shareholders general assembly to approve annual financial reports, is made available to shareholders and includes at least the information provided by art. 55 paragraph (3), letter e) of GEO no. 109/2011, with further alterations and additions:

a) Remuneration structure, with variable component and fixed component explanation;
b) Performance criteria being the base of remuneration variable component, report between the achieved performance and remuneration;
c) Considerations justifying any annual bonuses and other advantages;
d) Possible additional or anticipated retirement allowances;
e) Information regarding contract period, negotiated notice period, damages-interests quantum for recalling without fair reason.

1.Legal framework regarding remuneration given for 2020

1.1 Legal framework applicable for non executive managers

- Art. 37 alin. (1) of EGO no.109/2011, regarding the corporate governance of public companies, with further alterations and additions, providing: '***'Board of Directors' members remuneration****, or survey council members,* ***is settled by shareholders general assembly in the limits provided in paragraph (2) and (4)''.***
- Art. 37 paragraph. (2) of EGO no.109/2011, regarding the corporate governance of public companies, with further alterations and additions providing: ***''remuneration of Board of Directors or of survey council is made of a monthly fixed remuneration and a variable component. Fixed indemnity can't exceed twice the average of the last 12 months of monthly gross average salary for the activity run according to the main object of activity in the company, at the class level according to activities classification in national economy, comunicated by Statistics National Institute, previous the appointment***. *Variable component is settled according to financial and nonfinancial performance indicators negotiated and approved by shareholders general assembly, different from those approved for executive managers, settled complying with the methodology provided in art. 3/1 paragraph (5) following the company' sustainability on long term and compliance with good governance principles. Non executive members variable component quantum can't exceed maximum 12 monthly fixed indemnities''.*
- Art. 37 paragraph (3) of EGO no.109/2011 regarding the corporate governance of public

companies, with further alterations and additions providing: ***''Board of Directors' non executive members and survey council members is made of a fixed remuneration and a variable component. Fixed indemnity can't exceed twice the average of the last 12 months of monthly gross average salary for the activity run according to the main object of activity in the company, at the class level according to activities classification in national economy, comunicated by Statistics National Institute, previous the appointment an a variable component.*** *Variable component will be settled according to financial and nonfinancial performance indicators negotiated and approved by shareholders general assembly, different from those approved for executive managers, settled complying with the methodology provided in art. 3/1 paragraph (5) following the company' sustainability on long term and compliance with good governance principles.*

- Art. 37 paragraph. (5) of EGO no.109/2011 regarding the corporate governance of public companies , with further alterations and additions providing: ***''Shareholders General Assembly will ensure, when settling the monthly fixed indemnity of each board of directors or survey cuncil' one, settled according to paragraph (2) and (4) , that this is justified according to specific duties, liabilities in the advisory committees, with the number of meetins, performance objectives and criteria settled in mandate contract.''***
- Art. 39 paragraph (1) of EGO no.109/2011 regarding the corporate governance of public companies , with further alterations and additions providing: ***''Remuneration and benefits given according to law or mandate contracts to managers and directors in the unitary system, namely the survey council and directorate memmbers for dualist system, will be mentioned in the annual financial report and in the nomination and remuneration committee annual report, in the board of directors and survey council members annual report and will include remuneration and other benefits given by the company and by its branches.''***
- Art. 39 paragraph (3) of EGO no.109/2011 regarding the corporate governance of public companies , with further alterations and additions providing: ***''Policy and criteria of managers and directors' remuneration, in unitary system, namely survey council and directorate' members, in dualist system, and the remuneration level and other advantages given to each manager and director are made public on the public company' internet page, board of directors and survey council chairmen being in charge with this''.***
- OGSM' Decision no.24/08.11.2017 by which **the start of the company' managers selection procedure is approved and Board of Directors' authorization to start and run managers' selection procedure to put in practice provisions of EGO no.109/2011 with further alterations and additions.**
- OGSM' Decision no.5/04.04.2018, by which **7 members of Board of Directors were appointed by cumulative voting method.**
- OGSM' Decision no.5/04.04.2018, by which it is approved **the maximum level of monthly gross fixed indemnity for non executive managers, namely 2 (twice) the fixed indemnity** calculated according to art. 37 paragraph (2) of EGO 109/2011, quantum provided in art. 3.2 of approved mandate contract.
- OGSM' Decision no. 14/05.08.2019 by which **the maintainance of non executive managers remuneration' variable component, as approved by OGSM' decision no. 32/10.12.2018 and maintained by OGSM' decision no. 14/05.08.2019, namely 12 monthly gross fixed indemnities, as a result of managers activity' annual evaluation, according to provisions of EGO 109/2011, art. 30, par. (7), with 100% of present/represented shareholders voting rights is approved.**

- OGSM' Decision no. 9/23.04.2020 by which **the maintainance at same level of non executive managers variable component in the amount approved by OGSM' decision no. 32/10.12.2018, namely 12 monthly gross fixed indemnities, as a result of managers activity' annual evaluation, according to ptovisions of EGO 109/2011, art. 30, par. (7) is approved.**
- Board of Directors' Decision no.44/13.04.2018, by which **advisory committees** to run in the Board of Directors are settled: Audit Committee, Nomination and Remuneration Committee and Development and stategies committee.
- OGSM' Decision no. 30/29.12.2018 by which it **approves non executive managers financial and non financial performance key indicators, and their percentage.**
- OGSM' Decision no. 32/10.12.2018 by which it **approves the settling of the company' non executive managers remuneration quantum as 12 monthly gross fixed indemnity.**
- OGSM' Decision no.33/10.12.2018, by which it **approves the form and content of additional acts advised by Board of Directors by Decision no. 121/29.10.2019 regarding form and content of additional acts to be concluded with non executive managers mandate contracts.**

1.2 Legal framework applicable for mandate contract directors

- Art. 34 of EGO no.109/2011 regarding corporate governance of public companies wuth further alterations and additions, the provides **the Nomination and Remuneration Committee competence to state proposals regarding directors' remuneration.**
- Art. 37 paragraph (3) of EGO no.109/2011 regarding corporate governance of public companies with further alterations and additions providing: ***''executive members monthly fixed indemnity can't exceed 6 times the average of the last 12 months monthly average salary for the activity run according to the company main object of activity, at class level according to activities classification in national economy***, ***communicated by Statistics National Institute previous the appointment''.***
- Art. 38 of EGO no.109/2011 regarding corporate governance of public companies with further alterations and additions provides :
  - **paragraph (1) directors' remuneration is settled by board of directors and can't exceed the remuneration level settled for board of directors' executive members.** It is the unique form of remuneration for directors having the managers position as well.
  - **paragraph (2) Remuneration is made of a monthly fixed indemnity settled in limits provided in art. 37 paragraph (3) and a variable component** being a participation share to the company' net profit, shares, stock-options or an equivalent plan, a retirement plan or another for of remuneration according to performance indicators.
  - **Paragraph (3) Approved financial and non financial performance indicators constitute elements according to which remuneration variable component for the company' directors is settled.**
- Art. 142 par. (2) letter c) of Law no. 31/1990 regarding companies, republished, with further alterations and additions, providing: **''The Board of Directors has the following main competences, which can not be assigned to managers: c) appointing and dismissing directors and establishing their remuneration;''**
- Art. 143 par. (1) and (2) of Law no. 31/1990 regarding companies, republished, with further alterations and additions, providing: **the power of Board of directors to assign company' management to one or more managers, appointing one of them general**

director.

- Board of Directors' Decision no. 48/25.04.2018, by which it **approves to start general director and financial director recruitment and selection procedure** to put in practice provisions of art. 35 paragraph (4) of EGO no.109/2011.
- Board of Directors' Decision no. 70/02.07.2018, by which :
  - the General Director was appointed
  - the general director mandate for 4 year period, since 02.07.2018 until 01.02.2022 was settled
  - the monthly gross fixed indemnity in limits provided in art. 37 paragraph (3) of EGO no.109/2011, namely in an amount of 23,862 lei was settled
  - the form and content of mandate contract (mandate contract no.214/02.07.2018) were approved
- Board of Directors' Decision no. 71/02.07.2018, by which :
  - the Financial Director was appointed
  - the financial director mandate for 4 year period, since 02.07.2018 until 01.02.2022 was settled
  - the monthly gross fixed indemnity in limits provided in art. 37 paragraph (3) of EGO no.109/2011, namely in an amount of 22,514 lei was settled
  - the form and content of mandate contract (mandate contract no.215/02.07.2018) were approved
- Decision no.91/05.09.2018, by which **company' non executive managers approved to submit to shareholders general assembly the proposal of monthly gross fixed indemnity general limits for mandate contract directors.**
- OGSM' Decision no.21/10.10.2018, by which it **approved the settling of general limits for mandate contract directors monthly fixed indemnity between 5-6 times average of the last 12 months monthly gross average salary for the activity run according to the main object of activity recorded by the company, at class level, according to activities classification in national economy, communicated by Statistics National Institute previous the appointment.**
- OGSM' Decision no. 15/05.08.2019, by which it approved the settling of **general limits for mandate contract directors remuneration variable component between 6 and 12 monthly gross fixed indemnities.**
- Decision no. 115/29.10.2018, by which **Board of Directors approved financial and non financial pertormance key indicators and their percentage for general director and financial director, annex of mandate contract.**
- Decision no. 126/10.12.2018, by which **Board of Directors approved general director remuneration variable component quantum, as follows :**
  - For 2018 as 6 monthly gross fixed indemnities /year;
  - For 2019 as 12 monthly gross fixed indemnities /year;
  - ***For 2020 as 12 monthly gross fixed indemnities /year;***
  - For 2021 as 12 monthly gross fixed indemnities /year;
- Decision no. 127/10.12.2018, by which **Board of Directors settled the financial director remuneration variable component quantum, as follows :**
  - For 2018 as 6 monthly gross fixed indemnities /year;
  - For 2019 as 12 monthly gross fixed indemnities /year;
  - ***For 2020 as 12 monthly gross fixed indemnities /year;***
  - For 2021 as 12 monthly gross fixed indemnities /year.

2. Structure of non executive managers and mandate directors' remuneration

According to the above mentioned normative acts and to approved mandate contracts, the following remuneration amounts were settled:

2. 1 Nonexecutive managers remuneration for 2020

During 2020, within Oil Terminal SA company appointed the Boards of Directors approved by OGSM Decision no. 5/04.04.2018 by cumulative vote method by which 7 members were appointed.
In 2020, the Board of Directors membership was:

No.	Last and first name	Profession	Position/Period
1.	CRISTIAN-FLORIN GHEORGHE	Engineer	Manager, Board of Directors' Chairman
2.	COSTREIE TOMA -BOGDAN	Jurist	Manager
3.	OVIDIU AURELIAN ANDREI	Engineer/Jurist	Manager
4.	CONONOV PAUL	Engineer	Manager
5.	UNGUR RAMONA	Economist	Manager
6.	LAZARIU DRAGOS CIPRIAN	Economist	Manager
7.	POP RADU CRISTIAN	Economist	Manager

Also, during 2020, the following provisions of the Board of Directors were met:

- Decision no. 44/13.04.2018, by which advisory committees within the Board of Directors, namely the audit Committee, the nomination and remuneration Committee and the development and strategy Committee were settled.
- Decision no. 44/13.04.2018, by which the structure of Nomination and Remuneration Committee, acting within Board of Directors, being made of 5 appointed members among Board of Directors' non executive members, as follows, was settled.
  - Costreie Toma-Bogdan - chairman
  - Pop Radu Cristian - member
  - Andrei Ovidiu Aurelian - member
  - Ungur Ramona - member
  - Cononov Paul - member

The remuneration due to non executive managers includes a monthly gross fixed indemnity and a variable component settled according to legal applicable provisions.

a) Monthly gross fixed indemnity

The monthly gross fixed indemnity related to non executive managers is given monthly with no correlation with the results obtained for key performance indicators *(hereinafter referred to as ICP)* in mandate contract.
The indemnity payment is in fixed amount and it is given once a month, regardless of the number of meetings number in this period.

The level of monthly gross fixed indemnity was settled according to provisions of art. 37 par. (2) of EGO no. 109/2011. By OGSM' Decision 5/04.04.2018 it was settled the managers monthly gross fixed indemnity as twice the average of the last 12 months monthly average salary for the activity run according to the company main object of activity, at class level according to activities classification in national economy, communicated by Statistics National Institute previous the appointment, calculated according to provisions of EGO 79/2017 for alteration and addition of Law no. 227/2015 regarding fiscal code.

The average of the last 12 months monthly average salary communicated by SNI, at class level, previous the appointment: gross amount of 3,977 lei, therefore the monthly gross fixed indemnity for non executive managers is of 7,954 lei/ pers.

The total gross fixed indemnity paid during 01.01.2020-31.12.2020 to Board of Directors members was in amount of 668,136 lei, complying with the Budget of revenues and expenses level approved for 2020 by OGSM' Decision no. 01/05.03.2020:

- Total approved gross fixed indemnity = 668,136 lei
- Total gross fixed indemnity achieved on 31.12.2020 = 668,136 lei

b) Variable component

Non executive managers apppointed benefit of a variable component settled in limits of art.37 paragraph.(2), that can't exceed maximum 12 monthly fixed indemnities.

According to art.37 paragraph (2) of EGO no.109/2011, variable component is settled according to financial and non financial performance key indicators negotiated and approved by AGA.

Managers variable component will be given in correlation with the achievement annual total degree of financial and non financial ICP approved in mandate contract.

Managers variable component, work insurance contribution in a share of 2.25% included was constituted in Budget of revenues and expenses 2020 as a provision regarding mandate contract in a total amount of 683 thpusand lei, from which 15 thousand lei represent the 2.25% share and is going to be given in 2021, after OGSM to approve Audited financial reports for 2020, in correlation with the achievement annual total degree of financial and non financial ICP approved in mandate contract.

According to Financial communication schedule for 2021, OGSM to approve Financial reports for 2020 is planned for 26.(27).04.2021, and the variable component payment can be effected within 15 days since the date of approval by shareholders general assembly of the audited annual financial report issued according to IFRS and of NRC annual report presentation regarding the achievement degree of financial and non financial key performance indicators.

Variable component for 2020 was approved in a total amount of 668,136 lei, as follows:

7,954 lei/pers. x 7 pers. x 12 monthly fixed indemnities = 668,136 lei.

During 2020, company' non executive managers benefited from the variable component related to 2019 in gross amount of 668,136 lei, which was given after the OGSM approval by Decision no. 8 (art. 1) of 23.04.2020 for the audited annual financial reports related to 2019, as a result of the achievement degree of key performance indicators, namely a total achievement degree of 100%.

2.2 Mandate contract directors remuneration for 2020

Directors' remuneration is settled by the Board of Directors and can't exceed the remuneration level settled for the Board of Directors' executive members.

Remuneration is made of a monthly gross fixed indemnity settled in the limits provided in art. 37 paragraph (3) and a variable component.

Monthly gross fixed indemnity

Monthly gross fixed indemnity granted to General Director during 2020 is in a total amount of 286,344 lei (23,862 lei/month x 12 months).

Monthly gross fixed indemnity granted to Financial Director during 2020 is in a total amount of 270,168 lei (22,514 lei/month x 12 months).

The total monthly gross fixed indemnity for 2 mandate directors during 01.01.2020-31.12.2020 = 556,512 lei (286,344 lei + 270,168 lei).

According to the Budget of revenues and expenses 2020 approved by OGSM Decision no. 01/05.03.2020:

- Total approved gross fixed indemnity = 556,512 lei
- Total gross fixed indemnity achieved on 31.12.2020 = 556,512 lei

Mandate directors' variable component:

According to provisions of art. 36 paragraph (3) of EGO no. 109/2011, Variable component for each mandate director is approved by the Board of Directors.

By Decision no.126 and no. 127 of 10.02.2018, Board of Directors approved the variable component quantum for 2020 at a level of 12 monthly gross fixed indemnities for each mandate director, at the variable component level on average term (years 2019-2020).

Variable component related to mandate directors is given in correlation with the annual total degree of financial and nonfinancial ICP accomplishment, approved on the mandate contract.

By Decision no. 115/29.10.2018, the Board of Directors approved financial and non financial key performance indicators and their percentage for the general director and financial director, annexed to mandate contract.

Variable component related to mandate directors is given in correlation with the annual total degree of financial and nonfinancial ICP accomplishment, approved on the mandate contract.

Variable component to be given to mandate directors, including work insurance contribution of 2.25% was constituted in the Budget of revenues and expenses 2020 as a provision related to the mandate contract in amount of 569 thousand lei, from which 12 thousand lei represent 2.25% and is going to be given in 2021 after OGSM approval of 2020 audited financial reports, in correlation with the total annual achievement degree of financial and non financial ICP approved in mandate contract.

According to Financial communication schedule for 2021, OGSM to approve Financial reports for 2020 is planned for 26.(27).04.2021, and the variable component payment can be effected within 30 days since the date of approval by shareholders general assembly of the audited annual financial report issued according to IFRS.

General Director' variable component

For 2020, variable component approved is 12 monthly gross fixed indemnities, in a total amount of 286,344 lei (23,862 lei/month x 12 monthly gross fixed indemnities).

Variable component for 2020 in a total amount of 292,787 lei (work insurance contribution in an amount of 6,433 lei included) is reflected in the Budget of Revenues and Expenses 2020 as a provision and is given in 2020 after OGSM approval of annual financial reports 2020, in correlation with annual total achievement degree of financial and nonfinancial ICP approved in mandate contract.

Financial Director' variable component

For 2020, variable component approved is 12 monthly gross fixed indemnities, in a total amount of 286,344 lei (23,862 lei/month x 12 monthly gross fixed indemnities).

Variable component for 2020 in a total amount of 276,247 lei (work insurance contribution in an amount of 6,079 lei included) is reflected in the Budget of Revenues and Expenses 2020 as a provision and is given in 2020 after OGSM approval of annual financial reports 2020, in correlation with annual total achievement degree of financial and nonfinancial ICP approved in mandate contract.

During 2020, company' mandate managers benefited from the variable component related to 2019 in gross amount of 556,512 lei, which was given after the OGSM approval by Decision no. 8 (art. 1) of 23.04.2020 for the audited annual financial reports related to 2019, as a result of the achievement degree of key performance indicators, namely a total achievement degree of 100%.

3. Performance criteria being the base of remuneration' variable component; report between the achieved performance and remuneration

3.1 Calculation method of remuneration variable component

Annual due variable component = the value of variable component settled by the additional act of mandate contract x Total achievement degree of key performance indicators (ICP).

Calculation formula

$$GT_{ICP} = \sum_{i=1}^{n} GI_{i\,ICP} \times W_{i\,ICP}$$

where:

GT_{ICP} – Achievement annual total degree ICP
W_{ICP} – Coefficient of percentage for each ICP
GI_{ICP} – Achievement degree individual ICP
I_i – Individual indicator (Achievement degree %)

Achievement degree of each ICP (GI_{ICP}) is the achievement degree of each ICP, having in view the calculation method provided for each ICP, further percentaged with the percentage coefficient ($W_{i\,ICP}$) for each ICP.
In the calculation of ICP Total achievement degree (GT_{ICP}), the achievement degree of each ICP will be considered as follows :

- GI ICP > 100% meaning GI ICP =100%
- GI ICP < 0%, meaning GI ICP = 0%

Total achievement degree of key performance indicators (GT_{ICP}) is the sum of achievement degree of each ICP (GT_{ICP}) weighted and the weighting (W_{IXP}) related to each ICP.
Remuneration variable component due to non executive managers and mandate directors will be directly proportional with GT_{ICP} for that financial year.
Also, if:

- GT_{ICP} ≥80%, remuneration variable component is paid according to the calculation method presented
- GT_{ICP} < 80%, remuneration variable component is not paid

3.2 Stage of Key Performance Indicators achievement for 2020

2020 financial and non financial ICP related to non executive managers

By OGSM' Decision no.30/29.10.2018, it approved the financial and non financial performance key indicators (here called ICP) and their percentage related to non executive managers:

A.Financial performance key indicators	**25%**
B.Non financial performance key indicators	**75%,** from which :
Operational indicators	25%
Corporate governance indicators	50%.

Achievement detailed degree of ICP related to 2020 is presented in Annex no. 1.

Structure of financial and non financial ICP, performance objectives related to each ICP, their percentage, achievement degree are presented in the following table:

No.	Key performance indicators related to nonexecutive managers	2020		Achievement degree % (GI ICP)	ICP percentage for determination of variable component (W_{ICP})
		Aprobat	Realizat		
A.	**FINANCIAL ICP – 25%**				
1.	Outstanding payments - lei	0	0	100%	2%
2.	Operating expenses (less depreciation and adjustments and impairments for loss of value and provisions) - thousand lei	153,921	164,079	100%	4%
3.	Current liquidity	≥ 0.85	1.26	100%	8%
4.	Patrimonial solvency (%)	≥ 30%	78.3%	100%	3%
5.	EBITDA- thousand lei	20,469	29,457	100%	8%
B.	**NON FINANCIAL ICP – 75%, from which:**				
B1.	**OPERATIONAL ICP – 25%**				
6.	The share of critical technical accidents - number of cases	1	0	100%	5%
7.	Achievement index of measures ordered by external controls (%)	Minimum 80%	87.01%	100%	5%
8.	Achievement of annual value plan of investments– thousand lei	20,887	21,697	100%	15%
B2.	**CORPORATE GOVERNANCE ICP – 50%**				
9.	Implementation and development of the internal managerial control system	80%	97.47%	100%	15%
10.	Establishment of risk management policies and risk monitoring	80%	91.07%	100%	10%
11.	Reporting of key performance indicators to term	100%	100%	100%	10%
12.	Increasing institutional integrity by including measures to prevent corruption as an element of management plans	80%	100%	100%	15%

For 2020, ICP total achievement degree for non executive managers is 100%, and the weighting approved for each ICP was met and fulfilled.

Considering that financial and non financial key perfromance indicators were achieved 100% for the period 01.01.2020-31.12.2020, the variable component for each Board of Directors member will have maximum approved value.

<u>2020 Financial and non financial ICP related to mandate contracts directors</u>

For mandate directors (general director and financial director) financial and non financial ICP structure, performance objectives related to each ICP, their percentage, the achievement degree are presented below.

A.Financial performance key indicators	**50%**
B.Indicatori cheie de performanță nefinanciari	**50%,** from which :
Operational indicators	25%
Corporate governance indicators	25%.

No.	Key performance indicators related to the General Director and Financial Director	2020		Achievement degree % (GI ICP)	ICP percentage for determination of variable component (W_{ICP})
		Approved	Achieved		
A.	**FINANCIAL ICP – 50%**				
1.	Outstanding payments - lei	0	0	100%	4%
2.	Operating expenses (less depreciation and adjustments and impairments for loss of value and provisions) - thousand lei	153,921	164,079	100%	8%
3.	Immediate liquidity (acid test)	≥ 0.8	1.23	100%	6%
4.	Patrimonial solvency (%)	≥ 30%	78.3%	100%	16%
5.	EBITDA- thousand lei	20,469	29,457	100%	16%
B.	**NON FINANCIAL ICP – 50%,** *from which:*				
B1.	**OPERATIONAL ICP – 25%**				
6.	The share of critical technical accidents - number of cases	1	0	100%	5%
7.	Technological consumption for crude oil (%)	95%	88.39%	100%	5%
8.	Achievement index of measures ordered by external controls (%)	Minimum 80%	94.34%	100%	5%
9.	Achievement of annual value plan of investments– thousand lei	20,887	21,697	100%	10%
B2.	**CORPORATE GOVERNANCE ICP– 25%**				
10.	Implementation and development of the internal managerial control system	80%	97.47%	100%	5%
11.	Clients satisfaction	≥60%	90.81%	100%	5%
12.	Establishment of risk management policies and risk monitoring	80%	91.07%	100%	5%
13.	Reporting of key performance indicators to term	100%	100%	100%	5%
14.	Increasing institutional integrity by including measures to prevent corruption as an element of management plans	80%	100%	100%	5%

For 2020, ICP total achievement degree for mandate directors is 100%, and the weighting approved for each ICP was met and fulfilled.

Considering that financial and non financial key perfromance indicators were achieved 100% for the period 01.01.2020-31.12.2020, the variable component for the General Director and Financial Director will have maximum approved value.

4. Considerations justifying any annual bonuses or other advantages

Board of Directors' non executive members do not benefit of bonuses or other advantages.
Mandate directors do not benefit of bonuses or other advantages.

5. Possible additional or anticipated retirement allowances

During 2020 - it was not necessary

6. Information regarding contract period, negotiated notice period, damages – interests quantum for recalling without right cause

Contract period

On 04.04.2018, by cumulative voting method, Board of Directors' members were appointed, according to OGSM' decision no. 5, for a 4-year mandate, according to provisions of EGO 109/2011, with further alterations and additions.

By Board of Directors' decision no. 70/02.07.2018, recommended by Nomination and Remuneration Committee, Mr. Viorel Sorin CIUTUREANU was appointed as general director with a 4-year mandate, since 02.07.2018 until 01.07.2022.

By Board of Directors' decision no. 71/02.07.2018, recommended by Nomination and Remuneration Committee, Mrs. Adriana FRANGU was appointed as financial director with a 4-year mandate, since 02.07.2018 until 01.07.2022, selection procedure for company' General Director and Financial Director being completed, according to to provisions of EGO 109/2011, with further alterations and additions.

Notice terms and damages interests quantum for revocation without cause

According to mandate contracts provisions, notice terms and damage interests quantum are :

For non executive managers:

In case of untimely or unjustified revocation of the manager, he has the right to receive from the Company a compensation for the unexecuted period of the mandate contract, regardless of the date on which the revocation occurs, but not more than 12 fixed monthly indemnities determined as follows:

a) in case the revocation occurs at any time before the beginning of the last year of the mandate, the manager shall receive a compensation representing 12 fixed monthly indemnities;
b) in case the revocation occurs in the last year of the contract, a compensation corresponding to the number of months remaining until the end of the mandate, but not higher than 6 fixed monthly indemnities, shall be paid.

Payment of this compensation shall be made within 30 working days from the date of termination of the mandate contract.

This form of compensation is manager's only compensation in the situation in which the revocation intervenes unjustifiably.

In case of revocation of the manager for justified reasons, the company does not owe him any compensation for the period not performed of the mandate;

If situations arise that may significantly change the results and sustainability in the medium or long term or if the payment of the variable component of remuneration jeopardizes the capitalization of the public enterprise, it is entitled not to pay the part calculated for previous years;

If the whole/ a part of the variable component is granted on the basis of data that subsequently prove to be incorrect, the company is obliged to request the refund of that part of the variable component.

During 2020 for non executive managers, these terms were not applied.

For mandate contract directors:

In case of unjustified revocation of the general director or financial director, he has the right to receive from the company a compensation equal to net fixed remuneration value from previous last month before the revocation, multiplied by the number of months remaining from mandate contract term, but not more than 12 months. This net compensation will be paid within 30 days since contract' termination.

In case of untimely or unjustified revocation, the company has the right to dismiss the general director or financial director according to a decision of the Board of Directors, by a 60 working days written notice.
During 2020 for mandate directors, these term were not applied.

Other information regarding mandate contract:
For non executive managers and general director:
According to the provisions of the approved mandate contracts, non-executive managers and directors with mandate contracts benefit from the settlement of expenses related to the execution of the mandate regarding representation in the interest of the company, as well as, but not limited to: transport, daily allowance, accommodation in the country, as well as abroad, work telephone, laptop, office computer, as well as any other equipment necessary for the performance of the attributions in connection with the approved mandate contract, by the protocol fund within the approved Budget of revenues and expenses, of professional training courses both in the country and abroad based on supporting documents and according to the provisions of the law.
The non-executive managers and the general director are the holders of a Directors & Officers Liability type insurance policy with a compensation limit of 1 million euros related to civil liability insurance policy. The compensation limit related to 2020 ciliv liability insurance policy was approved by OGSM' Decision no. 12/5.08.2019 following which the insurance policy was issued, valid for the period 26.10.2019-25.10.2020, namely by OGSM' Decision no. 18.12.10.2020, following which the insurance policy was issued, valid for the period 26.10.2020-25.10.2021. According to the provisions of the mandate contracts, the insurance premium is borne by the company.

We hereby attach the following:
-Annex no. 1 detailed, regarding achievement and reporting method of ICP related to non executive managers
-Annex no.2 detailed, regarding achievement and reporting method of ICP related to mandate directors

According to provisions of art. 55 paragraph (3) of EGO 109/2011 regarding corporate governance of public companies, with further alterations and additions, Nomination and Remuneration Committee of the Board of Directors submits the present report to Shareholders General Assembly no. 4 of 26(27).04.2020 to approve 2020 audited financial reports.

Nomination and Remuneration Committee:

Toma Bogdan COSTREIE – Chairman

Radu Cristian POP - member

Ovidiu Aurelian ANDREI – member

Ramona UNGUR - member

Paul CONONOV – member

Nomination and Remuneration Committee' Report for 2020						
Key performance indicators related to nonexecutive managers -Annex no.1-						
No.	**Key performance indicators related to nonexecutive managers**	**2020**		**Achievement degree %** (GI $_{ICP}$)	**ICP percentage for determination of variable component** (W_{ICP})	**Observations**
		Approved	**Achieved**			
A.	**FINANCIAL ICP – 25%**					
1.	Outstanding payments - lei	0	0	100%	2%	- Budget of revenues and expenses achieved on 31.12.2020 - The half-yearly report of the Board of Directors for sem. II of 2020 issued according to art. 55 paragraph (1) of GEO no. 109/2011
2.	Operating expenses (less depreciation and adjustments and impairments for loss of value and provisions) - thousand lei	153,921	164,079	100%	4%	If the value of the indicator is higher than the value approved by the Budget of revenues and expenses, the indicator is considered to be 100% fulfilled provided that at the end of the current financial year the company records a net profit. The net profit registered on 31.12.2020 is in the amount of 3,705 thousand lei.
3.	Current liquidity	≥ 0.85	1.26	100%	8%	NRC Report sem.II 2020 issued according to art. 55 paragraph (1) of GEO no. 109/2011
4.	Patrimonial solvency (%)	≥ 30%	78.3%	100%	3%	NRC Report sem.II 2020 issued according to art. 55 paragraph (1) of GEO no. 109/2011
5.	EBITDA- thousand lei lei	20,469	29,457	100%	8%	The achieved value is in the amount of 29,457 thousand lei, being higher than the corresponding value for the condition ≥ 95%, respectively, 19,446 thousand lei.
B.	**NON FINANCIAL ICP – 75%**					
B1.	**OPERATIONAL ICP – 25%**					
6.	The share of critical technical accidents - number of cases	1	0	100%	5%	Report no. 12/05.01.2021 regarding risk management process at the level of the Facilities Control and

						Environmental Protection Service for 2020 (CI-PM).
7.	Achievement index of measures ordered by external controls (%)	Minimum 80%	87.01%	100%	5%	- Development Strategy Office' Address no. 316 of 03.03.2021 - Table.3 "Achievement index of measures ordered by external controls on 31.12.2020", registered under no. 315/03.03.2021
8.	Achievement of annual value plan of investments– thousand lei	20,887	21,697	100%	15%	The achieved value is in the amount of 21,697 thousand lei, being higher than the corresponding value for the condition ≥ 100%, respectively, 20,887 thousand lei.
B2.	**CORPORATE GOVERNANCE ICP – 50%**					
9.	Implementation and development of the internal managerial control system	80%	97.47%	100%	15%	- Stage of achievement for the internal managerial control system development program of Oil Terminal, for 2020 (no. 17/25.01.2021). - Report no. 11/25.01.2021 on the internal managerial control system on 31.12.2020. - Report no. 254/29.01.2021 on the risk management process at the level of Strategic Development Office
10.	Establishment of risk management policies and risk monitoring	80%	91.07%	100%	10%	- Report no. 254/29.01.2021 of the Strategic Development Office for 2020. - The register of risks at company level, revised on 31.12.2020 registered under no.01/20.01.2021. - The centralized situation regarding the stage of implementation and development of the internal managerial control system on 31.12.2020 (no.8/25.01.2021).
11.	Reporting of key performance indicators to term	100%	100%	100%	10%	The reporting is considered achieved by corroborating the provisions of art. 57 paragraph (4) of GEO no. 109/2011 with the provisions of the legislation regarding capital market.

						Thereby, according to the Financial Calendar approved for the year 2021 on the 26(27).04.2021, the Report for 2020 issued according to the audited annual financial statements is presented.
12.	Increasing institutional integrity by including measures to prevent corruption as an element of management plans	80%	100%	100%	15%	- According to the "Report on the state of measures implementation in the Integrity Plan for the implementation of the National Anticorruption Strategy (2016–2020) at the level of Oil Terminal SA for 2020" (no. 247/25.01.2021), no incident of integrity was identified or registered during (01.01.2020–31.12.2020), so the measures undertaken by the Plan were met. - Integrity Plan (no. 22/29.01.2020) for the implementation of the National Anticorruption Strategy (2016 - 2020) at the level of Oil Terminal SA for 2020. - Self-assessment (no. 244/25.01.2021) of the Integrity Plan for the implementation of the National Anticorruption Strategy (2016 - 2020) at the level of Oil Terminal SA for 2020. - Annual report (no. 190/07.01.2021) for the evaluation of integrity incidents, year 2020 (Annex no. 6 to GD no. 599/2018). - Address no.275/1548/08.02.2021 to MEEMA.

Nomination and Remuneration Committee' Report for 2020
Annex no.2

Key performance indicators related to the General Director and Financial Director for 2020						
No.	**Key performance indicators related to the General Director and Financial Director**	**2020**		**Achievement degree %** (GI_{ICP})	**ICP percentage for determination of variable component** (W_{ICP})	**Observations**
		Approved	**Achieved**			
A.	**FINANCIAL ICP – 50%**					
1.	Outstanding payments - lei	0	0	100%	4%	- Budget of revenues and expenses achieved on 31.12.2020 - The half-yearly report of the Board of Directors for sem. II of 2020 issued according to art. 55 paragraph (1) of GEO no. 109/2011
2.	Operating expenses (less depreciation and adjustments and impairments for loss of value and provisions) - thousand lei	153,921	164,079	100%	8%	If the value of the indicator is higher than the value approved by the Budget of revenues and expenses, the indicator is considered to be 100% fulfilled provided that at the end of the current financial year the company records a net profit. The net profit registered on 31.12.2020 is in the amount of 3,705 thousand lei.
3.	Immediate liquidity (acid test)	≥ 0.8	1.23	100%	6%	NRC Report sem.II 2020 issued according to art. 55 paragraph (1) of GEO no. 109/2011
4.	Patrimonial solvency (%)	≥ 30%	78.3%	100%	16%	NRC Report sem.II 2020 issued according to art. 55 paragraph (1) of GEO no. 109/2011
5.	EBITDA- thousand lei	20,469	29,457	100%	16%	The achieved value is in the amount of 29,457 thousand lei, being higher than the corresponding value for the condition ≥ 95%, respectively, 19,446 thousand lei.
B.	**NON FINANCIAL ICP – 50%**					
B1.	**OPERATIONAL ICP – 25%**					
6.	The share of critical technical accidents - number of cases	1	0	100%	5%	Report no. 12/05.01.2021 regarding risk management process at the level of the Facilities Control and Environmental Protection Service for 2020 (CI-PM).
						- Address no.29/08.01.2021 of Record Service regarding specific

7.	Technological consumption for crude oil (%)	95%	88.39%	100%	5%	technological consumption for crude oil for 2020. - Activity Report no.25/28.01.2021 of the Technical Director for 2020
8.	Achievement index of measures ordered by external controls (%)	Minimum 80%	94.34%	100%	5%	Development Strategy Office' Address no.302/28.02.2020
9.	Achievement of annual value plan of investments– thousand lei	20,887	21,697	100%	10%	The achieved value is in the amount of 21,697 thousand lei, being higher than the corresponding value for the condition ≥ 100%, respectively, 20,887 thousand lei.
B2.	**CORPORATE GOVERNANCE ICP– 25%**					
10.	Implementation and development of the internal managerial control system	80%	97.47%	100%	5%	- Stage of achievement for the internal managerial control system development program of Oil Terminal, for 2020 (no. 17/25.01.2021). - Report no. 11/25.01.2021 on the internal managerial control system on 31.12.2020.
11.	Clients satisfaction	≥60%	90.81%	100%	5%	- Address (no.7/06.01.2021) Commercial Marketing Serv. regarding the centralized situation on resulted degree of respondent clients satisfaction, issued according to statistical data resulted from from completing the requirements identification questionnaire and measuring customer satisfaction.
12.	Establishment of risk management policies and risk monitoring	80%	91.07%	100%	5%	- Report no. 254/29.01.2021 of the Strategic Development Office for 2020. - Register no.01/20.01.2021 regarding risks at company level, revised on 31.12.2020. - The centralized situation regarding the stage of implementation and development of the internal managerial control system on 31.12.2020 (no.8/25.01.2021).
13.	Reporting of key performance indicators to term	100%	100%	100%	5%	The reporting is considered achieved by corroborating the provisions of art. 57 paragraph (4) of GEO no. 109/2011 with the provisions of the legislation regarding capital market. Thereby, according to the Financial Calendar approved for the year 2021 on the 26(27).04.2021, the Report for 2020 issued according to the audited annual financial statements is presented.

14.	Increasing institutional integrity by including measures to prevent corruption as an element of management plans	80%	100%	100%	5%	- According to *the "Report on the state of measures implementation in the Integrity Plan for the implementation of the National Anticorruption Strategy (2016–2020) at the level of Oil Terminal SA for 2020"* (no. 247/25.01.2021), no incident of integrity was identified or registered during (01.01.2020–31.12.2020), so the measures undertaken by the Plan were met. - Integrity Plan (no. 22/29.01.2020) for the implementation of the National Anticorruption Strategy (2016 - 2020) at the level of Oil Terminal SA for 2020. - Self-assessment (no. 244/25.01.2021) of the Integrity Plan for the implementation of the National Anticorruption Strategy (2016 - 2020) at the level of Oil Terminal SA for 2020. - Annual report (no. 190/07.01.2021) for the evaluation of integrity incidents, year 2020 (Annex no. 6 to GD no. 599/2018). - Address no.275/1548/08.02.2021 to MEEMA.