

## Remuneration policy and criteria of managers and directors with a mandate contract within Oil Terminal company

This policy is applicable to managers and directors with a mandate contract of Oil Terminal S.A. Constanta.

### General principles regarding the remuneration policy

The general principles for establishing the remuneration policy for managers and directors with a mandate contract are the following:

- Attracting, maintaining and motivating the best managers and directors
- Ensuring the long-term sustainability of the company's profits and its activity and generating a long-term value
- Development of the company's business strategy
- Rewarding the fulfillment of performance indicators
- Maintaining competitiveness in the remuneration market
- Promoting transparency regarding remuneration and the criteria for establishing it
- Maintaining a fair balance between the fixed indemnity and the variable component of remuneration

### Definitions and terms

**The average gross monthly earning** represents the average gross monthly earning of the branch in which the company operates according to the main object of activity registered by the company at class level according to the classification of activities in the national economy, communicated by the National Institute of Statistics.

**The class** in which the company operates is According to the Press Release of the National Institute of Statistics, regarding OIL TERMINAL, the class is “*Transport and storage*”, CAEN code 49-53.

**Non-executive managers** are the members of the Board of Directors who do not have the quality of director in terms of art. 143 of the law no. 31/1990

**Executive directors** are the members of the Board of Directors who are at the same time directors in terms of art. 143 of the law no. 31/1990.

**The remuneration of non-executive members and directors with a mandate contract** consists of a fixed monthly indemnity and a variable component established according to the provisions of GEO no. 109/2011.

**Key performance indicators**, hereinafter referred to as ICP, are performance indicators set out in the Annex to the mandate contract.

### Applicable legal framework

- The provisions of GEO no. 109/2011;
- The provisions of art. 92<sup>1</sup> and art.92<sup>2</sup> of Law 24/2017 amended by Law 158/2020
- Decisions of the OIL TERMINAL Shareholders General Ordinary Assembly regarding the approval of the remuneration for the Board of Directors members (fixed indemnity and variable component), as well as the approval of the remuneration general limits for directors with mandate contracts;
- Decisions of the Board of Directors regarding the approval of the remuneration of the directors with a mandate contract (fixed indemnity and variable component);

- Management contracts of non-executive managers and mandate contracts of directors with a mandate contract, as well as approved additional documents, annexes to mandate contracts
- Performance indicators and criteria of the Board of Directors and directors with a mandate contract
- The code of ethics and the norms of conduct of the executive and administrative management and of the employee within Oil Terminal S.A. company - 2018 edition
- Regulation no. 679 of 27 April 2016 regarding the protection of individuals with regard to the processing of personal data and regarding the free movement of such data and abrogation of Directive 95/46/EC (General Data Protection Regulation)
- Law no. 190/2018 regarding measures to implement Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 regarding the protection of individuals with regard to the processing of personal data and regarding the free movement of such data and abrogation of Directive 95/46/EC (RGPD)

### **Methods of applying the Remuneration Policy. Derogation conditions**

The company pays a remuneration to managers and directors with a mandate contract according to the remuneration policy approved within the shareholders general ordinary assembly, within the limits established by the Shareholders General Assembly' Decision. Remuneration consists of a fixed indemnity and a variable component. Remuneration as well as other benefits granted are provided in the mandate contracts.

The company may temporarily derogate from the remuneration policy only in exceptional circumstances to serve the long-term interests and sustainability of the company as a whole or to ensure its viability.

The temporary derogation from the remuneration policy may be applied in the following exceptional circumstances:

- A shareholders' decision that provides for something other than the remuneration policy
- Major force
- The state of insolvency of the company
- Other circumstances that could not be foreseen at the date of the Remuneration Policy approval and that can be proved by supporting documents.

### **Description of remuneration elements, other bonuses and benefits granted**

#### **General principles**

Non-executive managers and directors with a mandate contract receive for their activity a remuneration consisting of a fixed monthly indemnity and a variable component in the structure and limits provided by GEO no. 109/201.

The amount of the fixed indemnity and the variable component for managers is approved by the Shareholders General Assembly.

The amount of the fixed indemnity and the variable component for directors with mandate contract is established by the Board of Directors within the limits approved by the Shareholders General Assembly. The fixed indemnity of non-executive managers and directors with mandate contract is granted monthly without a correlation with the results obtained for the key performance indicators set out in the mandate contract.

The amount of the variable component of non-executive managers can not exceed a maximum of 12 fixed monthly indemnities.

The variable component of non-executive managers and directors with mandate contract is granted annually for each financial year within the mandate period, depending on the fulfillment of the indicators and performance criteria established in the management/mandate contracts. The variable component is

paid in the following year after the approval by the GMS of the audited annual financial statements for the previous year.

The remuneration and benefits of non-executive managers offered according to the mandate contract will be recorded in:

- audited annual financial statements
- Annual report of the Nomination and Remuneration Committee
- Board of Directors' Report
- The annual remuneration report issued by the company

The Nomination and Remuneration Committee (NRC) set up within the Board of Directors has the following responsibilities regarding the remuneration of non-executive managers and directors with mandate contract:

- i) makes recommendations to the Board of Directors regarding the Company's remuneration policy
- ii) advises the Board of Directors regarding the structure of the remuneration framework for managers;
- iii) makes recommendations to the Board of Directors regarding the remuneration of the General Director and the Financial Director, including the main components of remuneration, performance indicators and the evaluation methodology;

### **Gross fixed monthly indemnity**

The level of the gross monthly fixed indemnity for non-executive managers is approved by GMS Decision, being established according to the provisions of art. 37 paragraph (2) of GEO no. 109/2011, respectively, is equal to 2 (two) times the average for the last 12 months of the average gross monthly earning for the activity carried out according to the main object of activity registered by the company at class level according to the classification of activities in the national economy, communicated by The National Institute of Statistics, prior to the appointment, calculated in compliance with the provisions of GEO 79/2017 for amending and supplementing Law no. 227/2015 regarding the fiscal code.

The general limits of the remuneration of the directors with mandate mandate are approved by the Shareholders General Assembly; based on these general limits, the Board of Directors decides the amount of the remuneration for managers with mandate contract. The level of the gross monthly fixed indemnity for the directors with a mandate contract is approved by the Board of Directors Decision, being established according to the provisions of art. 38 paragraph (2) of GEO 109/2011. The calculated maximum gross level is according to art. 37 paragraph (3) of GEO 109/2011.

The gross fixed indemnity is granted monthly without a correlation with the results obtained for the key performance indicators set out in the mandate contract.

### **Variable component**

The variable component granted to non-executive managers is approved by GMS Decision, being calculated according to the provisions of art. 37 paragraph (2) of GEO 109/2011

The variable component is granted in correlation with the total annual degree of ICP fulfillment for each year in office.

The variable component granted to directors with a mandate contract is approved by the Board of Directors Decision, within the general limits approved by the GMS, and is calculated according to the provisions of art. 37 paragraph (3) of GEO 109/2011

The variable component is granted in correlation with the total annual degree of ICP fulfillment for each year in office.

The annual variable component to be granted is the product of the Variable component value established by the additional act of the mandate contract and the Total degree of fulfillment of the key financial and non-financial performance indicators (GTICP),  
where:

The total degree of fulfillment of the key financial and non-financial performance indicators (GTICP) is the sum of the degree of fulfillment of each ICP (GIICP) weighted by the weighting coefficient (WICP) for each ICP.

Calculation formula:

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

where:

GT ICP - Total annual degree of ICP fulfillment

WICP - Weighting coefficient (weight) for each ICP

GI ICP - Degree of individual ICP achievement

Ii - Individual indicator (Degree of achievement%)

The degree of fulfillment for each ICP (GI ICP) is the degree of fulfillment for each financial and non-financial ICP, taking into account the calculation method provided for each ICP, subsequently weighted by the weighting coefficient (W and PCI) related to each PCI.

The variable component of the remuneration due to non-executive managers will be directly proportional to the GTICP achieved for the corresponding financial year during the year in office.

The relative proportion of fixed and variable remuneration is 50%

### **Remuneration criteria for the variable component**

The variable component is granted:

- in correlation with the total annual degree of ICP fulfillment for each year in office.
- after the approval in the GSM of the audited annual financial statements for the previous year
- the amount of the variable component of non-executive managers may not exceed a maximum of 12 fixed monthly indemnities
- if:
  - o GTICP  $\geq$ 80%, the variable component of remuneration is paid according to the calculation method presented
  - o GTICP <80%, the variable remuneration component is not paid

### **Other benefits**

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 OIL TERMINAL company as the only beneficiary of the insurance indemnities.

The indemnity limit related to the civil liability insurance policy for every year during the mandate is approved by the OGSM Decision. According to the provisions of the mandate contracts, the insurance premium is borne by the company.

### **Duration of mandate contracts**

The duration of the managers mandate is established by the constitutive act, not exceeding 4 years. The mandate of the managers who have properly fulfilled their attributions may be renewed as a result of an evaluation process, unless otherwise provided by the constitutive act. The term of office for

the managers appointed as a result of the termination, in any form, of the initial managers term of office shall be the same as the remaining term of office of the manager being replaced. The term of office for the interim managers is 4 months, with the possibility of extension, for good reasons, up to a maximum of 6 months. If the selection procedure is suspended or annulled by the court, the term of office for the interim manager shall continue until the appointment of the new manager. The term of office for the managers is approved by the shareholders, being registered in the mandate contract.

The term of office for the directors with a mandate contract is established by the the Board of Directors decision, being registered in the mandate contracts. The term of office may not exceed 4 years. The term of office of the interim directors is 4 months, with the possibility of extension, for good reasons, up to a maximum of 6 months.

### **Conditions for Termination of administration/mandate contracts. Notice.**

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:

- 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;
- 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.

### **Measures to avoid conflicts of interest**

The Board of Directors has the obligation to convene a shareholders general assembly to approve any transaction if it has, individually or in a series of concluded transactions, a value greater than 10% of the value of the Company's net assets or greater than 10% of the Company's turnover according to the last audited financial statements, with the managers or directors, with the employees, with the shareholders who have control over the company or with a company controlled by them, as well as with the spouse, relatives or relatives up to grade IV including the persons mentioned.

The Board of Directors has the obligation to inform the shareholders, during the first shareholders general assembly following the conclusion of the legal act, regarding any transaction concluded by the company with:

- the persons referred to in letter a), if the value of the transaction is below the level established in letter a);
- another company or with the public tutelary authority, if the transaction has a value, individually or in a series of transactions, of at least the equivalent in lei of 100,000 euros.

The Board of Directors has the obligation to present to the shareholders general assembly, in the half-yearly and annual reports, in a special chapter, the legal acts concluded under conditions a) and b), specifying the following elements: the parties that concluded the legal act, the date of conclusion and the nature of the act, the description of its object, the total value of the legal act, the reciprocal receivables, the guarantees constituted, the terms and methods of payment, as well as other essential and

significant elements in connection with these legal acts. The reports shall also mention any other information necessary to determine the effects of the respective legal acts on the financial situation of the company.

The General Director submits to the approval of the Board of Directors any transaction in the category of those mentioned in letter a) if it has, individually or in a series of transactions, a value of at least the equivalent in lei of 50,000 euros. In order to decide on the transaction, the Board of Directors may order an independent examination to be carried out to verify if the transaction is correct in relation to the offers of the same type existing on the market.

**Protection measures for the processing of the company' managers personal data (non-executive managers and directors with a mandate contract)**

The company informs and provides assurances that, according to art.92<sup>2</sup>, paragraph (3) and within the meaning of the provisions of art.9, paragraph (1) of *Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data and abrogation of Directive 95/46/EC (General Data Protection Regulation)*, does not process and does not include in the remuneration report special categories of personal data of the company's managers or personal data that refer to the family situation of each manager.

The company informs and provides assurances regarding the fact that it processes the personal data of the company's managers, based on art. 92<sup>2</sup>, par. (4), (5) and (7) of Law 24/2017 amended by Law 158/2020, in order to increase transparency regarding remuneration and increase the responsibility of managers, as well as for the purpose of supervision by shareholders of their remuneration, as well as in other purposes according to the legal regulations in force, according to the provisions of *Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of individuals with regard to the processing of personal data and on the free movement of such data; abrogation of Directive 95/46/EC (General Data Protection Regulation)*.

The remuneration policy may be revised and/or updated whenever necessary, in compliance with the applicable legal regulations or in case of mandatory regulations or legal provisions regarding the remuneration policy to public enterprises and in any case, once every 4 years.

According to Art. 39 para. (3) of GEO 109/2011 regarding corporate governance of public enterprises (hereinafter referred to as "GEO no. 109/2011"), the policy and criteria for remuneration of managers and directors with a mandate contract within the unitary system are made public on page of the Company through the care of the board of directors, after the approval in the annual shareholders general ordinary assembly.

This Policy was approved by the Board of Directors by the Board of Directors decision 24/22.03.2021 and it will be subject to approval in Shareholders General Ordinary Assembly on 26(27).04.2021.

Board of Directors' Chairman  
Florin Cristian Gheorghe