

Approved by the Board of Directors' Decision no.34./22.03.2023 2022 and submitted for information to OGSM of 27(28).04.2023

No.221/21.03.2023

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 2022

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 during the financial year of 2022.

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 2022

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, communicated 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 council’ 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 alin. (3) din Ordonanta de Urgenta a Guvernului nr.109/2011 privind guvernanta corporativa a intreprinderilor publice, cu modificarile si completarile ulterioare, care prevede: **“Politica și criteriile de remunerare a administratorilor și directorilor, în cazul sistemului unitar, respectiv a membrilor consiliului de supraveghere și a membrilor directoratului, în cazul sistemului dualist, precum și nivelul remunerației și celelalte avantaje oferite fiecăru administrator și director sunt făcute publice pe pagina de internet a întreprinderii publice, prin grija președintelui consiliului de administrație sau al consiliului de supraveghere.”**
- OGSM Resolution no.24/08.11.2017 approving the initiation of the procedure for the selection of the company's administrators and mandating the Board of Directors to initiate and carry out the procedure for the selection of administrators for the implementation of the provisions of GEO no.109/2011 as amended.
- - AGM Resolution no.5/04.04.2018 by which 7 members of the Board of Directors were elected by cumulative voting method .
- OGSM Resolution no.5/04.04.2018, art.4, approving the maximum level of the gross monthly fixed compensation set for non-executive directors, i.e. 2 (two) times the fixed compensation calculated according to art.37 paragraph (2) of GEO 109/2011, amount set forth in art.3.2 of the approved mandate contract.
- OGSM Resolution no.14/05.08.2019 approving the maintenance of the variable component of the non-executive directors in the amount approved by AGOA resolution 32/10.12.2018, i.e. 12 gross monthly fixed indemnities, as a result of the annual evaluation of the directors' activity, as provided for in OUG 109/2011, art. 30, paragraph (7) ;
- OGSM Resolution no. 9/23.04.2020 approving the maintenance at the same level of the amount of the variable component of the non-executive directors' remuneration, as approved by AGOA Resolution no. 32/10.12.2018 and maintained by AGOA Resolution no. 14/05.08.2019, i.e. 12 gross fixed monthly allowances, following the annual evaluation of the directors' activity, in accordance with the provisions of GEO 109/2011, art. 30, paragraph (7), with 100% of the voting rights of the shareholders present/represented.

- OGSM resolution no.30/29.10.2018 approving the financial and non-financial key performance indicators of the non-executive directors , as well as their weighting.
- OGSM Resolution no.32/10.12.2018 approving the setting of the amount of the variable component of the remuneration of the non-executive directors of the Company at 12 gross fixed monthly allowances.
- OGSM Resolution no.33/10.12.2018 approving the form and content of the additional acts endorsed by the Board of Directors by Decision no.121/29.10.2019 on the form and content of the additional acts to be concluded to the mandate contracts of the non-executive directors.
- OGSM Resolution no.11/30.08.2021 by which Mr. Radu Cristian Pop was removed from the position of director of Oil Terminal SA, following his resignation from the mandate as member of the Board of Directors.
- OGSM Resolution no.12/30.08.2021 adopting the following:
 - Mr. MICU Ionuț Stelian was appointed as provisional administrator of the Board of Directors of Oil Terminal SA;
 - the duration of the mandate of the provisional administrator was approved at 4 months or until the end of the recruitment and selection procedure provided for in GEO no.109/2011 on corporate governance of public companies, if this takes place earlier than 4 months after the appointment of the provisional administrator by the AGOA.
- OGSM Resolution no.15/29.12.2021 revoking Mr. MICU Ionuț Stelian from the position of provisional non-executive director of Oil Terminal SA, following the termination of the mandate contract on 30.12.2021.
- Art.11 of the OGSM Resolution no.7/01.04.2022 approving the form of the mandate contract to be concluded with the provisional administrators appointed pursuant to Art.1-art. 5 of this resolution, in the form proposed by the Ministry of Energy.
- By the OGSM Resolution no.13/16.06.2022 it was approved to initiate the procedure for the selection of the members of the Board of Directors at Oil Terminal SA, in accordance with the provisions of the Government Emergency Ordinance no.109/2011 on corporate governance of public companies, approved with amendments by Law no.111/2016. The selection procedure is organized by the Ministry of Energy, on behalf of the shareholder Romanian State.
- By OGSM Resolution no.14 /29.07.2022, are elected as provisional members of the Board of Directors of Oil Terminal SA, by cumulative voting method, for a period of 4 months, i.e. for the period 04.08.2022 - 03.12. 2022 inclusive, as follows: Cristian Florin GHEORGHE (Chairman of the Board of Directors), Ramona UNGUR, Ovidiu Aurelian ANDREI, George TEȘLEANU, Emilian NICOLAE, Ciprian Dragoș LAZARIU, Ionuț Stelian MICU (provisional directors).
- Art.4 of the OGSM Resolution no.14/29.07.2022 approving the determination of the gross fixed monthly compensation of the appointed provisional directors, in accordance with the provisions of art.37, paragraph (2) of GEO no.109/2011 on corporate governance of public companies, taking into account the provisions of the INS press release on the average gross salary before appointment.
- Art.5 of the OGSM Resolution no.14/29.07.2022 approving the form of the mandate contract to be concluded with the provisional directors appointed pursuant to art.1 of this resolution.
- By the OGSM Resolution no.22/25.11.2022, it is approved the extension of the term of office of the provisional administrators of Oil Terminal SA, elected by the OGSM Resolution no.14/29.07.2022, by two months from the expiry date, i.e. for the period: 04.12.2022 - 03.02.2023 inclusive.
- Art.2 of the OGSM Resolution no.22/25.11.2022 approving the form and content of the addendum to the mandate contract to be concluded with the provisional administrators elected by OGSM Resolution no.14/29.07.2022.

1.2 Legal framework applicable for mandate contract directors

- Art. 34 of EGO no.109/2011 regarding corporate governance of public companies with 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 performance 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.
- Decision no.55/17.06.2022 by which the Board of Directors established the fixed monthly indemnity for the General Director in the amount of 44,000 lei gross, which does not exceed 6 times the average over the last 12 months of the average gross monthly salary 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.
- Decision no.106/12.12.2022 by which the Board of Directors established the fixed monthly indemnity for the General Manager in the amount of 46.000 lei gross (for the period 01.01.2023-01.05.2023), which does not exceed 6 times the average over the last 12 months of the average gross monthly salary 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.
- Decision no.55/17.06.2022 of the Board of Directors and Decision no.90/14.10.2022 of the Board of Directors on the duration of the contract of office for the General Manager of the company.
- Decision No 56/17.06.2022 of the Board of Directors and Decision No 91/14.10.2022 of the Board of Directors on the duration of the mandate contract for the Chief Financial Officer of the company
- OGSM Resolution no.15/29.07.2022 setting the remuneration limits for provisional directors with a mandate contract

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

2.1 Nonexecutive managers remuneration for 2021

Composition of the Board of Directors in 2022

During 2022, the Company was managed according to the unitary management system, with the management of the Company being ensured by a Board of Directors consisting of 5 and 7 non-executive directors respectively.

Structure of the Board of Directors in **2022** :

Composition of the Board of Directors according to OGSM Resolution no. 5/04.04.2018

No.	Name and surname	Mandate duration	Remuneration gross	Status
1.	GHEORGHE Cristian – Florin	04.04.2018-01.04.2022	7.954 lei/luna	Permanent administrator elected according to GEO 109/2011 with a 4-year mandate
2.	COSTREIE Toma – Bogdan	04.04.2018-01.04.2022	7,954 lei/luna	Permanent administrator elected according to GEO 109/2011 with a 4-year mandate
3.	UNGUR Ramona	03.04.2022-01.04.2022	7,954 lei/luna	Permanent administrator elected according to GEO 109/2011 with a 4-year mandate
4.	CONONOV Paul	04.04.2018-01.04.2022	7,954 lei/luna	Permanent administrator elected according to GEO 109/2011 with a 4-year mandate
5.	ANDREI Ovidiu – Aurelian	03.04.2022-01.04.2022	7,954 lei/luna	Permanent administrator elected according to GEO 109/2011 with a 4-year mandate
6.	LAZARIU Dragoș-Ciprian	04.04.2018-01.04.2022	7,954 lei/luna	Permanent administrator elected according to GEO 109/2011 with a 4-year mandate

Composition of the Board of Directors according to OGSM Resolution no. 7/01.04.2022

No.	Name and surname	Mandate duration	Remuneration gross	Status
1.	GHEORGHE Cristian – Florin	04.04.2022-04.08.2022	14,394 gross/lei/month	Provisional administrator elected in accordance with GEO 109/2011 with a mandate of 4 months

2.	UNGUR Ramona	04.04.2022-04.08.2022	14,394 gross/lei/month	Provisional administrator elected in accordance with GEO 109/2011 with a mandate of 4 months
3.	ANDREI Ovidiu – Aurelian	04.04.2022-04.08.2022	14,394 gross/lei/month	Provisional administrator elected in accordance with GEO 109/2011 with a mandate of 4 months
4.	NICOLAE Emilian	04.04.2022-04.08.2022	14,394 gross/lei/month	Provisional administrator elected in accordance with GEO 109/2011 with a mandate of 4 months
5.	TEȘELEANU George	04.04.2022-04.08.2022	14,394 gross/lei/month	Provisional administrator elected in accordance with GEO 109/2011 with a mandate of 4 months

Composition of the Board of Directors according to OGSM Resolution no. .14/29.07.2022 and OGSM Resolution no. 21/25.11.2022

No.	Name and surname	Mandate duration	Remuneration gross	Status
1.	GHEORGHE Cristian – Florin	04.08.2022-03.02.2023	14,830 lei gross/lei/month	Provisional administrator elected according to GEO 109/2011 with a 4 months mandate with 2 months extension
2.	UNGUR Ramona	04.08.2022-03.02.2023	14,830 lei gross/lei/month	Provisional administrator elected according to GEO 109/2011 with a 4 months mandate with 2 months extension
3.	ANDREI Ovidiu – Aurelian	04.08.2022-03.02.2023	14,830 lei gross/lei/month	Provisional administrator elected according to GEO 109/2011 with a 4 months mandate with 2 months extension
4.	NICOLAE Emilian	04.08.2022-03.02.2023	14,830 lei gross/lei/month	Provisional administrator elected according to GEO 109/2011 with a 4 months mandate with 2 months extension
5.	TEȘELEANU George	04.08.2022-03.02.2023	14,830 lei gross/lei/month	Provisional administrator elected according to GEO 109/2011 with a 4 months mandate with 2 months extension

6.	MICU IONUȚ STELIAN	04.08.2022- 03.02.2023	14,830 lei gross/lei/month	Provisional administrator elected according to GEO 109/2011 with a 4 months mandate with 2 months extension
7.	LAZARIU DRAGOȘ- CIPRIAN	04.08.2022- 03.02.2023	14,830 lei gross/lei/month	Provisional administrator elected according to GEO 109/2011 with a 4 months mandate with 2 months extension

We would like to mention that, by the OGSM Resolution no.13/16.06.2022 it was approved the initiation of the selection procedure for the members of the Board of Directors of Oil Terminal SA, in accordance with the provisions of the Government Emergency Ordinance no.109/2011 on corporate governance of public companies, approved with amendments by Law no.111/2016. The selection procedure is organized by the Ministry of Energy, on behalf of the shareholder Romanian State, and as of 31.12.2022 the procedure was ongoing.

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

a) 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.

During 2022, the level of the gross monthly fixed allowance was established in accordance with the provisions of Article 37 paragraph (2) of GEO no. 109/2011, as follows:

- period 01.01.2022-03.04.2022. By the OGSM Resolution no. 5/04.04.2018 it was approved the establishment of the fixed monthly compensation of directors equal to 2 (two) times the average over the last 12 months of the average gross monthly salary 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 on the tax code, i.e. 7,954 lei/pers./month, gross amount
- period 04.04.2022 - 03.08.2022 in accordance with OGSM Resolution no.7/01.04.2022, fixed monthly gross allowance in the amount of 14,394 lei/pers./month
- period 04.08.2022 - 03.02.2023 in accordance with OGSM Resolution no.14/29.07.2022 fixed gross monthly allowance in the amount of 14,830 lei/pers./month

The total gross fixed compensation paid during the period 01.01.2022-31.12.2022 to the members of the Board of Directors was in the amount of 997,826 lei, being in accordance with the level of the BVC approved for the year 2022 by OGSM Resolution no.03/23.02.2022 (initial Budget of revenues) and OGSM Resolution no.18/26.09.2022 (amended Budget of revenues):

- Total approved gross fixed indemnity = 1.070 thousands lei
- Total gross fixed indemnity achieved on 31.12.2022 = 998 thousands lei

b) Variable component

Non executive managers appointed 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 GSM.

Managers variable component will be given in correlation with the achievement annual total degree of financial and non financial ICP approved in mandate contract, after the approval of managers activity evaluation according to the provisions of GEO 109/2011.

Managers variable component, work insurance contribution in a share of 2.25% included was constituted in Budget of revenues and expenses 2022 as a provision regarding mandate contract in a total amount of 683 thousand lei, from which 15 thousand lei represent the 2.25% share and is going to be given in 2022, after OGSM to approve Audited financial reports for 2021, in correlation with the achievement annual total degree of financial and non financial ICP approved in mandate contract.

For the year 2021 the variable component to be granted is established by AGOA Decision 32/10.12.2018 and maintained by AGOA Decision 14/05.08.2019, AGOA Decision 9/23.04.2020 and AGOA Decision 3/26.04.2021, according to art.37 paragraph (2) of GEO 109/2011, i.e., gross amount of 12 gross fixed monthly allowances, i.e., gross amount of 95.448 lei/year/pers.

We mention that for Mr. Radu Cristian Pop the variable remuneration for the year 2021 within the term of office is granted in proportion to the number of months of mandate in office, i.e. 7 months, correlated with the degree of fulfillment of the financial and non-financial ICP established in the mandate contract no. 4306/04.04.2018, after the AGOA meeting of 27(28).04.2022 for the approval of the audited annual financial statements for the year 2021. Specifically, the amount of 55,678 lei was granted.

According to the Financial Communication Calendar for the year 2022, the AGOA meeting for the approval of the 2021 Audited Financial Statements was convened for 27(28).04.2022, and the payment of the variable component can be made within a maximum of 15 days from the date of approval at the General Meeting of Shareholders of the annual audited financial statements prepared in accordance with IFRS and the submission of the NRC Annual Report on the overall degree of achievement of financial and non-financial performance indicators.

In 2022 by the AGOA Resolution no.9/27.04.2022 the Audited Financial Statements for 2021 were approved, in correlation with the overall annual degree of achievement of the financial and non-financial KPIs approved in the mandate contract.

Variable component for 2021 granted to non-executive directors was in the amount of RON 628,366.

Variable component for 2022 is not granted because the AGOA did not set financial and non-financial KPIs in the mandate contracts and/or additional acts.

2.2 Mandate contract directors remuneration for 2022

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 2022 is in a total amount of 407,352 lei, in the following structure :

- 143,352 lei (01.01.2022-02.07.2022) in accordance with Decision No 70/02.07.2018, where the level of the gross fixed monthly allowance was set at 23,892 lei/month

- 264.000 lei (02.07.2022-01.01.2023) cf. Decision CA nr 55/17.06.2022, where the level of the gross fixed monthly allowance was set at 44.000 lei/month

The gross fixed monthly allowance granted to the Chief Financial Officer during 2022 is a total of 357,084 lei, as follows:

- 135,084 lei (01.01.2022-02.07.2022) in accordance with Decision No 71/02.07.2018, where the level of the gross fixed monthly allowance was set at 22,514 lei/month

- 222.000 lei (02.07.2022-31.12.2022) in accordance with Decision No 56/17.06.2022, where the gross fixed monthly allowance was set at 37.000 lei/month

Total gross fixed monthly indemnity for 2 directors with mandate for the period 01.01.2022-31.12.2022 = 764.436 lei, which is within the approved BVC.

Variable component for directors with a mandate contract

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

By Decisions no.126 and no.127 of 10.12.2018 , the Board of Directors approved the amount of the variable component for the year 2021 at the level of 12 gross fixed monthly allowances for each director with mandate.

The variable component for directors with a mandate contract is granted in relation to the total annual degree of achievement of the financial and non-financial KPIs approved in the mandate contract.

By Decision No 115/29.10.2018 the Board of Directors approved the financial and non-financial KPIs and their weightings for the CEO and CFO, annexed to the mandate contract.

The variable component for Directors with a mandate contract is granted in relation to the total annual degree of achievement of the financial and non-financial KPIs approved in the mandate contract.

General Director' variable component

For 2021, the approved variable component is 12 gross fixed monthly allowances, totalling 286,344 lei (23,862 lei/month x 12 gross fixed monthly allowances).

Financial Director' variable component

For 2021, the approved variable component is 12 gross fixed monthly allowances, totalling 270,168 lei (22,514 lei/month x 12 gross fixed monthly allowances).

The variable component for the year 2021 for the 2 directors, in the total amount of 556,512 lei, was granted in 2022 after the approval of the evaluation of their activity carried out in accordance with the provisions of art.36 paragraph (5) of GEO no.109/2011 and as a result of the degree of fulfilment of the key performance indicators, i.e. total degree of achievement in percentage 100%.

The variable component for the year 2022 is not granted because the OGSM did not set financial and non-financial KPIs in the mandate contracts and/or additional acts.

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

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

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_{iICP}) 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:

- $GT_{ICP} \geq 80\%$, 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 2022

Financial and non-financial indicators achieved at 31.12.2022

During 2022, following the termination of the directors' and officers' terms of office, the Company's executive management continued the monthly monitoring and quarterly reporting of the approved financial performance indicators for 2018-2021 as follows:

- Report no.129/18.04.2022 for the quarter. I 2022
- Report no.244/19.07.2022 for the quarter II 2022
- Report No 362/19.10.2022 for quarter 2022 III 2022
- Report No 30/19.01.2023 for quarter 2022 IV 2022

The degree of achievement of financial and non-financial indicators is presented in the following tables:

Tabel nr.1

Key Performance Indicators (KPIs)	2022		Degree of achievement % (GI_{ICP})	Remarks
	BVC	Achieved		
A. FINANCIAL KPIS				
1. Outstanding payments - thousands of lei	0	0	100%	Outstanding payments zero lei
2. Operating expenses (less depreciation and impairment adjustments and provisions) - thousands of lei	226.255	269,561	100%	
3. Current liquidity	$\geq 0,85$	1,31	100%	
4. Balance sheet solvency (%)	$\geq 30\%$	69,1%	100%	%
5. EBITDA (thousand lei)	29.965	35.255	100%	
B. NON-FINANCIAL KPIS				
B.1 Operational				
6. Share of critical technical accidents (no.)	1	0	100%	- CIPM report on the risk management process in the Facilities Control and Environmental Protection Service for the year 2022 (No.116/17.01.2023).

7. Rate of implementation of measures ordered by external controls (%)	Minim 80%	87,5%	100%	- Address of the Development Strategy Office (no.390/10.03.2023)
8. Realisation of the annual investment plan (thousands lei)	54.472	54.472	100%	- Table.3 , "Index of achievement of measures ordered by external controls as at 31.12.2022".
B.2 Corporate governance				
9. Implementation and development of the internal management control system (IMS)	80%	100%	100%	- Status of implementation of the Programme for the development of the internal management control system of the Oil Terminal Company for the year 2022 (no.351/ 22.02.2023). - Report on the internal management control system as at 31.12.2022 (No.14/16.01.2023). - Report on the risk management process in the Strategic Development Office. (No.352/22.02.2023).
10. Establishment of risk management policies and risk monitoring (Risk Management)	80%	86,10%	100%	- Report on the risk management process at the level of the Strategic Development Office for the year 2022 (No 352/22.02.2023). - Risk register at company level, revised as at 31.12.2022 (No.08/16.01.2023). - Centralising statement on the state of implementation and development of the management internal control system as at 31.12.2022 (No 12/16.01.2023).
11. Timely reporting of key performance indicators	100%	100% (note)	100%	The reporting is considered to be carried out by combining the provisions of Article 57 paragraph (4) of GEO no.109/2011 with the provisions of the capital market legislation. Thus, according to the approved Financial Calendar for the year 2023 on 27(28).04.2023 the Report for the year 2022 prepared on the basis of the audited annual financial statements is presented.
12. Increase institutional integrity by including corruption prevention measures as an element of management plans.	80%	100%	100%	- According to the "Report on the status of implementation of the measures in the Integrity Plan for the implementation of the National Anti-Corruption Strategy at the level of Oil Terminal SA for the year 2022" (no.267/25.01.2023), no integrity incident was identified or recorded at the level of the company during the period (01.01.2022-31.12.2022), so the measures assumed by the Plan were respected.

				<ul style="list-style-type: none"> - Integrity Plan (no.382/15.04.2022) for the implementation of the National Anti-Corruption Strategy at the level of Oil Terminal SA for the year 2022. - Self-assessment (no.264/25.01.2023) of the Integrity Plan for the implementation of the National Anti-Corruption Strategy at the level of Oil Terminal SA for 2022. - Report (no.387/10.01.2023) on the annual assessment of integrity incidents, year 2022 (Annex no.6 to GD no.599/2018). - Address no.350/22.02.2023 to ME-DAIL.
--	--	--	--	--

Tabel nr.2

Key Performance Indicators (KPIs)	2022		Degree of achievement % (GI ICP)	Remarks
	BVC	Achieved		
A. FINANCIAL KPIS				
1. Outstanding payments - thousands of lei	0	0	100%	Plăți restante zero lei
2. Operating expenses (less depreciation and impairment adjustments and provisions) - thousands of lei	226.255	269.561	100%	
3. Current liquidity	≥ 0,80	1,28	100%	Testul acid
4. Balance sheet solvency (%)	≥ 30%	69,1%	100%	%
5. EBITDA (thousand lei)	29.965	35.255	100%	
B. NON-FINANCIAL KPIS				
B.1 Operaționali				
6. Share of critical technical accidents (no.)	1	0	100%	- CIPM report on the risk management process in the Facilities Control and Environmental Protection Service for the year 2022 (No.116/17.01.2023).
7. Specific technological consumption of crude oil (%)	Max. 95%	91,96%	100%	- Address No.40/10.01.2023 of the Recording Service on specific technological consumption of crude oil for the year 2022.
8. Rate of implementation of measures ordered by external controls (%)	Min. 80%	87,5%	100%	- Activity report of the Technical Director for the year 2022.
9. Realisation of the annual investment plan (thousands lei)	54.472	54.472	100%	- Address of the Development Strategy Office (No 390/10.03.2023)

B.2 Corporate governance				
10. Implementation and development of the internal management control system (IMS)	80%	100%	100%	<ul style="list-style-type: none"> - Status of implementation of the Programme for the development of the internal management control system of the Oil Terminal Company for the year 2022 (no.351/22.02.2023). - Report on the internal management control system as at 31.12.2022 (No.14/16.01.2023). - Report on the risk management process in the Strategic Development Office. (No.352/22.02.2023).
11. Customer satisfaction	≥60%	96,73%	100%	<ul style="list-style-type: none"> - Address (no.321/16.01.2023) of Serv. Commercial Marketing regarding the Centralizing Situation on the Resulting Degree of Satisfaction of Respondent Customers, prepared on the basis of statistical data resulting from the completion of the Questionnaire for the Identification of Requirements and Measurement of Customer Satisfaction.
12. Establishing risk management policies and monitoring risk (Risk Management)	80%	86,10%	100%	<ul style="list-style-type: none"> - Report on the risk management process at the level of the Strategic Development Office for the year 2022 (No 352/22.02.2023). - Risk register at company level, revised as at 31.12.2022 (No.08/16.01.2023). - Centralising statement on the state of implementation and development of the management internal control system as at 31.12.2022 (No 12/16.01.2023).
13. Timely reporting of key performance indicators	100%	100% (note)	100%	<p>The reporting is considered to be carried out by combining the provisions of Article 57(4) of GEO no.109/2011 with the provisions of the capital market legislation.</p> <p>Thus, according to the approved Financial Calendar for the year 2023 on 27(28).04.2023 the Report for the year 2022 prepared on the basis of the audited annual financial statements is presented.</p>
14. Increase institutional integrity by including corruption prevention measures as an element of management plans.	80%	100%	100%	<ul style="list-style-type: none"> - According to the "Report on the status of implementation of the measures in the Integrity Plan for the implementation of the National

				<p>Anti-Corruption Strategy at the level of Oil Terminal SA for the year 2022" (no.267/25.01.2023), no integrity incident was identified or recorded at the level of the company during the period (01.01.2022-31.12.2022), so the measures assumed by the Plan were respected.</p> <p>- Integrity Plan (no.382/15.04.2022) for the implementation of the National Anti-Corruption Strategy at the level of Oil Terminal SA for the year 2022.</p> <p>- Self-assessment (no.264/25.01.2023) of the Integrity Plan for the implementation of the National Anti-Corruption Strategy at the level of Oil Terminal SA for 2022.</p> <p>- Report (no.387/10.01.2023) on the annual assessment of integrity incidents, year 2022 (Annex no.6 to GD no.599/2018).</p> <p>- Address no.350/22.02.2023 to ME-DAI.</p>
--	--	--	--	--

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 2022 - not applicable

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

Contract period for administrators

For the period 01.01.2022 - 03.04.2022 inclusive, the composition of the Board of Directors was as follows: Cristian Florin GHEORGHE (Chairman of the Board of Directors), Ramona UNGUR, Bogdan Toma COSTREIE, Ovidiu Aurelian ANDREI, Paul CONONOV, Dragoş Ciprian LAZARIU.

By the AGOA Resolution no.6/01.04.2022 the revocation of the directors of Oil Terminal SA elected by the AGOA Resolution no.5/04.04.2018 was approved, following the end of their term of office (Cristian Florin GHEORGHE, Toma Bogdan COSTREIE, Ramona UNGUR, Dragoş Ciprian LAZARIU, Paul CONONOV, Ovidiu Aurelian ANDREI).

By OGSM Resolution no.7/01.04.2022, the composition of the Board of Directors was established, consisting of 5 provisional administrators, for a period of 4 months, i.e. for the period 04.04.2022 - 03.08.2022 inclusive, as follows: Cristian Florin GHEORGHE (Chairman of the Board of Directors),

Ramona UNGUR, Ovidiu Aurelian ANDREI, George TEȘELEANU and Emilian NICOLAE (provisional administrators).

By the OGSM Resolution no.13/16.06.2022 it was approved the initiation of the selection procedure for the members of the Board of Directors of Oil Terminal SA, in accordance with the provisions of Government Emergency Ordinance no.109/2011 on corporate governance of public companies, approved with amendments by Law no.111/2016. The selection procedure is organized by the Ministry of Energy, on behalf of the shareholder Romanian State.

By OGSM Resolution no.14 /29.07.2022, are elected as provisional members of the Board of Directors of Oil Terminal SA, by cumulative voting method, for a period of 4 months, i.e. for the period 04.08.2022 - 03.02. 2023 inclusive, as follows: Cristian Florin GHEORGHE (Chairman of the Board of Directors), Ramona UNGUR, Ovidiu Aurelian ANDREI, George TEȘELEANU, Emilian NICOLAE, Ciprian Dragoș LAZARIU, Ionuț Stelian MICU (provisional directors).

By the OGSM Resolution no.22/25.11.2022, it is approved the extension of the term of office of the provisional administrators of Oil Terminal SA, elected by the OGSM Resolution no.14/29.07.2022, by two months from the expiry date, respectively, for the period: 04.12.2022 - 03.02.2023 inclusive.

The total gross fixed indemnity paid during the period 01.01.2022-31.12.2022 to the members of the Board of Directors elected by OGSM Resolution no.5/04.04.2018, OGSM Resolution no.7/01.04.2022, OGSM Resolution no.14/29.07.2022, OGSM Resolution no.22/25.11.2022 was in the amount of 997.826 lei, within the level of the BVC approved for 2022.

According to the 2022 Rectified BVC approved by OGSM Resolution no.18/26.09.2022:

-total approved gross fixed compensation = 1,069,796 thousand lei

-total gross fixed compensation achieved = 997.826 thousand lei

Contract duration for directors

Director-General

- period 01.01.2022-02.07.2022. By Decision no.70/02.07.2018 of the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, Mr. Viorel-Sorin CIUTUREANU was appointed to the position of Managing Director, with a term of office of 4 years starting 02.07.2018 until 01.07.2022.
- period 02.07.2022-01.01.2023. By Decision no.55/17.06.2022 of the Board of Directors and Decision no.90/14.10.2022 of the Board of Directors, on the recommendation of the NRC, Mr. Viorel-Sorin CIUTUREANU was appointed as Director General,

Financial Director

- period 01.01.2022-02.07.2022. By Decision no.71/02.07.2018 of the Board of Directors, on the recommendation of the Nomination and Remuneration Committee, Mrs. Adriana FRANGU was appointed to the position of Chief Financial Officer, with a term of office of 4 years starting 02.07.2018 until 01.07.2022.
- period 02.07.2022-01.01.2023, on the basis of Decision no.56/17.06.2022 of the Board of Directors and Decision no.91/14.10.2022 of the Board of Directors.

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 2022 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 2022 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 directors and directors with a mandate contract benefit from the settlement of expenses related to the execution of the mandate concerning representation in the interests of the company, such as, but not limited to, these expenses: transportation, per diem, accommodation expenses, both in the country and abroad, business telephone, laptop, office computer , as well as any other equipment/dowries that are necessary for the performance of duties in relation to the approved mandate contract, protocol fund within the framework of the approved BVC, professional training courses both in the country and abroad on the basis of supporting documents and in accordance with the provisions of the law.

The non-executive directors and the managing director are holders of a Directors&Officers Liability insurance policy with an indemnity limit of 1 million euros with the sole beneficiary of the insurance indemnities being OIL TERMINAL.

By OGSM Resolution no.19/26.09.2022 the amount of 1 million euro was approved as the limit of indemnity for the Directors & Officers Liability insurance policy with the sole beneficiary of the insurance indemnities being Oil Terminal SA.

According to the provisions of Article 55 para.(3) of GEO 109/2011 on corporate governance of public companies, as amended and supplemented, the Nomination and Remuneration Committee of the Board of Directors submits this report to the meeting of 27(28).04.2023 of the General Meeting of Shareholders approving the audited financial statements for the year 2022.