



CFR NETWORK STATEMENT - 2024

**ANNEX 24.b** **ADDENDUM NO. 1 TO THE CFR SA ACTIVITY AND PERFORMANCE  
CONTRACT FOR THE PERIOD OF TIME 2021-2025**

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COMPANIA NATIONALA DE CAI FERATE CFR SA

## **Addendum No. 1**

**for the year 2023 to the Activity and Performance Contract of Compania Nationala de Cai Ferate "C.F.R." - S.A. for the Period of Time 2021-2025, approved by means of the Government Decision No. 920/2021**

**Art. 1** This Addendum to the Activity and Performance Contract of Compania Nationala de Cai Ferate "C.F.R." - S.A. for the period of time 2021-2025, hereinafter called the Contract, shall be concluded, in accordance with the provisions of Articles 37 and 39 of the Government Emergency Ordinance No. 12/1998 on the Romanian railway transport and the reorganisation of Societatea Nationala a Cailor Ferate Romane, republished in the Official Gazette of Romania, Part I No. 834 of 9 September 2004, with its further amendments and supplements, having regard to the provisions of Article 30(2) of the Law No. 202/2016 on integrating the Romanian railway system in the single European railway area, published in the Official Gazette of Romania, Part I, No. 320 of 28 August 1998 with its further amendments and supplements, as well as the provisions of Article 19 of the Government Decision No. 581/1998 **on the setting-up of** Compania Nationala de Cai Ferate "C.F.R." - S.A. through the reorganization of the Societatea Nationala a Cailor Ferate Romane, with its further amendments and supplements, between:

The Ministry of Transport and Infrastructure, on behalf of the State, headquartered in Bucharest, 38 Dinicu Golescu Blvd., 1<sup>st</sup> District, hereinafter called the Ministry, legally represented by SORIN MIHAI GRINDEANU, in his capacity as Vice Prime Minister, Minister of Transport and Infrastructure;

and

Compania Nationala de Cai Ferate „CFR” S.A., the manager of the Romanian railway infrastructure, headquartered in Bucharest, 38 Dinicu Golescu Blvd., 1<sup>st</sup> District, hereinafter called CFR SA, legally represented by ION SIMU-ALEXANDRU, in his capacity as Director General; hereinafter collectively called the Parties and individually the Party.

**Art. 2** – Article 15 of the Contract is amended and will have the following content:

**'Art. 15: Incentives for Increasing the Performance Level of CFR SA Activity**

### **Incentives for Increasing the Performance Level of CFR SA Activity**

- (1)** The Incentive System for increasing the performance level of CFR SA activity shall be applied through measures of rewarding or sanctioning, as the case may be, the administrators, the directors and the staff of CFR SA, in relation to the degree of achieving the Overall Performance Index of CFR SA activity defined at Article 12(1).
- (2)** The Incentive System applicable to the administrators and the directors shall be in accordance with the provisions in the Government Emergency Ordinance No. 109/2011, on the corporate governance of public enterprises, approved with amendments and additions by Law No. 111/2016, with subsequent amendments and additions and with the provisions of this Contract. To this purpose, the Ministry shall have the obligation to ensure the integration of the Performance Indicators and the Performance Assessment System provided for in this Contract with the Performance Indicators and the Performance Assessment System from the mandate contracts of the administrators and of the directors.
- (3)** The achievement by CFR SA, for a certain year of the Reference Period, of a value of over 100% of the overall performance index, determined according to the provisions of art. 12 (1), attracts the remuneration of CFR SA staff within the limit of the fund intended for this purpose. The implementation modality of the Incentive System for the staff of CFR SA shall be set down in Annex No. 13.
- (4)** In the case provided for in para. (3), the Ministry ensures budgetary allocation for the effective value of the fund intended for the stimulation of CFR SA staff, in the amount of 1/24 of the value of the annual salary fund.



- (5) The general rules for implementing the Incentive System for administrators and directors in order to increase the performance level of CFR SA's activity shall be those set down in the following table:

Value of the Overall Performance Index [%]	Rating	Bonus/penalty for the members of the Management Board/Directors
$\geq 80$	Very good	It shall be awarded 100% of the variable component of the remuneration
(60,80]	Good	It shall be awarded 60% - 80% of the variable component of the remuneration, in conjunction with the percentage of achievement
(40,60]	Satisfactory	The variable component of the remuneration shall not be awarded
(20,40]	Unsatisfactory	Sanctioning of the administrators and of the director general by reducing the variable component of the remuneration by 20%.
$< 20$	Inacceptable	Termination by the General Assembly of the Shareholders of the mandate contracts

**Art. 3** – As regards Annex No. 2 to the Contract, the Annex No. 2.2 shall be amended and shall include the provisions set down in [Annex No. 1](#) to this Addendum.

**Art. 4** - As regards Annex No. 4 to the Contract, Section 4.3 shall be amended and shall include the provisions set down in [Annex No. 2](#) to this Addendum.

**Art. 5** - Annex No. 5 to the Contract shall be amended and shall include the provisions set down in [Annex No. 3](#) to this Addendum.

**Art. 6** - Annex No. 6 to the Contract shall be amended and shall include the provisions set down in [Annex No. 4](#) to this Addendum.

**Art. 7** - Annex No. 7 to the Contract shall be amended and shall include the provisions set down in [Annex No. 5](#) to this Addendum.

**Art. 8** - Annex No. 8 to the Contract shall be amended and shall include the provisions set down in [Annex No. 6](#) to this Addendum.

**Art. 9** - Annex No. 9 to the Contract shall be amended and shall include the provisions set down in [Annex No. 7](#) to this Addendum.

**Art. 10** - Annex No. 10 to the Contract shall be amended and shall include the provisions set down in [Annex No. 8](#) to this Addendum.

**Art. 11** Annex No. 16 to the Contract shall be amended and shall include the provisions set down in [Annex No. 9](#) to this Addendum.

**Art. 12 (1)** The other contract clauses shall remain unchanged, valid and enforceable in accordance with their initial meaning as agreed by the Parties.

**(2)** Annexes No. 1 to 9 shall be an integral part of this Addendum.

For and on behalf of

**The Ministry of Transport and  
Infrastructure**

**SORIN MIHAI GRINDEANU**  
MINISTER

For and on behalf of

**Compania Nationala de Cai Ferate "CFR" S.A.**

**ION SIMU-ALEXANDRU**  
DIRECTOR GENERAL