

Subject to analyze and agreement in the meeting of BoA on the date ofand for approval in the meeting of OGMS on the date of

CONPET S.A.
 ECONOMICAL DIRECTORATE
 Financial Department
 No. 10674/20.03.2015



AGREED,
 General Manager
 eng. Liviu Iasi
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REFERENCE

**on distribution of net profit corresponding for the financial year 2014,
 determining the gross dividend per share, term and method of payment of dividends proposal**

taking into account the followings:

- *article 19, para. (3) of no. 82/1991 republished Accounting Law;*
- *no. 64/2001 Government Ordinance regarding profit distribution for national societies, national companies and commercial companies with whole or majority state owned capital, as subsequently amended and no. 144/2005 Ordinance of the Public Finance Minister on the approval of the Specifications to determine the amounts that are subject of profit distribution as per no. 64/2001GO;*
- *no. 109/2011 Emergency Ordinance regarding corporate governance of public enterprises*
- *no. 31/1990 Law regarding the companies republished with the subsequent modifications and completions (art.111 para. (2) letter a) and art.67, para. (2))*
- *no. 297/2004 Law regarding the capital market with the subsequent modifications and completions(art.238 para.(1 and 2));*
- *no.1/2006 National Commission of Transferable Securities Regulation regarding the issuers and the operations with securities with the subsequent modifications and completions(art.129^3 para.(2))*

On the strength of the financial statements indicators we submit for analysis to BoA the proposal for the distribution of net profit on the date of 31 December 2014, amounting to 56,381,586 lei, as it follows:

item no.	Destinations	The sum (lei)	Full element weigh	
			Plan (IEB)	Accomplished
1	Profit sharing, total, of which:	4,947,392	10%	8.78%
	✓ <i>Employees profit-sharing</i>	4,343,168		
	✓ <i>Share of profit due to BoA members</i>	604,224		
2	Dividends due to shareholders	51,434,194	85%	91.22%
3	Total distributions (1+2)	56,381,586		

Specifications on calculations regarding determining the amounts distributed from the net profit:

- no amounts were distributed to legal reserves as they are currently constituted in the quota limit of 20% from the share capital, according to 183 article, paragraph (1) and (2) of no. 31/1990 amended and supplemented Law provisions regarding companies;
- employees participation at profit, has been determined in accordance with no. 144/2005 Ordinance of the Public Finance Ministry, in the limit of an average monthly base salary realised in the year 2014, according to the average number of employees, realised in the ended fiscal year.
- allocation of profit share due to administrators has been performed considering the provisions of art. 1 para. d) of no. 64/2001 GEO in conjunction with those from art. 37 of no. 109/2011 GEO. Thus, on the date of 31 December 2014 was constituted a provision for the second subcomponent of the variable component related to the remuneration of non-executive administrators and of the General Manager - Executive Administrator, for the year 2014, calculated as approved by the Ordinary General Meeting of Shareholders dated 18 December 2014;
As seen in the shown table, as against the quota foreseen by the Incomes and Expenditures Budget that was at the level of the legal one (respectively 10%) the profit allocated for employees participation at profit (including the share due to administrators) has a weighting of only 8.78% in the profit to be allocated;
- dividends due to the shareholders are at the level of the net profit remained after the deducting from the gross profit of the profit sharing and income taxes. In the income and expenditure budget approved by no. 593/2014 2014 Government Decision, the allocation share provided with this destination was of only 85% from the profit to be distributed, the difference of 5% being provided for the establishment of other development reserves. Correlating the data from financial statements with the budget projection (the development section), it results that the company already has established its own financing sources for investments in the next three years and their supplementation is not justified on account of the net profit and in these conditions, the dividends to be distributed to shareholders represent 91.22% from the profit that is to be distributed.

Gross dividend of shares

Taking into account that:

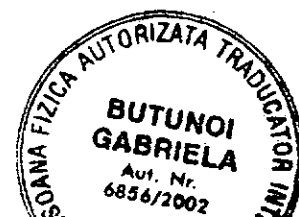
- ✓ dividends due to shareholders, according to the proposed profit distribution of the year 2014 are in amount of 51,434,194 lei;
- ✓ dividends are distributed to shareholders proportionally to the shareholding at the share capital and
- ✓ the share capital of the company is of **28,569,842.40** lei, divided into 8,657,528 ordinary indivisible shares, nominative, with a nominal value of 3.3 lei,

it results a gross dividend value of 5.9409792 lei / share.

Dividends are due to the shareholders who will own shares on the registration date approved by the Ordinary General Assembly of Shareholders convened for the date of 28/29 April 2015.

The provisions of article 238 (1) of no. 297/2004 Law regarding the capital market shows that "notwithstanding the provisions of no. 31/1990 Companies Act, republished, as amended and supplemented, the date when it will take place the identification of shareholders who are to receive dividends or other rights and who are affected by decisions of the General Meeting of Shareholders effects shall be determined by the latter. This date will be at least 10 working days afterwards the General Meeting of Shareholders"

Expenses incurred by the payment of dividends shall be supported by shareholders.



Dividends term of payment

Dividend payment date will be the limit date permitted by law, further with not more than 3 working days from the date of registration established by OGMS (art. 129[^]3 from no.1/2006 National Commission of Transferable Securities Regulation).

Considering that:

- the company, according to art (1) paragraph (3) of no. 64/2001 Government Ordinance, has the obligation to pay dividends due to shareholders within 60 days after the legal deadline for submission of the annual financial statements and
- the deadline for submission of annual financial statements according to no. 65/2015 FPMP is of ... "150 days since the fiscal year closure..."

it results that the deadline for payment of dividends due to shareholders is **30 July 2015**

Corroborating the shown provisions we propose that OGMS shall establish the dividend payment date as the date of 23 July 2015.

The net dividend value will be calculated as:

- the gross value of dividends related to each shareholder will be calculated by multiplying the number of shares held at the Registration Date having the value of the gross dividend per share, the resulting amount being rounded up or down to two decimals
- dividend tax will be calculated and withheld under the Fiscal Code provisions.
- the net value of dividend payment will be represented by the difference between the gross value and the corresponding tax

Method of dividends payment

The payment of dividends will be made in lei, only to the shareholders registered in the Register of Shareholders (held by "Central Depository" SA) on the registration date established by the General Meeting of Shareholders and the payment method will be disclosed to shareholders before the date of payment performing.

Economical Manager
ec. Toader Sanda *illegible signature*

Financial Manager,
ec. Curteanu Veronic *illegible signature*

