

**ARTICLES OF INCORPORATION**  
**of the Company “CONPET” S.A.**

**CHAPTER I**  
**NAME, LEGAL FORM, HEADQUARTERS, DURATION**

**Art. 1 Name of the Company**

- (1) The company name is „CONPET” S.A. (herein-after called also the „company”).
- (2) In all documents, invoices, notices, publications and generally, in the company correspondence, the name thereof will be preceded or followed by the words „societate pe actiuni”(Eng. joint-stock company”) or by the initials „S.A.”, stating the headquarters, subscribed and paid-up share capital, tax registration number and Trade Registry number.

**Art. 2 Legal Form of the Company**

- (1) „CONPET” S.A. is Romanian legal person, incorporated as a joint-stock company.
- (2) „CONPET” S.A. is a publicly held company.
- (3) The Company is operating in compliance with the provisions of this Articles of Incorporation, of Law no. 31/1990 regarding the companies, of GEO no. 109/2011 regarding the corporate governance of the public enterprises, of the Civil Code and of all other laws and regulations applicable to the companies.
- (4) The emblem (logo) of the company is made up by the joining of two elements: in the left side, the symbol and in the right side, the company name (logotype). The symbol represents a set made of two drops: a green one and a blue one; the green drop is pointing top right (1 o’clock), while the blue drop is pointing down left (7 o’clock). The company name - „CONPET” S.A. - is placed right of the symbol, has a proportional dimension in relation hereto, is written in block letters, Italic, and in the same color with the blue drop.

**Art. 3. The Company Headquarters**

- (1) The company headquarters is in Romania, no. 1-3 Anul 1848 Street, Ploiesti city, Prahova county. The company headquarters may be changed to other locality from Romania, based on the Resolution of the Extraordinary General Meeting of Shareholders, as per the law.
- (2) The company may also incorporate and disincorporate other sub-units (secondary establishments, work sites, branches, agencies, representative agencies, or other types of sub-units with no legal personality), to be found in the same locality and/or in other localities, in the country or abroad, under the law and as per this Articles of Incorporation, by the approval of the Board of Directors. The secondary establishments (work sites) of the company are comprised in Annex 2 to the Articles of Incorporation.

#### **Art. 4 Company Duration**

The lifetime of the company is unlimited, starting the date of registration at the Trade Registry under no. J29/6/22.01.1991.

### **CHAPTER II SCOPE, OPERATING AREA AND CORE BUSINESS OF THE COMPANY**

#### **Art. 5 Company Scope**

The company is the concessionaire of the National Crude Oil, Rich Gas and Liquid Ethane Transport activity, inclusive of the major pipelines and equipment, installation and facilities related to the System, quality acquired by the conclusion with NAMR, in 2002, of the Oil Concession Agreement approved pursuant to GD no. 793/2002.

#### **Art. 6 Main Business Area and Core Business of the Company**

- (1) The main business area is „Transport through pipelines”- NACE Code 495.
- (2) The core business of the company is „Transport through pipelines” - NACE Code 4950.

#### **Art. 7 Secondary Lines of Business**

0150 Activities in mixed farming (crop and animal production) 0910 Support activities for petroleum and natural gas extraction

1011 Processing and preserving of meat

1012 Processing and preserving of poultry meat

1013 Production of meat, including poultry meat products

1020 Processing and preserving of fish, crustaceans and mollusks'

1031 Processing and preserving of meat

1032 Manufacture of fruit and vegetable juice

1039 Processing and preserving of fruits and vegetables

2529 Manufacture of tanks, cisterns and containers of metal

2593 Manufacture of wire products, chains and springs

3313 Repair of electronic and optical equipment

3314 Repair of electrical equipment

3319 Repair of other equipment

3320 Installation of industrial machinery and equipment

3511 Electricity production

3513 Distribution of electricity

3530 Steam and air conditioning supply

3600 Water collection, treatment and supply

3700 Wastewater collection and treatment  
3811 Collection of non-hazardous waste  
3821 Treatment and disposal of non-hazardous waste  
3900 Remediation activities and other waste management services  
4321 Electrical installations  
4322 Sanitary installations, heating and air conditioning works  
4329 Other construction installation  
4511 Sale of cars and light motor vehicles (< 3.5 tons)  
4519 Sale of other motor vehicles  
4520 Maintenance and repair of motor vehicles  
4671 Wholesale of solid, liquid and gaseous fuels and related products  
4676 Wholesale of other intermediate products  
4677 Wholesale of waste and scrap  
4690 non-specialized wholesale trade  
4711 Retail sale in non-specialized stores, with predominant sale of food, beverages or tobacco  
4719 Retail sale in non-specialized stores with predominant sale of non-alimentary products  
4721 Retail sale of fresh fruits and vegetables in specialized stores  
4722 Retail sale of meat and meat products in specialized stores  
4723 Retail sale of fish, crustaceans and mollusks in specialized stores  
4724 Retail sale of bread, cakes, flour and sugar confectionery in specialized stores  
4730 Retail sale of automotive fuel in specialized stores  
4920 Freight rail transport  
4939 Other passenger land transport n.e.c.  
4941 Freight transport by road  
5210 Warehousing and storage  
5221 Service activities incidental to land transportation  
5224 Cargo handling  
5229 Other transportation support activities  
5510 Hotels and similar accommodation  
5520 Short-stays and vacation accommodation facilities  
5590 Other accommodation services  
5610 Restaurants  
5629 Other food services n.e.c.  
5829 Editing activities of other software products

6110 Wired telecommunications activities  
6120 Wireless telecommunications activities  
6203 Computer facilities management activities (administration and operation)  
6209 Other information technology and computer service activities  
6311 Data processing, web hosting and related activities  
6810 Buying and selling of own real estate  
6820 Renting and operating of own or leased real estate  
7112 Engineering activities and related technical consultancy  
7120 Technical testing and analysis  
7219 Research - Development on natural sciences and engineering  
7711 Renting and leasing of cars and light motor vehicles  
7712 Renting and leasing of cars and heavy motor vehicles  
7721 Renting and leasing of recreational and sports goods  
7732 Renting and leasing of construction and civil engineering machinery and equipment  
7733 Renting and leasing of office machinery and equipment (including computers)  
7739 Renting and leasing of other machinery, equipment and tangible goods n.e.c.  
8299 Other business support service activities n.e.c.  
8559 Other forms of education n.e.c.  
8610 Hospital assistance activities  
8690 Other human health activities  
9311 Operation of sports facilities  
9329 Other leisure and fun activities n.e.c..

### **CHAPTER III SHARE CAPITAL, STOCKS**

#### **Art. 8 The Share Capital**

- (1) The total share capital of “CONPET” S.A. amounting 28,569,842.40 Lei is subscribed and entirely paid-up.
- (2) The share capital of the company is divided into 8,657,528 nominative shares issued in dematerialized form, 3.3 Lei nominal value each.
- (3) The shareholding structure, corresponding to the consolidated synthetic structure of the shareholders is the following:  
The ROMANIAN STATE, by the Ministry of Energy (the line ministry or its successors, according to the law)  
Number of shares: 5,083,372  
Value of contribution to the share capital: 16,775,127.60 RON  
Share on profit and loss: 58.7162 %  
Other shareholders natural or legal persons

Number of shares: 3,574,156

Value of the contribution to the share capital: 11,794,714.8 RON

Share on profit and loss: 41.2838 %

- (4) The identification data of each shareholder, the contribution to the share capital, the number of shares he is entitled to and the share in the total share capital are being comprised in the Shareholders Registry kept in electronic system by Depozitarul Central S.A.
- (5) the rights and obligations related to the share capital of the Company, for the shares in capital held by the Romanian State are exercised, on behalf and on the account of the Romanian State, by the ministry of resort, the Company being under its authority, in accordance with the legal dispositions.

#### **Art. 9 Increase or Decrease of Share capital**

- (1) The share capital may be decreased or increased based on the Resolution of the Extraordinary General Meeting of Shareholders, under and in compliance with the procedure stipulated by law.
- (2) The Extraordinary General Meeting of Shareholders shall decide upon the augmentation of the share capital, in compliance with the legal provisions in force at the date of the augmentation thereof.
- (3) The share capital could be augmented by:
  - a) The issue of new shares;
  - b) Augmentation of the nominal value of the existing shares;
  - c) Incorporation of reserves, except for the legal reserves, as well as of the benefits and share premiums;
  - d) Compensation of certain liquid debts exigible to the company, by shares thereof;
  - e) Other sources, set by the General Meeting of Shareholders or Board of Directors, as the case may be, as per the law;
- (4) The Resolution of the Extraordinary General Meeting of Shareholders for the augmentation of the share capital shall be published in the Official Gazette of Romania, Part. IV, being granted, for the exercise of the right of first refusal, at least one-month deadline, starting the publishing date.
- (5) The reduction of the share capital is being made under the law.
- (6) The share capital could be reduced by:
  - (a) The diminution of the number of shares;
  - (b) Reduction of the nominal value of shares;
  - (c) Acquirement of own shares, followed by the cancellation thereof;
  - (d) Other processes stipulated by law;
- (7) The reduction of the share capital can be done only following two months as of the date of publishing in the Official Gazette of Romania Part IV, of the Resolution of the Extraordinary General Meeting of Shareholders, as per the legal provisions.
- (8) If the Board of Directors establishes that, following certain losses established based on the annual financial statements approved as per the law, the net asset of the company, determined as a difference between total assets and total liabilities thereof, lowered to less than half the value of the subscribed share capital, then the Board will convene immediately the Extraordinary Meeting of Shareholders, to decide upon the dissolution of the company.
- (9) The Board of Directors will present to the Extraordinary Meeting of Shareholders convened as per the here-above paragraph, a report regarding the patrimonial situation of the company, accompanied by observations of the internal auditors. This report must be submitted to the company headquarters by at least one week prior to the General Meeting, as to be consulted by any interested shareholder.
- (10) If the General Meeting does not decide upon the company dissolution, then the company is bound, up to the end of the financial year previous to the one the losses have been ascertained in relation hereto, to proceed to the reduction of the share capital by an amount at least equal to the amount of the losses that could not be covered from reserves, if all this time, the company net asset was not restored up to a value level that equals at least half the share capital.

## **Art. 10 The Shares**

- (1) The rights and liabilities related to the shares held by the shareholders stipulated at Art. 8, Para. (3), are being exercised by the respective owners.
- (2) The company shares are nominative, of equal values and comprise all the elements stipulated by law. The nominal value of one share is 3.3 RON. The shares are being issued in dematerialized form and are being registered in the Shareholders' Registry, the record thereof being held by Depozitarul Central S.A. Bucharest, to whom "CONPET" S.A. has concluded a contract. The shares are indivisible regarding CONPET S.A., which recognizes only one owner for each share. In case a share becomes the property of several persons, Depozitarul Central S.A. is not bound to record the transmission as long as those persons will not designate a unique representative for exercising the rights resulting from share.
- (3) The shares are being recorded in the Shareholders' Registry in book-entry form. The certification of the property right over shares is being made by way of a statement of account.
- (4) The shares issued by the company may be subject to usufruct or may be pledged, under the law.
- (5) The trading of shares is being performed on the securities regulated market, as per the legislation in force regarding the capital market.
- (6) The company may acquire own shares under the law.
- (7) "CONPET" S.A. employees have the right to purchase company shares from the State, up to the limit of the share capital set by the general meeting of shareholders and at the same selling price of the shares in case of privatization.

## **Art. 11 Bonds**

- (1) The company can issue bearer or nominative bonds, for an amount that is to be approved in the Extraordinary General Meeting of Shareholders.
- (2) The amount for which can be issued bonds should not exceed three quarters (3/4) of the paid-up share capital existing as per the latest approved financial statements.
- (3) The nominal value of one bond cannot be smaller than 2.5 Lei and the nominal value convertible in shares should equal the nominal value of the share.
- (4) The bonds, part of the same issue must be equal in value and grant equal rights to their holders.
- (5) The shares may be issued in a material form, on paper form or in dematerialized form.
- (6) The issue and trading of the bonds that are subject to a public tender shall be subject to the legislation regarding the incidental capital market.
- (7) The bond holders may be represented by authorized agents, other than the company administrators, directors or employees.
- (8) The company is authorized to issue bonds, under the law.

## **Art. 12 The Rights and Liabilities incurred by the Shares**

- (1) All shares have equal value and guarantee equal rights and liabilities to their holders.
- (2) Every subscribed and paid-up share, as per the law, guarantees the right to vote in the General meeting of Shareholders, the right to elect and be elected within the governing bodies, the right to take part to the distribution of dividends as per the provisions of this Articles of Incorporation and legal provisions, as well as other rights stipulated by law and the Articles of Incorporation.
- (3) The holding of shares involves the as of right acceptance of the Articles of Incorporation.
- (4) The rights and liabilities corresponding to the capacity of share holder observes the legal regime of the shares at their passing to other persons' property.

- (5) The company liabilities are guaranteed with the company's assets, representing the general pledge of the company creditors, and the shareholders are liable in connection therewith, limited to the subscribed share capital.
- (6) The company's Asset cannot be subject to debts or other personal liabilities of the shareholders. Any shareholder's creditor may issue claims against the party out of the receivable benefits of the shareholder, following the approval of the annual balance sheet or any stake due to him upon the company liquidation, made under the law and this Articles of Incorporation. The creditors may, though, garnish, during the company life, the stakes that would be due to the associates upon liquidation or may sequester and sell the shares to their debtor.
- (7) The shareholders have the right to be given correct and complete information regarding the company status in the General Meeting of Shareholders. In case of the issue of new shares, the existing shareholders benefit from the right of first refusal upon subscription, under the law.

#### **Art. 13 Disposal of Shares**

- (1) The company shares are indivisible.
- (2) In any relationship with the company, this one acknowledges one or more owners for every share. Whenever a nominative share becomes property of more persons, the conveyance shall not be recorded unless these persons nominate one representative to exercise the rights resulting from the share.
- (3) The ownership right over the shares issued in dematerialized form and traded on the regulated securities market shall be submitted in compliance with the legislation regarding the capital market.
- (4) The direct transactions will be operated by Depozitarul Central S.A. Bucharest.
- (5) The Company shares related transactions shall be made as per the legislation in force applicable to the organized securities markets.

### **CHAPTER IV THE GENERAL MEETING OF SHAREHOLDERS**

#### **Art. 14 The Representation**

- (1) The majority shareholder of "CONPET" S.A. is the Romanian State. The rights and duties of the Romanian State, acting as majority shareholder, shall be exercised, within the General Meetings of Shareholders, by the line ministry coordinating the company business, by way of specific normative acts, by specially designated representatives, as per the legal provisions.
- (2) The Romanian State representatives in the General Meeting of Shareholders are being nominated and revoked by order of the line ministry. The voting right of the State representative in the General Meeting of Shareholders "CONPET" S.A. will be exercised based on the special power of attorney submitted to the company in compliance with the legal provisions regarding the capital market and the other applicable regulations, the special empowerment being likely to be accompanied by an Order of the line minister/instruction for the General Meeting.

#### **Art. 15. Duties**

- (1) The General Meeting of Shareholders is "CONPET" S.A. management body, who decides upon the company business and trade and economic policy, as per the option of the shareholders present or represented during the meeting;
- (2) The General Meetings of Shareholders are ordinary and extraordinary.
- (3) The Ordinary General Meeting of Shareholders meets at least once a year, in no more than 4 months as of the conclusion of the financial year and has the following competencies, duties and functions:

- a) Discuss, approve or modify the annual financial statements, based on the administrators' or the financial auditor's report;
- b) Elects and revokes the administrators according to the law; at the appointment, the OGMS shall bear in mind that the majority of BoD members should be non-executive and independent;
- c) Approves the administration plan issued and presented by the Board of Directors, as well as the revision thereof;
- d) Appoints or revokes the financial auditor and sets the minimum duration of the financial auditing contract;
- e) Sets the remuneration level and any other amounts and advantages due to the administrators for the current financial year, as well as the general limits of the remuneration of the Director General;
- f) Approves the Organizational and Operational Rules and Regulations governing the Board of Directors and sets-out the competencies thereof;
- g) Approves the income and expenditure budget (Rom. BVC) and the investment program for the next financial year, as well as the BVC rectification;
- (h) Approves the profit distribution as per the provisions of the normative acts in force and the fixing of dividends;
- (i) Passes judgments over the administrators management and the means to recover the losses they have caused to the company;
- (j) Decides upon pledging, leasing or dissolution of one or several company units;
- (k) Fulfils any other duty, set under the law, as being borne by them.

(4) The Extraordinary General Meeting reunites whenever necessary in order to decide upon:

- a) Changing the legal form of the company;
- b) Changing the location of the company headquarters;
- c) Changing the scope of activity of the company;
- d) Establishment or disestablishment of subsidiaries;
- e) Extending the company's life;
- f) Augmentation of the share capital;
- g) Reduction of the share capital or replenishment thereof by issue of new shares;
- h) Merger with other companies or division thereof;
- i) Anticipated dissolution of the company;
- j) Conversion of the shares from one category into another;
- k) Conversion of a category of bonds into another or into shares;
- l) Bonds issuance;
- m) Amendment of the nominal value and number of shares;
- n) Decides upon the contracting of average and long term bank loans, here-included the external ones; establishes the competencies and level for contracting the current bank loans, of the trade loans, as well as the level of the guarantees;
- o) Decides upon the participation, according to the law, to the establishment of new legal persons or in the association with other legal or natural persons in the country or abroad, except for the non-profit organizations established under the law, for which the competence to approve the accession/withdrawal of companies from the capacity of member belongs to the Board of Directors;
- p) May delegate to the Board of Directors the execution of the attributions mentioned at Art. 15, paragraph (4), letters b), c) and f). The delegation of the task stipulated at Art. 15, paragraph (4) letter c) cannot concern the main business area and core business of the company.
- q) Decides on what market are to be traded the securities issued by the company and chooses the authorized independent registrar that keeps record of the shares issued by the company;



- r) Any other amendment of the Articles of Incorporation, or any other Resolution for which is being asked the approval of the Extraordinary General Meeting of Shareholders.

#### **Art.16 Call of the General Meeting of Shareholders**

- (1) The General Meeting of Shareholders is being convened by the Board of Directors, whenever necessary.
- (2) The call of the General Meeting of Shareholders shall comply with the legal provisions regarding the companies, as well as the regulations regarding the capital market and provisions of this Articles of Incorporation. The meeting deadline cannot be less than 30 days as of the publishing of the Convening Notice in the Official Gazette of Romania, part IV.
- (3) The convening notice shall comprise the venue, date and time of the meeting, as well as the Agenda, with the explicit mention of all the issues that shall make the object of the meeting debates. Equally, the convening notice shall comprise the reference date, the proposal of the Board of Directors regarding the registration date, ex-date and the due date for dividends payment. Where on the Agenda is being entered the election of the administrators, the Convening Notice will mention also the due date up to which may be submitted the candidacies, as well as the fact that the list comprising information regarding the name, place of domicile and professional qualification of the persons proposed for the administrator capacity is made available to the shareholders who can consult and complement it. The convening notice will mention the means to distribute the information regarding the issues included on the Agenda of the General Meeting of Shareholders, as well as the date as of which they will be available, the means of obtaining the special empowerment form for representation in the general meeting, the limit date and place where will be submitted the special empowerments. When on the Agenda are included proposals for the amendment of the Articles of Incorporation, the Convening Notice should comprise the full text of the proposals.
- (4) By way of the Convening Notice for the first general meeting could be set the date and time for the second meeting, for the situation when the first one could not be held. If the day of the second general meeting is not mentioned in the convening notice, the meeting could be convened in 8 days as of the publishing of the second call in the Official Gazette of Romania, part IV.
- (5) The Board of Directors calls urgently the general meeting of shareholders, at the request of the shareholders representing, individually or together, at least 5% of the share capital and if the request comprises provisions that fall under the attributions of the general meeting. The meeting will be convened in no more than 30 days and shall take place in no more than 60 days as of the date of the receipt of the request.
- (6) One or more shareholders representing, individually or collectively, at least 5% of the share capital have the right to ask the inclusion of new items on the Agenda. The requests are being filed to the Board of Directors, in no more than 15 days as of the convening notice publishing date, for publishing thereof and bringing to the attention of the other shareholders. In case the Agenda comprises the appointment of the administrators and the shareholders are willing to formulate application for candidacies proposals, the requests shall include information regarding the name, place of domicile and professional qualification of the persons proposed for the said positions. The Agenda completed with the items advanced by the shareholders, subsequent to call, must be published by the observation of the same requirements stipulated for the call of the general meeting, by at least 10 days prior to the general meeting, at the date mentioned in the initial convening notice.
- (7) The annual financial statements, the annual report of the Board of Directors, as well as the proposal regarding the distribution of dividends shall be made available to the shareholders at the company headquarters, as of the call date of the general meeting. The company shall make available to the interested shareholders, all along the period starting at least 30 days prior to the date of the general meeting, no later than and inclusive of the meeting date, the documentation and informative materials that are to be exposed to the general meeting of shareholders, corresponding to every item

on the Agenda, as well as other information stipulated by Law. Upon request, the shareholders will be issued copies of these documents. The amounts levied for the issue of copies cannot exceed the administrative expenses triggered by the supply thereof.

- (8) Every shareholder may address to the Board of Directors, in writing, questions regarding the company business, prior to the date of the general meeting, within the time frame stipulated in the convening notice of the general meeting; an answer is to be given during the meeting.

#### **Art. 17. Organization of the General Meeting of Shareholders**

- (1) For the validity of the deliberations of the ordinary general meeting of shareholders, are necessary:
- (a) In first call, the presence of the shareholders (here-included the votes by correspondence) representing at least half (1/2) of the total number of voting rights and the resolutions be taken with the majority of expressed votes.
  - (b) In second call, notwithstanding the number of the shareholders present or represented and the value of the represented share capital and resolutions be taken with majority of expressed votes.
- (2) For the validity of the deliberations of the extraordinary general meeting of shareholders, are necessary:
- a) In first call, the presence of the shareholders (inclusive of the correspondence votes) representing at least half (1/2) of the total number of voting rights;
  - b) In second call, the presence of the shareholders representing at least one third (1/3) of the total number of voting rights;
  - c) The resolutions are made with the majority of the votes held by the present or represented shareholders, both in first call and second call;
  - d) The resolution to amend the company's core business, to reduce the share capital, augment in cash the share capital, change the legal form, merge, divide or dissolve the company are being made by a majority of at least two thirds (2/3) of the voting rights held by the present or represented shareholders.
- (3) By way of derogation from the above provisions, the following resolutions of the extraordinary general meeting of shareholders shall be made by the vote of the shareholders representing at least three quarters (3/4) out of the share capital of the company, in first call or any other subsequent call, as follows:
- a) The resolutions regarding the bond issue;
  - b) Waiving the right of first refusal of the shareholders upon the subscription of new shares in case of the share capital augmentation in cash;
  - c) The share capital augmentation in kind.
- (4) The general meeting of shareholders is opened and presided by the chairman of the Board of Directors or in absence thereof, by the person substituting him. The general meeting shall elect, from the shareholders present, up to three secretaries that will check the attendance list for the shareholders, pointing out the share capital every person represents, the protocol prepared by the internal auditor and the technical secretariat of the meeting to ascertain the fulfilment of all formalities required by law and the Articles of Incorporation for holding the session.
- (5) A protocol, signed by the President and the Secretary, is to ascertain the fulfilment of the summoning formalities, the date and venue of the general meeting, the present shareholders, the number of shares, the summaries of the argumentation, the resolutions made, and upon the request of the shareholders, the statements they took during the meeting. The protocol will be attached the documents regarding the first call as well as the shareholders' attendance lists.
- The protocol shall be consigned in the registry of the general meeting, which is sealed and stamped.

- (6) The Chairman of the Board of Directors may nominate, out of the company employees, one or more technical secretaries, to take part to the execution of the above mentioned operations and also to the drafting and signing of the minutes of the meeting.
- (7) At the ordinary and extraordinary general meetings of shareholders, where are being discussed issues regarding the work relations with the company personnel, shall also be invited the President of the Union.

#### **Art. 18 Exercising the Right to Vote during the General Meeting of Shareholders**

- (1) The resolutions of the general meetings are taken in open vote.
- (2) At the proposal of the person presiding the general meeting, or of a group of present or represented shareholders, holding at least (1/3) of the total number of votes, could be decided that the vote be secret in other cases as well, other than those stipulated by law.
- (3) The secret vote is compulsory for the election of the members of the Board of Directors and financial auditor, for the revocation thereof and for making the resolutions regarding the responsibility of the members of the company administration, management and control bodies.
- (4) The voting right cannot be transferred. Any convention otherwise specified is null.
- (5) At the meeting may take part and vote exclusively the shareholders registered at the Reference Date, in person or by representatives, based on a special or general empowerment, as per the legal provisions. The shareholders may also vote by correspondence, in compliance with the procedure mentioned in the convening notice of the general meeting and the applicable legal provisions.
- (6) The shareholders lacking exercise capacity, as well as the shareholders legal persons may be represented by their legal representatives who, in their turn, may empower other persons for that general meeting.
- (7) In case of the vote by representation, the special/general empowerments and the accompanying documents shall be submitted to the company, at least 24 hours prior to the general meeting, under the sanction of losing the right to exercise one's voting right during that meeting. The special/general empowerments can also be submitted electronically, with the electronic signature included/attached. The Protocol shall include a mention regarding the received empowerments.
- (8) The members of the Board of Directors, the Director General or the company employees can not represent the shareholders, under the sanction of nullity of the Resolution if, in absence of the vote thereof, would not have been obtained the requested majority.
- (9) The Director General and the members of the Board of Directors are bound to take part to the general meetings of shareholders.
- (10) In order to be opposable to third parties, the resolutions of the general meetings shall be submitted in 15 days to the Trade Register Office in order to be recorded in the log-book and published in the Official Gazette of Romania, Part. IV.
- (11) Following every amendment of the Articles of Incorporation, the administrators shall file, at the Trade Registry, in no more than 15 days, the amendment and the full text of the Articles of Incorporation, updated with all amendments, which will be recorded pursuant to the resolution of the delegated judge.
- (12) The resolutions made by the general meetings of shareholders within the Law and this Articles of Incorporation are binding even for the shareholders that did not attend the meeting or voted against.
- (13) The resolutions of the general meeting of shareholders which are not compliant with the law or the Articles of Incorporation may be filed to Court, under the conditions and in compliance with the procedure stipulated by Law.
- (14) The shareholders that did not vote in favor of a resolution of the general meeting regarding the amendment of the core business, the merger or division of the company, the relocation of the company headquarters overseas or changing the company form, have the right to withdraw from the company under the law.

- (15) The members of the Board of Directors cannot challenge the resolution of the general meeting regarding the revocation thereof from the respective positions.
- (16) The petition will be dealt with in contradiction with the company represented by the Board of Directors.
- (17) If the resolution is challenged by all members of the Board of Directors, the company will be represented in justice by a person appointed by the President of the Court from among its shareholders, a person that is to fulfil the mandate vested in him, until the general meeting, called for this purpose, nominates a representative.
- (18) The resolutions of the ordinary general meeting of shareholders shall be signed by the president of the meeting, the technical Secretariate and by the shareholder or shareholder's representative holding the majority of expressed votes.
- (19) The resolutions of the extraordinary general meeting of shareholders shall be signed by the president of the meeting, the technical Secretariate and by the shareholder or shareholder's representative holding the majority of votes held by the presented or represented shareholders.
- (20) The "Abstention" position adopted by a shareholder regarding the items included on the agenda of the general meeting of shareholders is not deemed expressed vote.

## **CHAPTER V ABOUT THE COMPANY ADMINISTRATION**

### **Art. 19 Organization**

- (1) The company is administered in a unitary system by a Board of Directors consisting of 7 administrators, appointed by the Ordinary General Meeting of Shareholders for a period of 4 years, with the possibility of re-election for further periods of 4 years. The administrators can act as shareholders. For the appointment of an administrator to be legally valid, the person appointed must expressly accept it. The identification data of the administrators are being registered at the Trade Register Office as per the legal provisions.
- (2) The majority of the Board of Directors members are non-executive and independent administrators. When the administrators are appointed by the GMS or BoD, it will be taken into account that they fulfill the legal conditions regarding the status of independent administrator, the administrators being bound to fill-in an affidavit regarding independence prior to the appointment. If there are changes regarding the information that is the basis of the declaration of the status of independent administrator, the administrator has the obligation to immediately bring them to the attention of the Board of Directors through the Nomination and Remuneration Committee.
- (3) The Board of Directors is presided by a Chairman. The Chairman is elected by the Board of Directors, from among its members. The revocation from the capacity of Chairman of the Board of Directors is still the attribute of the Board of Directors. The resolution regarding the nomination or revocation thereof is being made by the vote of the majority of the Board of Directors' members.
- (4) In case of vacancy of one or more administrator positions, the Board of Directors proceeds to the appointment of one/several provisional administrators, until the reunion of the Ordinary General Meeting of Shareholders. The Board of Directors will ensure that the majority of non-executive and independent administrators is being maintained when appointing provisional administrators.
- (5) At the Board of Directors level is being constituted the Audit Committee and the Nomination and Remuneration Committee, binding, as per the legal provisions in force. The Board of Directors may also constitute, based on resolution, other consultative committees, in various activity areas, as per the needs and management strategy of the company. The Consultative Committees are made of at least two members, one of them being charged with the Presidency thereof. The consultative committees meet whenever necessary, at the Chairman's call, and the proposals/recommendations formulated by the Board of Directors (for the substantiation of the decision-making thereof) are

being adopted by the majority of expressed votes. The duties and responsibilities of the consultative committees are being set by the Board of Directors.

- (6) Cannot be administrators the persons who, as per the law, are incapable or have been convicted for fraudulent management, breach of trust, forgery, use of forgery, fraud, speculation, false testimony, bribery, for the delinquencies provided by the Law no. 656/2002 for the prevention and penalization of money laundering, as well as for the settlement of several prevention and refutation measures related to the terrorist acts, subsequent amendments and completions, for the delinquencies provided at art. 143 - 145 from the Law no.85/2014 regarding the insolvency prevention and insolvency procedures.
- (7) The Chairman of the Board of Directors of the company may not also be Director General thereof.
- (8) The Board of Directors usually meets at the company's headquarters or any place of business of the company or in any place disclosed in the convening notice. Operational meetings of the Board of Directors may be organized by means of remote communication meeting the technical conditions necessary for the identification of the participants, their effective participation to the meetings of the Board of Directors and the retransmission of the deliberations on a continuous basis (via e-mail, telephone, video call or other communication equipment), whenever necessary, but at least every 3 months, at the call of the President or at the reasoned request of 2 of its members or of the Director General/Directors. In this case, the Agenda is being established by the authors of the request. The Chairman must act on such a request. The Board of Directors is ruled by Chairman. In case the Chairman is temporarily incapable of exercising his duties, all along that period, the Board of Directors may charge another administrator with the fulfilment of the Chairman capacity, upon the proposal of the BoD's Chairman;
- (9) The Board of Directors cannot decide upon certain issues that are not included in the Agenda, except for the emergencies. In order to decide upon the emergencies, the absent members will also be consulted, by various remote communication devices.
- (10) The Chairman will decide on the emergency nature of the issues.
- (11) The Board of Directors performs its activity based on its own regulation and the legal regulations in force.
- (12) For the validity of the decisions is necessary the presence (directly or by proxy) of at least five members from among the Board members and the decisions are made with the majority vote of the present members. The chairman of the Board of Directors will have the casting vote in case of parity of votes. The "Abstention" position adopted by an administrator regarding the items included on the agenda of the general meeting of shareholders is not deemed expressed vote.
- (13) The members of the Board of Directors can be represented at the meetings of the respective body exclusively by other members thereof. A present member can only represent a single absent member.
- (14) In case of resolutions made during the meetings where a member of the board did not participate, the latter remains liable, if, within 30 days of acknowledgment thereof he did not challenge it in the forms provided by the law.
- (15) The Agenda is established by the Chairman. The call, the agenda and the meeting materials will be sent to the administrators in sufficient time before the date of the meeting; the deadline can be established by the own regulation of the Board of Directors. The minutes of the meeting shall be comprised in a Journal of the Meetings and BoD Deliberations, by courtesy of the Chairman of the Board.

The protocol of the meeting shall be drawn up by technical editing by the BoD Secretariate and shall comprise the name of the participants, the order of the deliberations, the decisions made, the number of votes cast and separate opinions. This will be signed by the Chairman of the Board of Directors, the BoD members. (only those who participate directly in the meeting; they may also have a mandate of representation given by another administrator) and by the BoD Secretariat, and will be attached by gluing it to the Journal of the Meetings and BoD Deliberations of the Board of Directors. The decisions of the Board of Directors and the protocols of the meetings will be sent by email to the administrators.

- (16) In exceptional cases, motivated by the emergency of the situation and by the company's interest, the decisions of the Board of Directors can be made by the unanimous written vote of the members, the reunion thereof no longer being necessary. This procedure cannot be followed in case of the decisions made regarding the annual financial statements or the authorized capital. The Board of Directors will be required to approve and submit the vote by remote communication means (email).
- (17) At the meetings shall attend the Chairman and BoD members, as well as the directors with mandate contract. As the case may be, when necessary, for additional information, the Chairman of the Board of Directors can invite at the meetings directors, internal auditors and any other management or operating employees, as well as specialists in various business areas from outside the company. The Union's President can be also invited, for debating professional, economic and social issues. In view of defending the professional, economic and social rights and interests of the members of the Union, the latter will receive from the company's management the necessary information for the negotiation of the collective labor agreements, under the law and by the agreement of the BoD members. The articles contained in the decisions of the Board of Directors regarding the professional, economic and social issues will be communicated in writing to the President of the Union within two working days as of the date of holding the meeting, only as per the orders of the Director General.
- (18) The Board of Directors may delegate the company's management to one or more directors, appointing one of them in the capacity of Director General. The Director General may be appointed from among the administrators, who thus becomes an executive administrator or from outside the Board of Directors. According to the law, director means that person to whom management duties of the company have been delegated by decision of the Board of Directors and who concludes a contract of mandate with the Company, in accordance with the applicable legal provisions. The Director General of "CONPET" S.A. Represents the Company in third party relations and in Court. The Board of Directors represents the company in relation to the directors with mandate contracts.
- (19) The Board of Directors is charged with the fulfillment of all the papers necessary and useful for the achievement of the company's core business, except for those set apart by the law for the general meeting of shareholders.
- (20) The Administrators are jointly liable against the company for:
- a) the reality of payments made by the associates;
  - b) the real existence of the paid dividends;
  - c) the existence of the registries required by the law and the proper holding thereof;
  - d) the exact fulfillment of the general meetings resolutions;
  - e) the strict performance of the duties that the law and the Articles of Incorporation impose.
- (21) The administrators' liability is being regulated by the legal provisions regarding the mandate as well as by the special provisions stipulated by the Companies Law no. 31/1990.
- (22) The administrators and their immediate successors are jointly liable if, being aware of the irregularities committed, fail to inform the internal auditors and the financial auditors in relation thereof.
- (23) The liability for the deeds or the omissions performed does not extend over the administrators who have caused to consign, in the BoD Protocols Journal, their objection and have informed in writing the internal auditor and the financial auditor thereupon;
- (24) If the administrators ascertain that, following various losses, the net asset, determined as a difference between the company's total assets and liabilities, represents less than half of the value of the share capital, they convene the extraordinary general meeting of shareholders, in order to decide upon the replenishment of the share capital, the decrease thereof to the remaining value or the company dissolution.
- (25) The members of the Board of Directors may be revoked by the resolution of the general meeting of shareholders and the Director General based on the Board of Directors Resolution.

- (26) The Board of Directors members shall conclude professional liability insurance, the exchange value thereof being borne by „CONPET” S.A., under the Law.
- (27) Administrators are bound not to disclose confidential data and information and business secrets of the Company, as well as information regarding its activity. This liability is also binding after the termination of the mandate, for a period of 5 years. They must also comply with the inside information regime provided in the incidental legislation.

## **Article 20 Powers of the Board of Directors**

- (1) The Board of Directors' powers are being set pursuant to the Articles of Incorporation of the company, the Romanian law, as well as pursuant to other attributions set by the general meetings of shareholders as falling under the responsibility thereof, respectively, in particular, the followings:
- (a) Calls the general meetings of the company and sets the agenda, while endorsing the meeting documentation;
  - (b) Prepares the annual report that is to be submitted to the General Meeting of Shareholders, together with the annual financial statements and the report of the financial auditor, as well as other reports imposed by the applicable legislation, by the observance of reporting requirements set pursuant to the capital market legislation and other incidental regulations;
  - (c) Concludes legal deeds in the name and on behalf of the company, based on which to acquire goods for the company or dispose, lease, change or enter a lien over the goods to be found in the Company's Assets, where the value thereof exceeds half the book value of the company assets at the conclusion of the juristic act, exclusively by way of approval of the Extraordinary General Meeting of Shareholders.
  - (d) Submits to the internal auditors and the financial auditor, by at least 30 days prior to the day of the general meeting, the annual financial statements for the preceding financial year, accompanied by the administrators' report and the supporting documents;
  - (e) Recommends for approval to the ordinary general meeting of shareholders, subsequent to the end of the financial year, on an annual basis, the financial statements for the preceding year accompanied by the administrators' report regarding the company activity and the financial auditor report;
  - (f1) Endorses and submits to the approval of the ordinary general meeting of shareholders the revenues and expenditure budget of the company (Budget) for the next financial year, as well as the rectification of the Budget, which, in accordance with the legislation in force, is the exclusive competence of the GMS; approves the corrections brought to the Budget which falls within the approval competence of the Board of Directors, according to the legislation and methodological norms in force;
  - (f2) Endorses the investment program for the next financial year, which includes the structure detailed by investment objectives before submission for approval of the GMS of its centralized structure; approves the investments program, the detailed structure by investment objectives after approval by the GMS of its centralized structure; approves the rectification of the investment program within the same total values approved by the GMS; approves the current repair program and its rectification; decides upon the delegations and limits of competence granted to the Director General regarding the approval of the rectification of the investment program and the current repair program;
  - (f3) Approves the procurement program and its review/rectification; decides upon the delegations and limits of competence granted to the Director General regarding the approval of the review of the procurement program;
  - (f4) Approves the company's accession to/the company's withdrawal from the non-profit organizations established in accordance with the legislation in force;
  - (g) Approves the Collective Labor Agreement at the company level and the conclusion of addenda to the Collective Labor Agreement and mandates the Director General for the carry-on of the negotiations between parties and the documents execution;

- (h) Approves the organizational structure and the related personnel structure, the Organizational and Operational Rules and Regulations and the Internal Rules of the company;
- (i) Drafts the administration plan and recommends it for approval in the ordinary general meeting of shareholders, within 90 days as of the appointment of the administrators under the conditions set out in the GEO no. 109/2011.
- (j) Delegates to the Director General/directors with a mandate contract the management duties of the company in areas of competence and establishes through the mandate contract their rights and obligations, competences, attributions, responsibilities; in the event that the Director General/directors with a mandate contract are unable to exercise their duties (rest leave, medical leave, travel assignments, etc.), they may delegate the duties according to the provisions of the mandate contract and/or the decisions of the Board of Directors;
- (k) Oversees the activity of the directors with mandate contract in what concerns the company management, here-included the management thereof and approves the quarterly, by-yearly and annual activity reports prepared by the directors, as well as any other activity reports recommended for approval;
- (l) Appoints and revokes the Directors with mandate contract of the company and sets the remuneration thereof, the general limits of the remuneration being set by the ordinary general meeting of shareholders in the remuneration policy. Sets the objectives and performance criteria for the directors with mandate contract and notes, recurrently, the progress of the fulfillment thereof; approves the global degree of achievement of the objectives and performance criteria of the directors with mandate contract, for the previous year, correlated with the financial statements of that financial year;
- (m) Sets the main business directions and approves the strategies and development policies of the company;
- (n) Sets the accounting policies and the financial control system and approves the financial planning;
- (o1) Approves/endorses the protocols on the results of the inventory of company property/public property of the state; approves/endorses proposals for decommissioning of fixed assets, withdrawal of materials of inventory objects like materials, decommissioning and disposal of material assets other than fixed assets, owned by the company/the public patrimony of the state, whose maintenance is no longer justified; approves/endorses the methods of recovery of such property and the starting prices at auction for goods proposed to recovery by tender; may delegate to the Director General the power to sign the protocols of the decommissioning of fixed assets/of inventory items/downgrading of material assets;
- (o2) Approves the requests for sponsorship and transfer to the company's costs of certain amounts representing penalties, delay penalties, fines, over 100,000 RON; empowers the Director General with the approval of transferring to the company's costs of certain amounts representing fines, penalties, delay penalties, up to the maximum limit of 100,000 RON;
- (o3) Approves the external business travels of the BoD members and Director General/directors with contract of mandate;
- (o4) Approves the participation of BoD members and of the Director General at training or professional development courses/conferences; regarding the expenses incurred by the travel of the members of the BoD to the company's headquarters/worksites, they will be settled by the company, the Director General ordering their payment based on the supporting documents;
- (o5) Delegates to the Director General the power to approve the internal travel of directors with a mandate contract and their participation in training or professional development courses/conferences.
- (p) Proposes the shareholders on what market are to be traded the securities issued by the company and chooses the authorized independent registrar holding evidence of the shares issued by the company;



- (q) Requests and receives reports from the internal audit of the company;
  - (r) Files the request for the opening of the insolvency procedure as per Law no. 85/2014 regarding the insolvency prevention and insolvency procedures;
  - (s) Is charged with the fulfillment of all the papers necessary and relevant for the achievement of the company's core business, except for those set apart by the law for the general meeting of shareholders.
  - (t) Engages current bank loans and trade credits, in compliance with the competencies and level of contracting set by the general extraordinary meeting of shareholders and approves the issue of the guarantees;
  - (u) Approves the proposals regarding the global strategy for development, revamping, modernization, economic-financial restructuring of the company;
  - (v) Provides the enforcement of the resolutions adopted by the shareholders within the sessions of the general meetings of shareholders, aiming that the enforcement of the resolutions be made by the compliance of the lawfulness of the company business; secures and is liable for the carry-on of any task or duty set by the general meeting of shareholders or that is being stipulated by the legislation in force, here-included the regulations in force regarding the capital market, as well as by the performance of the company's business, in terms of both direct duties, as well as for those assigned to the Director General/directors with mandate contract.
  - (w) Approves the management plan drafted and carried forth by the Director General, in 90 days as of the nomination thereof under the provisions of GEO no. 109/2011 regarding the corporate governance of the public enterprises.
  - (x) Presents, twice a year, within the ordinary general meeting of shareholders, a report on the administration activity including also information referring to the execution of the mandate contract of the directors, details regarding the operational activities, financial records of the company and the biyearly accounting reports thereof.
  - (y) Submits, to the ordinary general meeting of shareholders that approves the annual financial statements an annual report (Remuneration Report), prepared by the Nomination and Remuneration Committee within the Board of Directors, regarding the remunerations and other benefits granted to the administrators and directors with mandate contracts during the previous financial year, report structured pursuant to the provisions of the legislation in force;
  - (z) Approves the establishment or disestablishment of sub-units (secondary establishments, work sites, branches, agencies, representatives or other sub-unit types bearing no legal personality), located in the same locality and/or in other localities, in the country and abroad;
- (2) Under the sanction of nullity, the administrators or the directors with mandate contract may, on their own behalf, alienate, respectively acquire, goods to or from the company having a value of over 10% of the company's net assets value, only after obtaining the approval of the extraordinary general meeting, under the conditions provided in Law no.31/1990 regarding the companies.
- (3) The duties received by the Board of Directors from the general meeting of shareholders cannot be delegated to the Director General/directors with mandate contract, in compliance with Art. 15 Paragraph. (4) Letter (p) to this Articles of Incorporation.
- (4) The Board of Directors reserves the duty to represent the company in relation to the Director General.

## CHAPTER VI THE DIRECTORS

### **Art. 21 The Duties and Rights of the Director General/Directors with mandate contract**

- (1) The Board of Directors shall delegate the company's management to one or more directors, appointing one of them in the capacity of Director General. Within the meaning of this Articles of Incorporation, director means that person to whom management duties of the company have been delegated by decision of the Board of Directors and who concludes a contract of mandate with the Company, in accordance with the applicable legal provisions.
- (2) The Director General/Directors with mandate contracts have the following main duties:
  - (a) provides the leadership and management of the company business and is liable for the execution thereof in relation to both direct duties, as well as the ones entrusted to the Board of Directors;
  - (b) prepares the annual draft report, the draft income and expenditure budget and the planned works programme and submits them to the Board of Directors;
  - (c) observes the reporting liabilities set by the regulations in force regarding the capital market and the provisions of GEO no. 109/2011 regarding the corporate governance of the public enterprises, as well as all the other applicable legal provisions;
  - (d) drafts the company development and marketing strategies and policies and submits them for approval to the Board of Directors; applies the strategy, the company development and marketing strategies and policies set by the Board of Directors;
  - (e) prepares projects and business plans and submits them to the Board of Directors for approval;
  - (f) prepares the Organizational and Operational Rules and Regulations governing the company, the draft organizational structure and personnel structure and submits them to the Board of Directors for approval;
  - (g) organizes, coordinates and makes all necessary diligence to enforce the strategies and policies approved by the Board of Directors; approves the documents of normative nature and the Rules regulating the activity of the company;
  - (h) the Director General hires/nominates/removes/promotes/suspends/dismisses, as the case may be, under the law, the company personnel and sets the rights and obligations thereof;
  - (i) the Director General negotiates the employees' individual labor contracts;
  - (j) sets the attributions, competencies and responsibilities incurred by way of the job description, for the organizational positions that fall under his direct subordination;
  - (k) provides the fall within the wage fund figure contained in the approved income and expenditure budget, by the achievement of the productivity indicators.
  - (l) provides the monitoring of the implementation of provisions of the revenues and expenditure budget of the Company, by areas of expertise;
  - (m) sets the performance criteria and objectives for the management positions employees, the follow-up of the degree of achievement thereof and assessment of their activity regarding the fulfilment of the attribution provided in the job description;
  - (n) are bound not to disclose confidential data and information and business secrets of the Company, as well as information regarding its activity. This liability is also binding after the termination of the mandate, for a period of 5 years. They must also comply with the inside information regime provided in the incidental legislation.
  - (o) presents to the Board of Directors, monthly or whenever necessary, activity reports;
  - (p) have signature right and signature specimen in the bank and decide on the receipt and payment operations of the company; these powers may be delegated, in case of impossibility to exercise one's duties, to others within the company by decision of the Board of Directors, the BoD being the one to appoint the persons authorized to have signature right I and II and their substitutes;

- (q) notifies the board of directors on all irregularities found during the fulfilment of his duties;
  - (r) the Director General negotiates and concludes the Collective Labor Agreement in the name and on behalf of the company, as per the mandate given by the Board of Directors and in the form agreed following negotiations between the parties;
  - (s) the Director General represents the Company in relation to third parties and in Court;
  - (t) the Director General concludes juristic acts, in the name and on behalf of “CONPET” S.A., under the law and in compliance with the provisions of the contract of mandate and the empowerments granted based on the BoD decision;
  - (u) the Director General concludes contracts of sale and purchase of goods under the law and in accordance with the contract of mandate and powers granted by decision of the Board;
  - (v) may authorize the directors or any other employee of the company to exercise any power within one’s competence, both in what concerns the company’s business and the representation in relation to various authorities, public institutions, natural or legal persons, in justice, etc., as the case may be;
  - (w) the Director General signs the protocols of the decommissioning of fixed assets/scraping of inventory items/downgrading of material goods, where he shall be delegated this power by the Board of Directors
  - (x) endorses the materials on the Agenda of the BoD meetings, according to their area of expertise;
  - (y) the Director General organizes and manages an Executive Director Committee consisting of directors with mandate contract. The Director General may summon to the meetings employees with management or execution powers within the company and, as the case may be, when discussing problems of professional, economic and social concern, may also invite the President of the Union.
  - (z) any of the administrators may request to the Director General/Directors information regarding the operative management of the company. The Director General/Directors is bound to inform the Board of Directors, regularly and in a comprehensive manner, on the operations made and the envisaged ones.
- (3) Directors with mandate contracts have the following main duties:
- (a) to settle, based on the substantiation documents, the accommodation expenses, the per diem payments, the transport and other expenses, for the travel assignments in the country and overseas, within the limits set by the income and expenditure budget for these expenses;
  - (b) to be granted the transport by company vehicle (with driver or personal drive) to fulfil his duties.
  - (c) to hold professional liability insurance, the exchange value thereof being borne by CONPET S.A., under the law;
  - (d) to benefit from paid days off every calendar year, which are not assimilated to the rest leave provided by the labor code, as well as other rights provided in the mandate contract;
  - (e) to be provided a workplace within the Company in compliance with his qualification, as well as other rights in accordance with the legal provisions, at the end of the mandate;
  - (f) to benefit from all the health and social insurance rights, as well as other rights of the employees, stipulated in the contract of mandate, granted by similarity with those contained in the collective labor agreement concluded at company level.
- (4) The rights of the Directors are the ones stipulated in the contract of mandate concluded between the company represented by the Board of Directors through a member thereof, usually the Chairman of the BoD. Through the Contract of mandate concluded with the company, the Director may be also granted other additional rights besides those stipulated in paragraph (3).

**Art. 22 Other provisions regarding the Directors with mandate contract**

- (1) For the appointment of a director to be valid, the appointed person must accept it, expressly, by means of a written declaration.
- (2) The Director General/Directors are liable for paying all due diligence related to the Company management, within the scope of business of the Company and by the observance of the exclusive competencies of the Board of Directors or of the General Meeting of Shareholders, reserved by Law or the Articles of Incorporation.
- (3) The duration of the Director's mandate is 4 years and may be renewed. The vacancy of the position of director is established by decision of the Board of Directors.
- (4) The director's mandate ends by completion of the duration of the mandate, by revoking the mandate, by waiver of the mandate, as well as for any other reasons for the termination of the mandate provided by law, this Articles of Incorporation or the mandate contract.
- (5) The rights and obligations of directors with mandate contract will be those stipulated by the contract, by the decision of the Board of Directors regarding the delegation of management powers of the Company, by the provisions of this Articles of Incorporation and by the legal provisions applicable to the directors of joint stock companies.
- (6) The directors shall submit to the Company, ex officio or upon request, all identification, contact data and any personal data necessary to ensure the conditions for the execution of the Company's obligations, provided by law, the Articles of incorporation or the mandate contract.  
In the event of changes to the submitted data, the submission of the new data will be done by the Directors, ex officio.

## **CHAPTER VII COMPANY MANAGEMENT**

### **Art. 23 The Audit**

#### **A. The Financial Auditor**

- (1) The financial statements of the company shall be audited by the financial auditors, natural or legal persons, under the law.
- (2) The financial auditors are elected by the general meeting of shareholders and they carry on their activity based on the contract concluded with the company. The identification data of the auditors are being revealed in Annex 1 to this Articles of Incorporation.
- (3) The general meeting may approve the annual financial statements only if they are accompanied by the report of the financial auditor.
- (4) The annual financial statements, together with the administrators' report and the financial auditor's report shall remain filed to the company premises during the 30 days preceding the general meeting, in order to be consulted by the shareholders.
- (5) The shareholders may ask the Board of Directors, on their expense, copies of the annual financial statements and the other reports stipulated at paragraph (4).
- (6) In order to exercise the right to control, the significant shareholders may be presented, upon request, data regarding the company activity, the statement of assets and liabilities, of profit and loss.
- (7) Approval of the annual financial statements by the general meeting does not impede the exercise of the liability proceeding against the administrators, directors or financial auditors;
- (8) The financial auditors are bound to survey the company management, to check whether the financial statements are legally prepared and in accordance with the book records, if the latter are regularly kept and the evaluation of the assets elements was made as per the rules set for the preparation and presentation of the financial statements.

(9) The duties and functioning of the financial auditors of the company, as well as the rights and obligations thereof are being complemented with the legal provisions in the area.

#### **B. The internal audit**

- (1) The Company shall organize the internal audit as per the general legislation regarding the internal audit and methodological norms drafted by the Romanian Financial Audit Chamber in this purpose.
- (2) The general objective of the internal public audit in the public entities is represented by the improvement of the management thereof and can be reached, mainly by:
  - a) Insurance activities, representing objective examinations of the evidence, made in view of providing the public entities and independent assessment of the risk management, control and governance related-processes;
  - b) Counselling activities meant to bring plus value and improve the governing processes in the public entities, the internal auditor not undertaking management responsibilities;
- (3) The internal auditors shall inform the Board of Directors members on the irregularities found during the performance of the company business, as well as the breach of the legal provisions and Articles of Incorporation.
- (4) The entity performing the Internal Public Audit is distinctly constituted under the direct subordination of the Director General. The internal audit activity is being recurrently reported to the Board of Directors, which analyzes and sets the necessary measures for a good organization and functioning of the company. The head of the Internal Public Audit Service is appointed/dismissed by the Director General, only by the opinion of the ministry under whose authority is "CONPET" S.A.. The Director General approves the annual internal public audit plan and the annual report of the internal public audit activity.
- (5) The competence of the internal public audit covers all the activities performed within the company for the fulfilment of the objectives thereof, here included the assessment of the management control system.

### **CHAPTER VIII COMPANY BUSINESS**

#### **Art. 24 The Financial Year**

- (1) The financial year represents the period for which must be concluded the annual financial statements and coincides to the calendar year.
- (2) As per the provisions of the Accounting Law no. 82/1991, republished, the Board of Directors is bound to submit to the territorial units of the Ministry of Public Finances, in electronic form, being attached an extended electronic signature, the annual financial statements, the administrators' report and the financial auditors' report.
- (3) The company is bound to publish, in the Official Gazette of Romania, part. IV, a notice to confirm the filing of the documents stipulated in paragraph (2).

#### **Art. 25 Company Personnel**

- (1) The management and operating personnel is hired/nominated/dismissed/promoted/fired by the Director General;
- (2) The payment of wages and related taxes, of the social insurance rates, as well as of the other obligations to State and local budget shall be made as per the law.
- (3) The rights and obligations of the company personnel are being set by way of the Collective Labour Agreement, the Organizational and Operational Rules and Regulations and by own regulations.

- (4) The payment shall be made as per the legal legislation in force and provisions of the collective labor agreement.
- (5) Considering the business specificity, the company personnel concludes a non-disclosure agreement regarding the failure to submit/the non-disclosure of data and information they have become aware of during the labor contract execution, under the internal regulation, individual or collective labor agreement. The personnel must also comply with regime of the inside information stipulated in Law no. 297/2004 regarding the capital market and contingent regulations.

#### **Art. 26 Depreciation of Fixed Assets**

The Board of Directors approves, under the Law, the method to depreciate the tangible and intangible assets of the company's Asset.

#### **Art. 27 Book-keeping and Financial Statements**

The Company holds the book-keeping, in national currency, observing the conditions stipulated by the Romanian legislation in force.

The annual financial statements are prepared in compliance with the applicable accounting regulations and the accounting policies of the company.

#### **Art. 28 Calculation and Distribution of Profit**

- (1) The company profit is being set under the law based on the annual financial statements approved by the ordinary general meeting of shareholders.
- (2) Out of the company profit shall be taken-over, every year, within a 5% limit, an amount for the formation of the reserve fund, as per the legislation in the area, until it reaches at least the fifth part of the share capital.
- (3) The remaining profit following the payment of the income tax shall be distributed as per the resolution of the general meeting of shareholders.
- (4) Out of the company profit can be constituted funds for the modernization, research and development of new products, investments, repairs as well as other destinations set by the general meeting of shareholders.
- (5) The payments of dividends due to shareholders are being made by the company under the law following the approval of the financial statements by the general meeting and fixing the payment date, as per the legal provisions in force.
- (6) In case of loss registration, the general meeting of shareholders shall analyze the causes and decide accordingly, under the law.
- (7) Bearing the costs by the shareholders shall be made in proportion to the share capital contribution.

#### **Art. 29. Company Registries**

- (1) The Company will keep up-to-date, beyond the records stipulated by law the following registries:
  - (a) A Shareholders' Registry. The company contracts an Independent Registrar to keep the electronic record of the Shareholders Registry and log the registration and perform other relevant operations;
  - (b) A Journal of the meetings and general meetings deliberations;
  - (c) A Journal of the meetings and BoD deliberations;
  - (d) A registry of bonds, to show the total bonds issued and disbursed, as well as the bearers' first name, surname, place of domicile or headquarters, when the bonds are nominative. The

evidence of the bonds issued in dematerialized form and which are being transacted on an organized market shall be held as per the law.

- (e) A registry of the deliberations and findings made by the internal auditors, during the mandate execution thereof.
- 2) The administrators or, as the case may be, the Independent Registrars, are bound to make available to the shareholders the registry stipulated at letter a) and issue, upon request, a statement of account. Moreover, they are bound to make available for the shareholders and bonds bearers, under the same conditions, the registries stipulated at letters b) and d).

## **CHAPTER IX**

### **AMENDMENT OF THE LEGAL FORM, DISSOLUTION, LIQUIDATION, LITIGATIONS**

#### **Art. 30 Amendment of the Legal Form**

- 1) Amendment of the legal form of the company shall be made only based on the resolution of the extraordinary general meeting of shareholders and by the fulfilment of all formalities stipulated by law and this Articles of Incorporation.
- 2) The new company will fulfil all legal registration and advertising formalities requested at the companies' set-up.

#### **Art. 31 The Company Dissolution**

- 1) The company dissolution shall take place in the following situations:
  - a) Impossibility to achieve the company business scope;
  - b) Opening of the company bankruptcy procedure;
  - c) Declaration of the company nullity by way of a final and irrevocable Court judgment;
  - d) Losses due to which the net asset, determined as difference between total assets and company liabilities, represents less than half the share capital, after having consumed the reserves fund due to reasons that trigger no responsibility of any kind, unless the general meeting of shareholders agrees upon the restitution of the share capital or reduction thereof to the remaining amount;
  - e) Court Judgment, upon the request of any shareholder, for ground reasons, as well as the misunderstandings
  - f) between the shareholders, that impede the company operation;
  - g) Decrease of the number of shareholders below the minimum legal threshold;
  - h) Share capital reduction below the minimum imposed by the law;
  - i) Other causes stipulated by law or the Articles of Incorporation of the company.
- (2) The resolution to dissolve the company must be inscribed in the Trade Registry and published in the Official Gazette of Romania, part IV.

#### **Art. 32 Company Liquidation**

- (1) The company dissolution has as effect the opening of the liquidation procedure as per the legal norms, except for the merger or total division thereof.
- (2) The company liquidation and distribution of assets are made under and by observance of the procedure stipulated by law.

#### **Art. 33. Merger and Division**

The company's merger, respectively division take place based on the resolution of the extraordinary general meeting of shareholders, as per the applicable legal provisions.

#### **Art. 34 Litigations**

- (1) The company litigations with Romanian natural or legal persons are the jurisdiction of the Instance Courts in Romania, as per the Law.
- (2) The litigations arising from the contractual relations between the company and Romanian legal persons may be also settled through arbitration, as per the law.

### **CHAPTER X FINAL PROVISIONS**

#### **Art. 35 Final Provisions**

- (1) The provisions of this Articles of Incorporation are being complemented by the provisions of the GEO no. 109/2011 regarding the corporate governance of the public enterprises, of Law no. 31/1990 regarding the companies, of the Civil Code, Trade Code and of the legislation in force regarding the capital market.
- (2) This Articles of Incorporation has been updated on 27.04.2023 following the amendments approved by the EGMS Resolution no. 1/27.04.2023, based on the Articles of Incorporation updated on 28.04.2022 and was drafted and signed in 3 (three) original copies.

**Chairman of the Extraordinary General Meeting of Shareholders  
TĂNĂSICĂ OANA - CRISTINA**

Legal Department  
Bănică Cornel

GMS Secretariat  
Modoran Adina  
Rusu Andreea