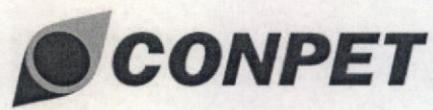


**SC CONPET SA**

Str. Anul 1848 nr. 1-3, Ploiești, 100559, Prahova, Romania
Tel: +40 - 244 - 401 360; fax: + 40-244 - 51 64 51
e-mail: conpet@conpet.ro; web: www.conpet.ro
Cod unic de înregistrare: R 1350020, Cod CAEN 4950
Inregistrata la Registrul Comerțului Prahova sub nr.J29/6/22.01.1991
Capital social subscris si versat 28 569 842,40 lei



**Organizational and Operational Rules and Regulations governing the Board of Administration
of
“CONPET S.A.”**

(1) CONPET SA is being administered by a Board of Administration (BoA), made up of 7 administrators elected by the Ordinary General Meeting of Shareholders.

(2) The Board of Administration is presided by a Chairman. The Chairman is elected by the Board of Administration from among its members. The revocation from the position of Chairman of the Board of Administration is still the attribute of the Board of Administration. The resolution regarding the appointment or revocation thereof is being made with the majority vote of the Board of Administration members.

(3) In case of vacancy of one or more administrator position, the Board of Administration proceeds to the appointment of some provisional administrators, until the reunion of the Ordinary General Meeting of Shareholders.

(4) The Board of Administration is constituted of the following persons:

1	Weiler Dan	Chairman of BoA
2	Ilași Liviu	Member of BoA
3	Meșca Darius - Dumitru	Member of BoA
4	Chiriac Cristiana	Member of BoA
5	Gheorghe Roxana - Elena	Member of BoA
6	Bugică Radu	Member of BoA
7	Lefter Razvan - Stefan	Member of BoA

In case amendments occur in the Board of Administration membership structure, these rules and regulations will be updated with the new administrator (s), following the application of the OGMS Resolution, respectively the Board of Administration Resolution.

(5) At the level of the Board of Administration are being constituted the following consultative committees:

- **The Nomination and Remuneration Committee** will be constituted of the following administrators: Mr. Dan Weiler – Chairman, Mrs. Cristiana Chiriac and Mr. Lefter Razvan – members.

- **The Audit Committee** will be constituted of the following administrators:

Mrs. Roxana - Elena Gheorghe – President, Mr. Darius - Dumitru Meșca and Mr. Radu Bugică – members.

- **The Finance and Investor Relations Committee** will be constituted of the following administrators:

Mr. Radu Bugică – President, Mr. Liviu Ilași and Mrs. Roxana - Elena Gheorghe – members.

- **The Committee for the Relations with the Regulatory and Energy Authorities** will be constituted of the following administrators:

Mrs. Cristiana Chiriac – President, Mr. Dan Weiler, Mr. Liviu Ilași and Mr. Darius - Dumitru Meșca – members.

- **The Development Committee** will be constituted of the following administrators:

Mr. Liviu Ilași – President, Mr. Dan Weiler, Mrs. Roxana - Elena Gheorghe, Mr. Darius - Dumitru Meșca and Mr. Lefter Razvan – members.

The Board of Administration may set up as well, by resolution, other consultative committees, in different areas of activity, pursuant to the company's necessities and the management strategy thereof. The consultative committees are made up of at least 2 members, one of them holding the position of president



of the respective committee. The consultative committees meet whenever necessary, at the president call, and the proposals/recommendations formulated by the Board of Administration (for the substantiation of the resolutions made thereby) are being adopted with majority of exercised votes. The attributions and responsibilities of the consultative committees are being established by the Board of Administration.

(6) At least one member of each consultative committee should be non-executive independent administrator. The audit and remuneration committees are made up exclusively of non-executive administrators. At least one member of the audit committee must have expertise in the application of the accounting policies or financial audit.

(7) The Board of Administration generally meets at the company's headquarters or at any work site thereof or at any other place communicated by the convening notice. Operational feedback sessions can be organized by remote communication devices meeting the technical conditions necessary for the identification of the participants, the factual participation thereof to the Board of Administration meetings and resubmission of the deliberations on a continuous basis (by e-mail, telephone, video conference and other communication devices), whenever necessary, but at least once at 3 months, at the Chairman call or at the reasoned request of 2 of its members or the General Director. The Board is being presided by the Chairman. In case the Chairman faces temporary incapacity to exercise his attributions, along the respective state of facts the Board of Administration may delegate another administrator to fulfil the Chairman position. The Board is also convened upon the reasoned request of at least two of the administrators or the General Director. In this case, the Agenda is being established by the authors of the request. The Chairman is bound to follow such request.

(8) For the validity of the resolutions is necessary the presence (directly or by representation) of at least five members of the Board and the resolutions are made with the majority vote of the present members. The Chairman of the Board of Administration will have the casting vote in case of parity of votes.

(9) The Members of the Board of Administration 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.

(10) In case of resolutions made during the meetings where a member of the Board failed to participate, the latter remains liable, if, within 30 days of acknowledgment thereof he did not challenge it in the forms provided by the law.

(11) The Board of Administration cannot decide on certain issues that are not included in the Agenda, except for the emergencies. In order to decide on the emergencies, the absent members will also be consulted, by various remote communication devices. The Chairman will decide on the emergency nature of the said issues.

(12) In exceptional cases, motivated by the emergency of the situation and by the company's interest, the resolutions of the Board of Administration can be made by the unanimous written vote of the members, the reunion thereof not being necessary. The Board of Administration will be requested the approval by telephone note, note that will be rectified within the following meeting of the Board; the execution of the telephone note by all the members represent the fulfilment of the condition regarding the unanimous vote expressed in writing.

(13) At the meetings will participate the Chairman and the members of the Board of Administration. As the case may be, when necessary, for additional information, the Chairman of the Board of Administration can invite at the meetings executive directors, internal auditors, as well as other employees of the company or specialists on various domains of activity 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, the latter will receive from the company's management the necessary information for the negotiation of the collective labour agreements. The articles contained in the Resolution of the Board of Administration regarding the professional, economic and social issues will be communicated in writing to the Union's President within two working days as of the meeting date.



(14) The Board of Administration 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.

(15) The Chairman and the members of the Board of Administration are being remunerated on a monthly basis, with a fix allowance whose quantum is established by the Ordinary General Meeting of Shareholders. The Ordinary General Meeting of Shareholders will also establish the variable component of the administrators' remuneration.

(16) The Chairman of the company's Board of Administration cannot be General Director of the company.

(17) The General Director organizes and leads a Steering Committee made up of the Executive Directors. The General Director can convene to take part to the meetings employees with management or executive prerogatives within the company, and, as the case may be, when debating professional, economic and social issues, he can also invite the Union's President.

(18) The Steering Committee is being convened by the General Director whenever needed, for discussing issues related to the company's business and settle the necessary economic and technical-organizational measures. The subjects on the Agenda of the Board of Administration can be previously analyzed in the Steering Committee meeting, whether the General Director considers it necessary.

(19) The following provisions apply to the administrators and the General Director under the same conditions:

- a) Along the execution of the mandate, neither the administrators nor the General director can conclude a Labour Contract with the company. In case the administrators and the General Director have been appointed from among the company's employees, the individual employment contract is being disconnected during the mandate period.
- b) The administrators and the General Director will exercise their mandate with loyalty and deference, in the company's interests;
- c) The Administrator or the General Director does not break this obligation if, at the moment of making a business decision, he is reasonably entitled to consider acting in the company's interest and based on adequate information. The business decision means any decision whether to take or not to take certain measures related to the company's administration.
- d) The administrators and the General Director are not allowed to disclose the data and information they have access to, related to the company and the activity thereof. This liability is being accounted for by the latters also after the termination of the mandate, for a period of 5 years. Moreover they must observe the inside information regime provided in Law no. 297/2004 regarding the capital market and incidental regulations.
- e) 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 enforcement of the general meetings resolutions;
 - e) the strict performance of the duties that the law and the articles of incorporation impose.
- f) The administrators are liable against the company for the prejudices caused by the acts performed by the General Director or the personnel involved, where the prejudice wouldn't have been produced if they had exercised the surveillance required by the duties related to their position.
- g) The General Director will inform the Board of Administration on all the irregularities ascertained following the fulfillment of his attributions;
- h) The administrators and the General Director are jointly liable, together with their immediate predecessors if, having acknowledged the irregularities performed thereby, they do not communicate them to the internal auditor and the financial auditor;
- i) The liability for the acts performed or the omissions does not extend to the administrators or the general director who has caused to consign, in the protocols journal of the Board of

Administration, their objection and have informed the internal auditor and the financial auditor thereupon;

j) The administrator or the General Director who has, in a certain operation directly or indirectly, interests contrary to the company's interests must inform the other administrators and the internal auditor thereupon and not take part to any deliberation related to this operation. The same obligation is assumed by the administrator or the General Director if, in a certain operation, he knows that his husband/wife has interest, the relatives or in-laws until the 4th degree (inclusive of);

k) The interdictions settled at paragraph (j) are not applicable in case the scope of the vote is the following:

- o Offering for subscription, to an administrator or the general director or the persons mentioned at paragraph (j), company's stocks or bonds;
- o Granting, by the administrator or the General Director or the persons mentioned at paragraph (j) of a loan or the establishment of a guarantee in favor of the company;

l) It is prohibited the company's lending the administrators or the General Director by means of operations such as:

- o granting loans;
- o granting financial advantages on the occasion of or subsequent to the conclusion between the company and the hereabove mentioned of goods delivery operations, services supply or works execution operations;
- o the surety bond, direct or indirect, in whole or in part, of any granted loan, concurrent or subsequent to the loan granting;
- o the surety bond, direct or indirect, of the execution by the administrators or the General Director of any personal obligation thereof in relation to third parties;
- o The onerous acquire or the payment, in whole or in part, of a receivable having as scope a loan granted by a third party to the administrators or the General Director or another personal service thereof.;

m) The provisions of paragraph (1) are also applicable to the operations in which are interested the husband or wife, relatives or in-laws up to the 4th degree (inclusive) of the administrator or the General Director; moreover, if the operation targets a civil society, or of any other kind, to which one of the persons previously mentioned is administrator or holds, alone or together with any of the persons mentioned above, a rate of at least 20% of the subscribed share capital value;

n) The provisions of paragraph (1) are not applicable:

- o In case of operations where exigible cumulated value is below the equivalent in RON of the amount of 5000 Euro;
- o In case the operation is concluded by the company under the conditions of the current performance of its business, and the operation clauses are not more favorable to the persons provided at paragraphs (1) and (m) than those the company generally practices against third parties;

o Under sanction of nullity, the administrators or the General Director can, 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.

p) The members of the Board of Administration are bound to provide their wealth statement. The wealth statement will be filed to the Human Resources Department within the company, in 15 days of the appointment date or position election date or the date they start their activity in the actual position. The members of the Board of Administration are bound to update their wealth statements on an annual basis, no later than the 15th of June for the previous fiscal year. Moreover, within 15 days as of the termination of mandate or the cease of activity, they are bound to submit a new wealth statement. Under the same conditions the members of the Board of Administration are bound to submit also the declaration of interests to the company.

q) By accepting the administrator mandate, the members of the Board of Administration undertake a firm, unilateral and unconditioned commitment to respect the loyalty and confidentiality obligations regarding any information, data, acts and/or facts that refer to the business performed by CONPET SA that they have gained knowledge of during exercising their administrator attributions.

r) The members of the Board of Administration will have professional liability insurance, the exchange value thereof being borne by the company, under the conditions provided by the law.

(20) The Board of Administration is charged with attributions set out by the company's Articles of Incorporation, by the Romanian Law, as well as with other attributions set out by the general meetings of shareholders, which are mainly the followings:

- a) Convenes the company's general meetings of shareholders, establishes the Agenda and endorses the meeting acts;
- b) Prepares the annual report that will be presented to the general meeting of shareholders, together with the annual financial statements and the financial audit report, as well as other reports required by the applicable legislation, in compliance with the reporting requirements set out by the C.N.V.M. regulations regarding the capital market and other incidental regulations;
- c) Concludes juristic acts on behalf and on the account of the company, by which it acquires goods therefor or alienates, leases, changes or enter a lien over the goods to be found in the company's assets, whose value exceeds half of the accounting value of the company's assets of the date of conclusion of the juristic act, only with the approval of the extraordinary general meeting of shareholders;
- d) Presents the internal auditors and the financial auditor, with at least 30 days before the date settled for the general meeting of shareholders, the annual financial statements for the previous fiscal year, accompanied by the administrators report and the substantiation documents;
- e) Recommends for approval by the ordinary general meeting of shareholders, following the conclusion of the fiscal year, on an annual basis, the financial statements for the previous year, accompanied by the administrators report regarding the company's activity and the report of the financial auditor;
- f) Recommends for approval to the ordinary general meeting of shareholders the company's Revenue and Expenditure Budget and the Capital Repairs Investment Program for the fiscal year to come, as well as the corrections thereto; approves the revision of the Capital Repairs Investment Program within the same values;
- g) Approves the Collective Labour Agreement at the company's level ;
- h) Approves the organizational and personnel structure related thereof, the organizational and operational rules and regulations and the company's internal rules;
- i) Prepares and recommends for approval to the ordinary general meeting of shareholders the Administration Plan, within 90 days as of the appointment of the administrators, under the conditions provided by GEO no. 109/2011;
- j) Delegates, to the General Director, the company's management attributions and establishes, by the mandate contract and by resolutions of the Board of Administration, the rights and obligations, qualifications, duties, responsibilities of the General Director; in case the General Director is incapable of exercising his duties (annual leave, sick leave, other situations), the Board of Administration will delegate the company's management to one of the executive directors.
- k) Supervises the activity of the General Director concerning the management of the company, including the administration thereof;
- l) Appoints and dismisses the General Director of the company and establishes his remuneration, remuneration whose general limits are fixed by the ordinary general meeting of shareholders. Sets out the objectives and performance criteria of the General Director and records, periodically, the fulfillment degree thereof; approved the global degree of fulfilling the objectives and performance criteria of the General Director, for the previous year, correlated with the financial statements of the respective fiscal year;
- m) Settles the main business directions and approves the company's development strategies and policies;
- n) Settles the accounting policies and the financial control system and approves the financial planning;
- o) Approves the annual procurement program; approves/endorses the protocols regarding the results of the goods inventory out of the company's Assets/the State's public property; approves/endorses the proposals to decommission the fixed assets, end life of the materials such as inventory objects in use, downgrade and discard certain material goods, other than the fixed assets to be found in the assets of the company / the State's public property, whose maintenance no longer justifies; approves /endorses the means to capitalize these goods and upset prices for the goods proposed to be capitalized by auction; may delegate the General Director with signing the protocols to decommission the fixed assets/ end life of the inventory objects in use/downgrade the material goods; approves the sponsorship requests and the requests for registration on the company's costs certain amounts representing penalties, late-payment additions, fines etc;

- p) Proposes the shareholders on which markets the securities issued by the company are to be quoted and elects the authorized independent registrar that keeps records of the shares issued by the company;
- q) Requires and receives reports from the company's internal audit;
- r) Introduces the request for opening the insolvency procedure as per the Law 85/2014;
- s) Fulfills all the necessary and relevant acts for the achievement of the company's core business, except for the ones set apart by the law for the general meeting of shareholders;
- t) Engages the current bank loans and trade credits, pursuant to the competences and the contracting level established by the extraordinary general meeting of shareholders and approves the release of pledges;
- u) Approves the proposals regarding the global development, revamping, modernization, economic-financial restructuring of the company;
- v) Ensures the fulfillment of the resolutions adopted by the shareholders within the general meetings of shareholders, viewing that the execution of the resolutions be performed in compliance with the legality of the company's activity; provides for and is liable for the fulfillment of all and any tasks and attributions set out by the shareholders general meeting or the ones provided by the legislation in force, including the regulations in force regarding the capital market, as well as the performance of the company's business, for the direct attributions, as well as for the ones assigned to the General Director.
- w) Approves the management plan prepared and presented by the General Director, within 90 days as of the appointment thereof under the conditions provided by EGO no.109/2011 regarding the corporate governance of the public enterprises.
- x) Presents, on quarterly basis, 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 General Director, details regarding the operational activities, financial records of the company and the quarterly financial reports thereof.
- y) Presents, to the ordinary general meeting of shareholders, an annual report, prepared by the Nomination and Remuneration Committee within the Board of Administration, regarding the remunerations and other advantages granted to the administrators and the General Director during the previous financial year, report structured pursuant to the provisions of EGO no. 109/2011 regarding the corporate governance of the public enterprises.
- (z) Approves the set up or liquidation of several sub-units (secondary establishments, work sites, branches, agencies, representatives or other kind of sub-units without legal personality), situated in the same locality and/or other localities, in the country and overseas.

(2) Cannot be delegated to the General Director the attributions received by the Board of Administration from the general meeting of shareholders.

(21) In relation to third parties, the company is being represented by the General Director of the company. The Board of Administration preserves the attribution of representation of the company in the relations with the General Director.

(22) The Chairman of the Board of Administration has attributions and rights specific to the company's management. The main attributions are the followings:

- a) Convenes and presides the meetings of the Board of Administration, establishing also the Agenda thereof;
- b) Presides the meetings of the General Meeting of Shareholders;
- c) Coordinates the activity of the Board of Administration and reports thereupon to the General Meeting of Shareholders;
- d) Orders and controls the execution of the Board of Administration resolutions;
- e) Oversees the orderly functioning of the company's bodies and provides for adequate information of the members of the Board of Administration regarding the items on the Agenda;
- f) Exercise the attributions incurred by way of the resolutions of the general meeting of shareholders and by the legislation in force.

(23) Within the Board of Administration runs a BoA Secretariate ensuring the logistics for the organization and performance of the meetings. The following provisions constitute the Functioning Rules of the BoA Secretariate:

1. The BoA Secretariate is being provided for from among the personnel within the BoA and GMS Secretariate Bureau.

The BoA Secretariate performs its activity in compliance with the legal provisions, the resolutions of the Board of Administration and the following main attributions:

- a) Prepares the agenda of the BoA meetings based on the project communicated by the Chairman of the Board of Administration;
- b) Prepares the meeting files on the Agenda of the Board of Administration and submits to the administrators a set of these documents, by email or in paper form;
- c) Formulates, based on the debates within the meetings of the Board of Administration, the resolutions thereof;
- d) Provides for a viable system related to the transmission of the BoA Resolutions excerpts to the persons responsible with the fulfillment thereof;
- e) Drafts and signs the meeting Minutes, the latter being also signed by the Chairman of the Board of Administration;
- f) Oversees the level of fulfillment of the resolutions in the due term, periodically reporting to the Chairman and the members of the Board of Administration the progress of application of the measures disposed by the Board of Administration;

2. After the setting, by the Chairman of the Board of Administration of the Agenda and the details regarding the organization of the meeting, the BoA Secretariate has the obligation to inform all the BoA members, by telephone or e-mail, with at least 5 working days before the date the meeting will take place. In special cases, the meeting can be convened as a matter of urgency. The convening notice will comprise the date, hour and place where the meeting takes place and will have the Agenda attached. The convening notice shall comprise the date, hour and place the meeting will take place and will have the Agenda attached. In well justified cases, the Chairman of the Board of Administration can order the reschedule of the meeting date or the complement of the Agenda thereof.
3. The materials presented in the Board of Administration can be priory debated within the Steering Committee, the necessary amendments will be brought thereto as the case may be and will be endorsed by the General Director, being inscribed on each page, in Header, formulations such as: "Recommended for analysis and approval in the BoA Meeting dated...."/"Recommended for analysis and information in the BoA meeting dated.../ Recommended for analysis and endorsement in the BoA meeting dated ...and for GMS approval on...." etc, as the case may be, pursuant to the scope of the material presented. The documents that are being prepared for analysis within the Board of Administration shall reflect the analyzed domain and contain, bindingly, also the signature of the in-line Executive Director, respectively the Head of Service/Bureau under the direct subordination of the General Director. Moreover, the mentioned documents must bear the signature of the Head of the Legal-Endorsement Service who endorses in terms of validity. The materials must be clear and concise, have synthetic character and comprise complete information and specific proposals, so that the administrators adopt resolutions in full knowledge.
- All the materials analyzed within the Board of Administration shall be constituted annexes to the meeting Minutes. In case, following the debates, the Board of Administration reckons there should be needed amendments or completions regarding certain materials, the latters, in a reviewed form, will be submitted to the BoA Secretariate, by the issuing directions/services/bureaus, within the same BoA meeting or in order to be introduced on the Agenda of the BoA meeting to come, as the case may be.
4. Will not be accepted by the BoA Secretariate the introduction, on the BoA meeting Agenda of the reports, protocols and related annexes or any other documents non-compliant with the requests. The BoA Secretariate will return the issuers the incomplete or unsigned/unendorsed documents.
5. All the reports introduced on the BoA Agenda for analysis and approval of the requests for registration on the company's costs of certain amounts representing penalties, late-payment additions, fines, as well as for the approval of certain sponsorship or amounts out of the advertising-

publicity expenditure account provided in the Income and Expenditures Budget will be endorsed by the Legal Service and the Finance Direction. The reports related to the fines will be substantiated based on the report drafted by the Analysis Commission set up at the company's level by decision of the General Director.

6. The BoA Secretariate will provide for the storage of the documentation related to the BoA meetings.
7. The resolutions of the Board of Administration are being structured on items and signed by the Chairman of the Board of Administration or by the administrator delegated by the Board of Administration to substitute him. The BoA Secretariate will distribute, signature based, by way of in-line secretariats, to the executive directors, as well as the services/bureaus etc that are being endorsed or have connection with the said resolution, excerpts comprising the items by which have been established tasks, responsibilities, terms.
8. The participants to the meetings and the personnel of the BoA and GMS Secretariate Bureau will observe the confidentiality of the debates contents and all the materials and data related to the meetings of the Board of Administration and the Steering Committee and will not disseminate information.
9. The BoA Secretariate will send the meeting materials to the members of the Board of Administration by e-mail, within at least 4 working days before the meeting and, respectively, on paper form, by at least 2 working days before the meeting.
10. The documentation related to the Board of Administration meetings requested in writing by the directions/services/bureaus etc, other than the issuers/signatories can be consulted/multiplied only by the written consent of the General Director.
11. The meeting's Minutes will comprise the name of the participants, the deliberations order, the adopted resolutions, the cast votes and separated opinions. The Minutes of the meeting will be signed by the Chairman of the Board of Administration and by the Board of Administration Secretariate and the protocol entered in the registry of meetings and deliberations of the Board of Administration will be signed by the other administrators as well. The Resolutions of the Board of Administration and the Minutes of the meetings will be sent by e-mail to the administrators following the signature thereof by the Chairman of the Board of Administration.
12. This Organizational and Operational Rules and Regulations governing the Board of Administration is enforceable against all the members of the Board of Administration of CONPET SA , notwithstanding the moment they have been assigned to the respective position and regardless the situation, nature and capacity of the shareholder who proposed him for this position. None of the members of CONPET S.A. Board of Administration can oppose against the company, its shareholders or third parties the unfamiliarity with its dispositions and obligations incurring directly or indirectly from this Operational Rules and Regulations governing the Board of Administration, in view of liability substantiation or exemption, of any kind, for his facts that transgress these norms.

This Organizational and Operational Rules and Regulations governing the Board of Administration will be completed with the legal provisions in force applicable at CONPET S.A..

The Board of Administration

Weiler Dan

Ilasi Liviu

Mesca Darius - Dumitru

Chiriac Cristiana

Gheorghe Roxana - Elena

Bugica Radu
Lefter Razvan



GMS Secretariate

Eng. Adina Modoran
Eng. Alina Petrescu

Note: This Organizational and Operational Rules and Regulations governing the Board of Administration was updated based on the BoA Resolution no. 5/17.11.2015.

