

Submitted for review and endorsement in the meeting of the Board of Directors of _____ and for approval in the Ordinary General Meeting of Shareholders of _____

CONPET SA
ECONOMIC DIRECTORATE
Financial Department
No. 8100/17.03.2016

ENDORSED BY,
General Manager
Liviu Ilasi, Eng.
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REPORT
on the allocation of the net profit for the financial year 2015

Whereas:

- *Accounting Law no. 82/1991, republished, art. 19, paragraph (3);*
- *Government Ordinance no. 64/2001 on the profit allocation in the national companies and trading companies with fully-owned state capital or majority state-owned capital, as further amended, and Order no. 144/2005 of the Ministry of Public Finance on the approval of the Clarifications for the determination of the amounts subject to profit allocation according to the Government Ordinance no.64/2001 (art.1 paragraph (3));*
- *Government Decision no.920/2015 on the approval of the Income and Expenditure Budget for 2015;*
- *Emergency Ordinance no. 109/2011 concerning the corporate governance of public enterprises;*
- *Law 297/2004 on the market capital, as further amended and supplemented (art.238 paragraphs (1) and (2));*
- *National Securities Commission Regulation no. 1/2006 on security issuers and operations, as further amended and supplemented (art. 193³ paragraph (2)).*

Based on the indicators in the financial statements, we submit for review to the Board of Directors, which will propose to the General Meeting of Shareholders to approve the allocation of the net profit of RON 67,723,123, increased by the value of the provision set up for the employees' profit share fund on 31.12.2015, as follows:

No.	Element	Amount (RON)	Weight of the element in the total	
			Plan (BVC)	Achieved
1	Employees' profit share	4,524,137	7.9 %	6.7 %
2	Other reserves – own financing sources	-	7.1%	-
3	Dividends due to shareholders	63,198,986	85.0 %	93.3%
4	Total allocations	67,723,123	100.0 %	100.0 %

Statements on the calculations for determining the amounts distributed from the net profit

- the employees' profit share of RON 4,524,137 was determined in accordance with the provisions of the Ministry of Public Finance Order no.144/2005 within the limit of one monthly average base salary earned in 2015 depending on the average number of employees achieved in the ended financial year and represents 6.7 % of the profit to be distributed;

- no amounts were allocated to legal reserves because they are currently set up within the limit of 20 % of the share capital according to the provisions of art.183 paragraphs (1) and (2) of Law no.31/1990 on companies, as further amended and supplemented;
- no amounts were allocated to Other reserves – own financing sources because the investment demand for the next period can be covered from the financing source set up from the modernization share,
- the balance of RON 63,198,986 (namely 93.3 % of the profit to be distributed) is proposed to be distributed as dividends due to shareholders.

The dividend per share

Whereas:

- the dividends due to shareholders according to the distribution proposal for profit of year 2015 amount to RON 63,198,986;
- the dividends are distributed to the shareholders pro rata with the contribution share thereof to the share capital and
- on 31.12.2015 the company's share capital amounts to RON 28,569,842, divided into 8,657,528 ordinary, registered, indivisible shares with a par value of RON 3.3,

*it results a value of the gross dividend of **RON 7.2998881436/share***

The dividends are due to the shareholders who hold shares on the **registration date** approved by the Ordinary General Meeting of Shareholders convened for April 28/29, 2016.

The provisions of art.238 (1) of Law 297/2004 on the capital market show that “by way of derogation from the provisions of Law no.31/1990 on companies, republished, as further amended and supplemented, the identification date of the shareholders who will benefit from dividends or from other rights and who will be bound by the resolutions of the general meeting of shareholders will be established by the latter. This date will be **at least 10 business days after the date of the general meeting of shareholders.**”

We propose the approval of the date of **06.07.2016** as registration and identification date, respectively, of the shareholders bound by the resolutions of the general meeting of shareholders.

Dividends payment deadline

The dividend payment date will be the date permitted by the law, within maximum 15 business days after the registration date established by the General Meeting of Shareholders (art. 129³ of the National Securities Commission Regulation no.1/2006).

Considering that:

- according to art. (1) paragraph (3) of the Government Emergency Ordinance 64/2001, the company is bound to pay the dividends due to shareholders within **60 days** after the legal submission deadline of the annual financial statements, and
- the submission deadline of the annual financial statements, according to the Ministry of Public Finance Order 123/2006, is ...”150 days after the end of the financial year.....”

*it results that the deadline for the payment of dividends due to shareholders is **July 30, 2016**.*

Corroborating the above mentioned provisions, we propose the Ordinary General Meeting of Shareholders to establish the date of **July 21, 2016** as the dividend payment date.

The net value of the dividends will be calculated as follows:

- the gross value of the dividends related to each shareholder will be calculated by multiplying the number of shares held on the registration date by the value of the gross dividend per share, the resulting amount being rounded upwards or downwards to two decimals
- the dividend tax will be calculated and withheld according to the provisions of the Tax Code

- the net value of the dividends to be paid will consist of the difference between the gross value and the related tax

Dividends payment method

The dividends will be paid in RON only to the shareholders registered in the Shareholders' Register (kept by "Depozitarul Central" SA) on the registration date established by the General Meeting of Shareholders and the payment method will be notified to the shareholders prior to the starting date of such payment.

The expenses related to the payment of dividends are borne by the shareholders.

Chief Financial Officer

Toader Sanda, Ec.

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Financial Manager

Curteanu Veronica, Ec.

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