

## **CONPET S.A. ANNUAL ADMINISTRATORS' REPORT**

**For the financial year ended  
December 31, 2017**

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## MESSAGE OF THE CHAIRMAN OF THE BOARD OF ADMINISTRATION

Esteemed shareholders,  
Esteemed investors,

CONPET is a strategic company, part of the architecture of the national energy system, having a monopoly position in the Romanian market, its role being to operate, under safety conditions, the National Crude oil Pipeline Transport System.

The history and tradition of this activity, with over 115 years of existence in Romania, together with the professionalism and strategic vision of the company's top-management, here added the vocation and efforts of over 1500 employees, made CONPET a reference for the Romanian energy sector.

Assuming this reality, we are focusing on the application of a strategy based on the adaptation to the energy market changes and latest developments occurring at national and global level, on the openness towards our clients' needs and maintenance of stable financial results.

In 2017, the financial result was positive, at 31 December the company's net profit being 4% higher than the same period of the preceding year.

In the Romanian capital market, CONPET remains a powerful company, with outstanding performance registered in 2017.

The trading price of CONPET shares recorded 24.56% increase at the end of 2017 as compared to the first day trading price of the same year and the market capitalization amounted to 861 million RON (185 million Euro), higher by 26.14% as compared to the previous year.

Concurrently, CONPET ranked the first place in Top 100 issuers according to dividend yield, offering a stable rate of distribution and attractive dividend yields, of 26.56%.

As of March 3, 2017, COTE share was included in the calculation of the main indices BET and BET-TR of Bucharest Stock Exchange (BSE), which reflects the evolution of the highest traded companies listed on the BSE and certifies the compliance with the highest investor relations and corporate governance standards.

At the end of 2017, CONPET market value doubled, the company's market capitalization increasing by approximately 100 milioane Euro as compared to the listing of the company at the Bucharest Stock Exchange (September 2013), the company ranking 18 in Top 100 issuers according to capitalization. Moreover, the price of the shares issued by CONPET S.A. recorded an increase by 126%, reaching the value of 99.4 RON.

Furthermore, we will pay particular attention to investments in infrastructure, equipment upgrade, and implementation of new technologies, in order to comply with the requirements of a modern market economy and high standard of quality of services. The development of the critical infrastructure, category including the crude oil national pipeline transport network, is a necessity incurred by the technological and economical realities, but also a priority of the energy policy at the level of the European Union.

We will also focus on, the completion in good terms of all projects in progress, on streamlining

the internal processes and identification of new development opportunities.

Observing CONPET values, we will remain committed to provide quality services to our clients and business partners and to the engagements assumed in relation to our shareholders, investors and employees.

Harnessing tradition, history and performances achieved to date, we will continue to assume new responsibilities adapted to the current markets demands at national and European level, in order to provide the company's ongoing business and sustainable development, having as main scope CONPET turning into a regional and European strategic company.

Sincerely yours,

**Manuela-Petronela STAN-OLTEANU**  
**CHAIRMAN OF THE BOARD OF ADMINISTRATION**

## 1. COMPANY OVERVIEW

### 1.1 Report and issuer identification data

Annual report concluded in compliance with:	Law no. 24/2017 regarding the issuers of financial instruments and the market operations
Financial Year	2017
Report Date	March 20, 2018
Issuer's Name	CONPET S.A.
Registered offices	No, 1-3, Anul 1848 Street, Ploiești, Prahova County, Zip Code 100559
Telephone/facsimile	0244 401360 / 0244 516451
E-mail / Internet	<a href="mailto:conpet@conpet.ro">conpet@conpet.ro</a> / <a href="http://www.conpet.ro">www.conpet.ro</a>
Sole Registration Number,	1350020
Trade Registry Number	J29/6/22.01.1991
The regulated market trading the issued securities	Bucharest Stock Exchange, Premium
Subscribed and paid-up share capital	28,569,842.40 RON
Main features of the issued securities	8,657,528 shares with a nominal value of 3.3 RON/share, Dematerialized, nominative, ordinary, indivisible, freely tradable shares as of 05.09.2013, under COTE symbol ISIN:ROCOTEACNOR7
Total market value	860,558,283.20 RON (99.40 RON/share at 31.12.2017)
Accounting standard applied	Financial Reporting International Standards
Auditing	The Financial Statements concluded at December 31, 2017 have been audited

## 1.2 Main Activities

CONPET is a joint-stock company, established as per the Company's Act no. 31/1990, republished, further amendments and completions, and it performs its activity in compliance with the Romanian laws and the Articles of Incorporation. CONPET is a State-held company, listed at the Bucharest Stock Exchange, under COTE symbol.

## 1.3 Mission, Vision and Company Values

**CONPET mission** is the operation of the National Pipeline Transport System under safety and efficient conditions, easing free access to the system's available throughput to all applicants, authorized legal persons, under equal conditions, transparently and in a non-discriminatory manner.

**CONPET vision** targets the maintenance of its position of strategic player in the Romanian oil industry, acting as crude oil, ethane and rich gas carrier via pipelines and by rail and on the prospects, becoming a regional player.

**The company values** have been identified and are oriented for:

- ongoing learning and training;
- concern for people and environment;
- openness and quality improvement;
- flexibility and dynamism;
- communication and cooperation.

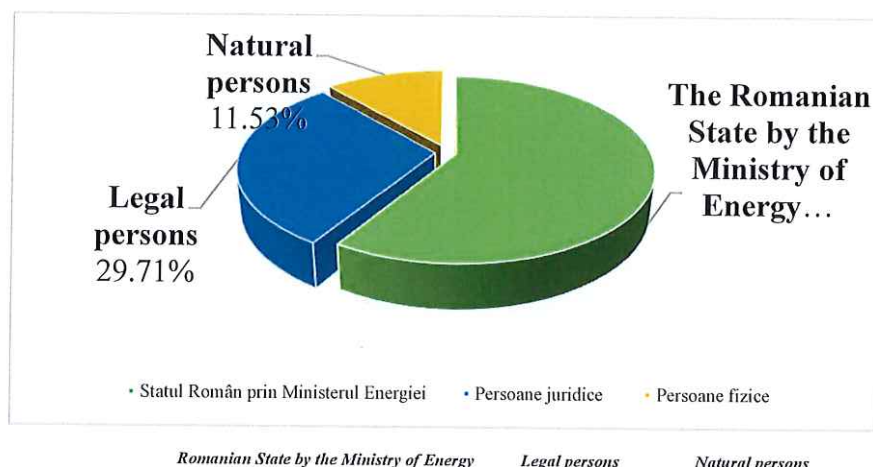
## 1.4 Shareholding

The shareholding's synthetic structure, at reference date 31.12.2017, is as follows:

- 58.7162% - the Romanian State by the Ministry of Energy;
- 41.2838% - Free float

Shareholder's name	No. of Shares	Percentage%
The Romanian State by the Ministry of Energy	5.083.372	58,7162%
Legal persons	2.572.156	29,7101%
Natural persons	1.002.000	11,5737%
<b>Total</b>	<b>8.657.528</b>	<b>100,0000%</b>

*Table 1 - CONPET S.A. Shareholding Structure at 31.12.2017*



*Chart 1- CONPET Shareholding Structure at December 31, 2017*

The number of CONPET shareholders registered at Depozitarul Central SA at the end of 2017 is 12,437, 7.5% YoY higher( 11,565 shareholders).

The share capital of CONPET at December 31, 2017 amounts to 28,569,842.40 RON and is dividend into 8,657,528 nominative shares, each share with a nominal value of 3.3 RON/share.

CONPET did not perform transactions having as scope its own shares; consequently, at the end of 2017, the company did not hold own shares.

## 1.5 The Company Organization

CONPET was established 1990, based on the Government Decree no. 1213/1990 regarding the set-up of joint-stock companies in the industry, by taking-over the entire assets and liabilities of I.T.T.C. Ploiești, being the first company established in the oil industry in Romania.

Follwing the take-over of all assets and liabilities of I.T.T.C. Ploiești, CONPET became the operator of the crude oil, richgas, condensate and ethane National Transport System.

Since 2002, CONPET is the concessionnaire of the operation of the crude oil, rich gas, condensate and ethane National Transport System, base on the oil Concession Agreement concluded with the National Agency for Mineral Resources, approved pursuant ot GD no. 793/25.07.2002.

The crude oil, rich gas, condensate and ethane National Transport System (NTS) is State's public property and bears strategic importance.

The NTS is being defined and regulated pursuant to the Oil Law no. 238/ 7 of June 2004 and the Methodological Norms for the Application of the Oil Law, approved pursuant to GD no. 2075/2004.

CONPET S.A. supplies transport services for its clients via both the National Transport System, leased based on the Oil Concession Agreement related to the operation of the crude oil, rich gas, condensate and ethane Pipeline Transport System, and by rail, from the loading ramps to the refineries, for the oil areas which are not connected to the transport main lines.

The company CONPET performs the activity in the following locations:

- CONPET headquarters: Ploiești municipality, no. 1-3, Anul 1848 Street, Prahova County;
- CONPET headquarters 2: Ploiești municipality, no. 8, Rezervoarelor Street, Prahova County;
- 56 worksites with headquarters in 20 counties.

The operational and administrative activities covering 20 counties are organized per divisions, and inside the divisions per business sectors, according to their territorial spread.

## **1.6 The Development Strategic Objectives**

For strengthening the market position and development of the core business, the Board of Administration, set, pursuant to the Administration Plan, the following strategic objectives:

- Development of new activities, related to the core business;
- defining the Company as a regional player;
- modern financial approach of the business;
- lower the operating expenses.

In this context, the key elements of CONPET S.A. strategy are:

- income stimulation by accessing new business areas and initiation of new income generating activities (leasing storage facilities and rail infrastructure, development of atypical transports of crude oil and oil products);
- improvement of the National Transport System by the implementation of the leak detection and location system, modernization of the cathodic protection system and of the monitoring system, data control and collection, renewal of the pipeline network, implementation of a program for the rehabilitation and resizing of the tank farm, adapted to the transported quantities;
- improvement of the business efficiency by the reduction of the technological consumptions within the storage and transport processes, minimization of the energy, fuels and lubricants consumptions, reduction of the operating costs following the redefinition of the necessary related to pipeline infrastructure;
- interconnection of the crude oil national transport system to the regional and European networks.

## **2. RELEVANT EVENTS**

### **2.1 Relevant corporate events in 2017, to date**

#### **March 7, 2017**

By the Decision of the General Meeting of the Shareholders no. 1/07.03.2017, the Revenues and Expenditure budget and the Investments Program were approved for 2017.

#### **April 26, 2017**

The General Meeting of the Shareholders approved the annual financial statements for 2016 financial year and distribution of the net profit corresponding to the financial year 2016 and of

some amounts from the retained earnings and the cumulated value of the gross dividend in amount of 16.58 RON/share.

### **September 19, 2017**

The Extraordinary General Meeting of the Shareholders approved the sale, by open outcry auction, of Strejnic sports complex assets, made of buildings with a spread area of 1987.3 m<sup>2</sup>, located in Strejnicu village, Târgșoru Vechi commune, Prahova County, with a starting auction price of 2,554,103 RON (556,837 Euro), accounting value remaining on June 30, 2017.

### **October 25, 2017**

The Ordinary General Meeting of Shareholders approved the distribution of dividends from reserves - own financing sources and from retained earnings, in amount of 85 million RON, the value of the gross dividend being 9.81804506 RON/ share.

### **November 28, 2017**

The Ordinary General Meeting of Shareholders approved:

- The appointment of the provisional administrators of the company CONPET S.A., considering the de jure termination of the contracts of mandate of the Administrators in capacity;
- The settlement of the mandate duration for the elected provisional administrators for a 4 months period, starting 28.11.2017.

### **January 29, 2018**

The appointment of Mr. Matei Ion-Cristian, in the capacity of provisional administrator of the company CONPET until the OGMS meeting, on the seat left vacant following the resignation on 22.01.2018 of Mr. Spînu Antonio Adrian from the capacity of administrator.

### **March 5, 2018**

The Ordinary General Meeting of Shareholders approved:

- The revenues and expenditure budget for 2018;
- The investments program for 2018;
- The appointment of Mr. Matei - Ion Cristian acting as provisional administrator of the company CONPET;
- The extension of the mandate of the administrators in capacity at 28.03.2018, by a two months period, respectively up to 28.05.2018;
- Initiation of the selection procedure of CONPET administrators and granting mandate to the Board of Administration of the company CONPET for the initiation and carry-on of the procedure to select the company's administrators.

### 3. CONPET 2017 - EXECUTIVE SUMMARY

#### 3.1 Indicators of the operating activity

The evolution of the product volumes – crude oil, condensate and rich gas, transported via the National Transport System (NTS), during 2015-2017 and 2017 vs. 2016 and 2015, by transport subsystems, is contained in the table below:

Indicators	M.U.	2017	2016	2015	Variation % 2017/2016	Variation % 2017/2015
Quantities transported on the domestic subsystem	Thousand tons	3,551	3,685	3,905	▼ 3.7%	▼ 9.1%
Quantities transported on the import subsystem	Thousand tons	3,269	3,393	3,085	▼ 3.7%	▲ 5.9%
<b>Total transported quantities</b>	<b>Thousand tons</b>	<b>6,820</b>	<b>7,078</b>	<b>6,990</b>	<b>▼ 3.7%</b>	<b>▼ 2.5%</b>
Revenues on the domestic subsystem	Thousand tons	284.89	296.08	309.28	▼ 3.8%	▼ 7.9%
Revenues on the import subsystem	Thousand tons	87.47	82.50	69.68	▲ 6.0%	▲ 25.5%
<b>Total transport revenues</b>	<b>Thousand tons</b>	<b>372.36</b>	<b>378.58</b>	<b>378.96</b>	<b>▼ 1.7%</b>	<b>▼ 1.8%</b>

Table - 2 Evolution of the transported quantities and transport related revenues during 2015-2017

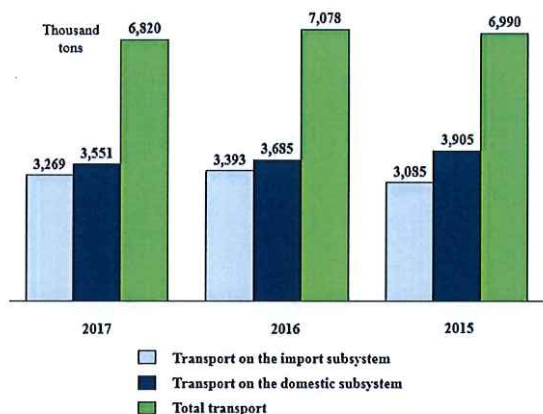


Chart 2- Evolution of the transported quantities on the domestic and import subsystems 2015-2017 (thousand tons)

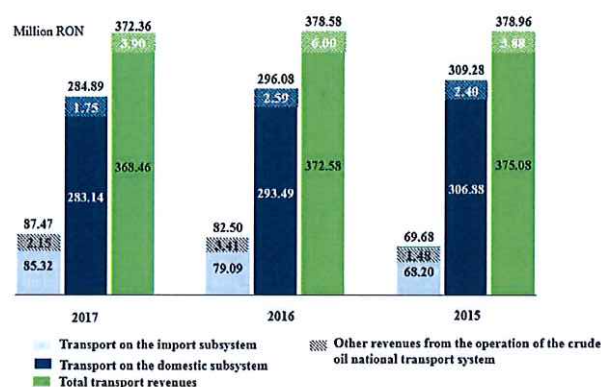


Chart 3- Evolution of the transport revenues by subsystems 2015-2017 (million RON)

#### 3.2 Indicators of the financial results

The economic and financial activity of CONPET SA in 2017 was performed based on the indicators included in the revenues and expenditure budget approved by the General meeting of Shareholders in the meeting dated March 7, 2017.

Indicators (mRON)	2017	2016	2015	Variation	
				% 2017/2016	% 2016/2015
<b>TURNOVER</b>	<b>376.69</b>	<b>381.65</b>	<b>381.35</b>	<b>▼ 1.3%</b>	<b>▲ 0.1%</b>
Operating Revenues, o/w:	411.57	410.93	413.78	▲ 0.1%	▼ 0.7%
Transport Revenues	372.36	378.58	378.96	▼ 1.7%	▼ 0.2%
Operating Expenses	328.51	330.62	344.25	▼ 0.7%	▼ 4.0%
<b>EBIT (operating profit)</b>	<b>83.05</b>	<b>80.31</b>	<b>69.53</b>	<b>▲ 3.4%</b>	<b>▲ 15.5%</b>
Amortization	44.57	40.31	51.03	▲ 10.5%	▼ 21.0%
<b>EBITDA</b>	<b>127.63</b>	<b>120.62</b>	<b>120.56</b>	<b>▲ 5.8%</b>	<b>▲ 0.1%</b>
Year's Result	3.57	3.72	5.76	▼ 4.3%	▼ 35.3%
<b>EBT (gross profit)</b>	<b>86.62</b>	<b>84.03</b>	<b>75.29</b>	<b>▲ 3.1%</b>	<b>▲ 11.6%</b>
<b>NET PROFIT</b>	<b>74.39</b>	<b>71.55</b>	<b>63.20</b>	<b>▲ 4.0%</b>	<b>▲ 13.2%</b>

Table 3. – Evolution of the results from the operating and financial activity 2015-2017 (mRON)

The company's financial performance in 2017, as compared to 2016 is as follows:

- The turnover achieved in 2017 accounted for 376.69 million RON, 1.3% lower as compared to 2016;
- EBITDA recorded 5.8% increase, from 120.62 million RON in 2016 to 127.63 million RON in 2017;
- The operating profit (EBIT) increased by 3.4%, from 80.31 million RON in 2016 to 83.05 million RON in 2017.

CONPET is a company paying substantial contributions to the consolidated State budget. The total amounts paid to the State budget in 2017, here-included the VAT, were in amount of 142 million RON, out of which, the most important are represented by:

- VAT payable 50 mRON;
- Oil royalty 29 mRON;
- Tax on salaries and related contributions 44 mRON;
- Income tax 16 mRON.

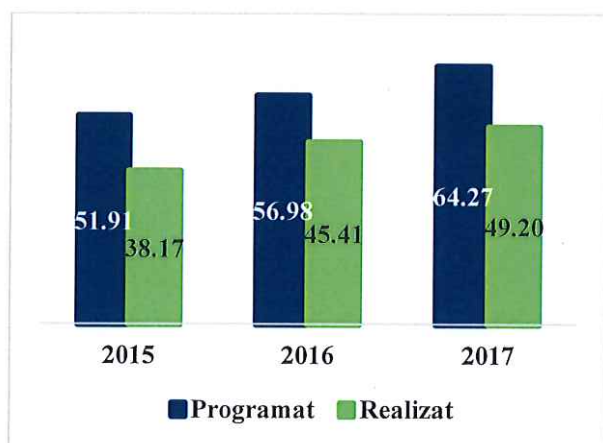
### 3.3 Indicators of the investment activity

The investment programme had in mind the continuation of works for the rehabilitation of the major lines for crude oil and rich gas transport, as well as investment works on the installation, equipment and ancillary facilities related to the Crude oil National Transport System.

In 2017, CONPET made investments in amount of 49.20 million RON, as compared to 45.41 million RON reported in 2016.

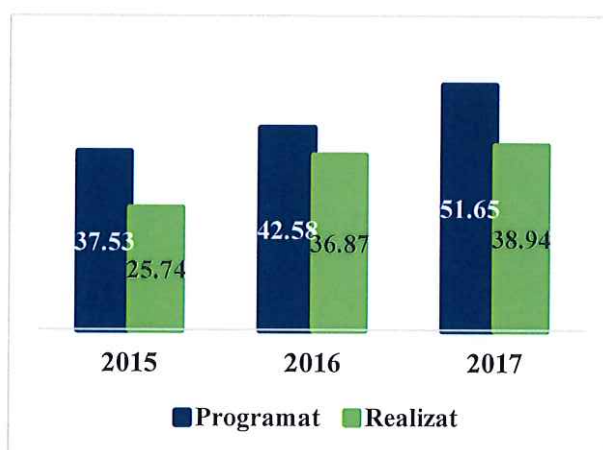
Investments(kRON)	2017			2016			2015		
	Program	Achieved	Completion %	Program	Achieved	Completion %	Program	Achieved	Completion %
<b>Total investments, o/w:</b>	<b>64.27</b>	<b>49.20</b>	<b>76.6%</b>	<b>56.98</b>	<b>45.41</b>	<b>79.7%</b>	<b>51.91</b>	<b>38.17</b>	<b>73.5%</b>
Public domain	51.65	38.94	75.4%	42.58	36.87	86.6%	37.53	25.74	68.6%
Operating area	12.62	10.26	81.3%	14.4	8.54	59.3%	14.38	12.44	86.5%

Table 4 – Evolution of the investments achieved as compared to program period 2015-2017



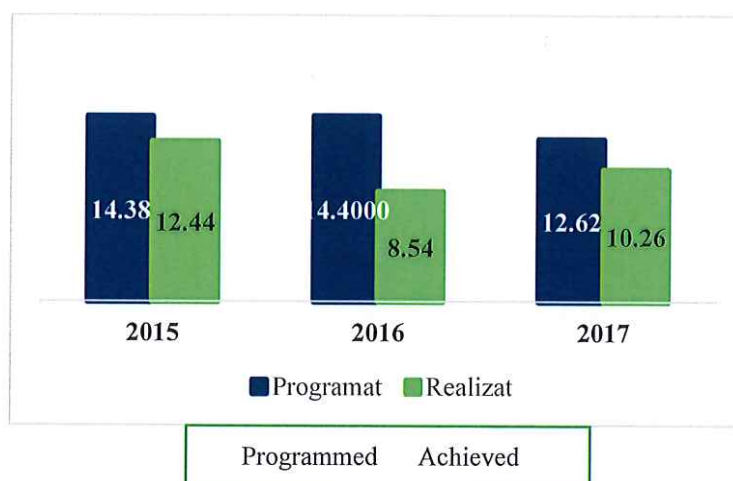
Programmed    Achieved

Chart-4 – Evolution of the total investments achieved as compared to program 2015-2017



Programmed    Achieved

Chart -5 – Evolution of the investments in the public area achieved as compared to program 2015-2017



Programmed    Achieved

Chart 6 – Evolution of the evolutions in the operating area achieved as compared to program 2015-2017

During 2015-2017, have been replaced 91.32 km of pipeline:

Indicator	2017	2016	2015	Total
Km of replaced pipeline	38.22	24.23	28.87	91.32

Table 5 - No. of km of replaced pipeline during 2015-2017

### 3.4 Company's stock market indicators

The market capitalization amounted to 860.56 million RON (99.40 RON/share) at 31.12.2017 and respectively 682.21 million RON (78.80 RON/share) at 31.12.2016.

The evolution of COTE share and the market capitalization during 2014 - 2017 is exposed as follows:

Indicators	MU	31.12.2014	31.12.2015	31.12.2016	31.12.2017
COTE share closing price	RON/share	55.05	77.00	78.80	99.40
Market Capitalization	mRON	476.60	666.63	682.21	860.56
	mEURO	106.30	147.21	150.23	184.68

Table 6 – Evolution of COTE share and market capitalization during 2014-2017

At 29.12.2017, the market capitalization ratio (PER) amounted to 12.03%.

At 31.01.2018, CONPET S.A. holds the following shares in the stock indices: BET (1.44%), BET-TR (1.44%), BET-NG (3.49%), BET Plus (1.28%), BET-BK (4.53 %), BET-XT (1.26%) and BET-XT-TR (1.35%).

The net profit per share related to 2017 is 8.59 RON/share, registering 4% increase as compared to the 8.26 RON/share registered in 2016;

At 03.03.2017, the company CONPET was included in the mai indices BET și BET-TR of Bucharest Stock Exchange, which reflect the evolution of the most traded shares of the companies on the regulated market of the Bucharest Stock Exchange and certify the observance of the highest standards in investor relations and corporate governance.

Consequently, to date, CONPET is 7 indices out of 9, which translates into performance, economic-financial stability, transparency, visibility and high interest of the investors in the capital markets in Romania and abroad.

### 3.5 Management performance indicators

In compliance with CONPET Administration Plan, chapter 7 “Performance indicators and criteria”, during 2014-2017 the performance indicators and criteria are defined and set as follows:

Indicator / Performance objective	Performance objective	Weighting ratio
EBITDA	1% increase as compared to the previous level of the preceding year for 2014 and 2.5% for 2015-2017	25%
Decrease of the operating expenses	1.5% reduction as compared to the previous level of the preceding year starting 2015, when the level recorded in 2014 is smaller or equals the one recorded in 2013	25%
Enhanced labor productivity	Increase of the average revenue per employee by 3% per year the average of 2014-2017	25%
Decrease of the total number of technical breakdowns	4% reduction, on average, per year, as compared to the level of 116 technical breakdowns registered in 2013	10%

Indicator / Performance objective	Performance objective	Weighting ratio
Enhance visibility at the BSE	Active tracking, by the brokerage houses, of CONPET evolution, materialized in analysis reports prepared by analysts working therein (50% weight in the indicator) for 2014 - 1 brokerage firm in TOP 10 as per the classification established by the BSE at the issue date of the report/for 2015&2017 - 2 brokerage companies in TOP 10 according to the classification established by the BSE at the issuing date of the report;	15%
	Holding the position in Top 25 issuers according to capitalization given that there will not be considered the new companies to be included in the Ist Tier of Bucharest Stock Exchange during the examined period 2014-2017 (50% weight in the indicator).	

Table 7 – Performance indicators and objectives

**\*) Note: In the Annex 4 to the Administrators report are being presented details on the calculation of this indicator and the impact on the global rate of achievement of the performance indicators.**

Anually, during 2014-2017, the OGMS approved the level of the performance indicators for the calculation of the variable component of the remuneration.

The achievement of the performance indicators during the contract of mandate 2014-2017, is as follows:

Performance indicators	M.U.	2014		2015		2016		2017	
		Budget	Achieved	Budget	Achieved	Budget	Achieved	Budget	Achieved
EBITDA	Thousand RON	70,896	101,264	107,673	120,555	118,021	120,621	125,610	127,629
Decrease of the operating Expenses	Thousand RON	100.98%	92.86%	92.11%	90.27%	90.56%	86.63%	88.00%	88.02%
Increase of work productivity	Thousand RON /person	219	236	239	243	240	246	245	249
Decrease of the total number of technical breakdowns	No. of technical breakdowns	111	79	76	56	54	30	29	29
Enhance visibility at the BSE	% in 100%	100%	100%	100%	100%	100%	100%	100%	100%

Table 8 – Evolution of the performance indicators during 2014-2017

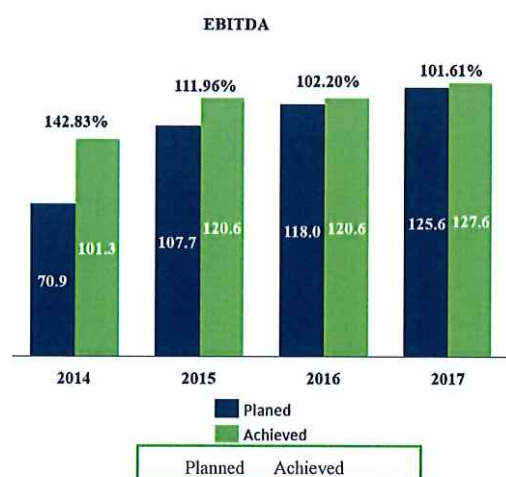


Chart 7 – Degree of achievement EBITDA 2014-2017



Chart 8 – Degree of Achievement Decrease of the operating expenses 2014-2017

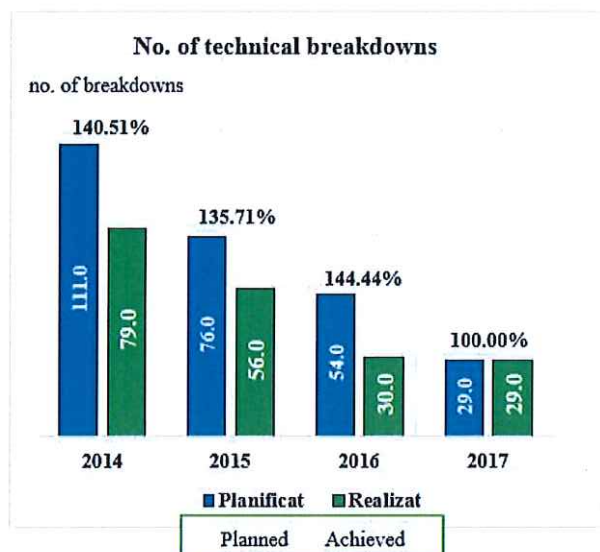


Chart 9- Degree of Achievement No. of technical breakdowns 2014-2017

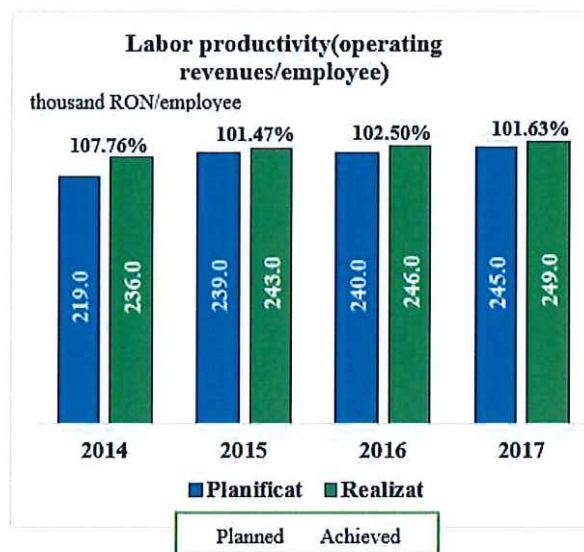


Chart 10- Degree of Achievement Increasing labor productivity 2014-2017

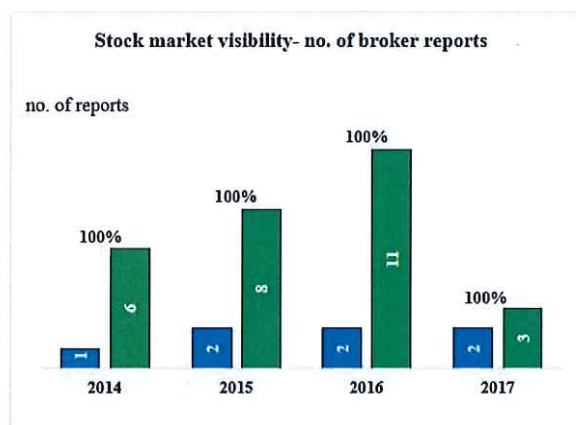


Chart 11 - Degree of achievement no. of broker reports 2014-2017

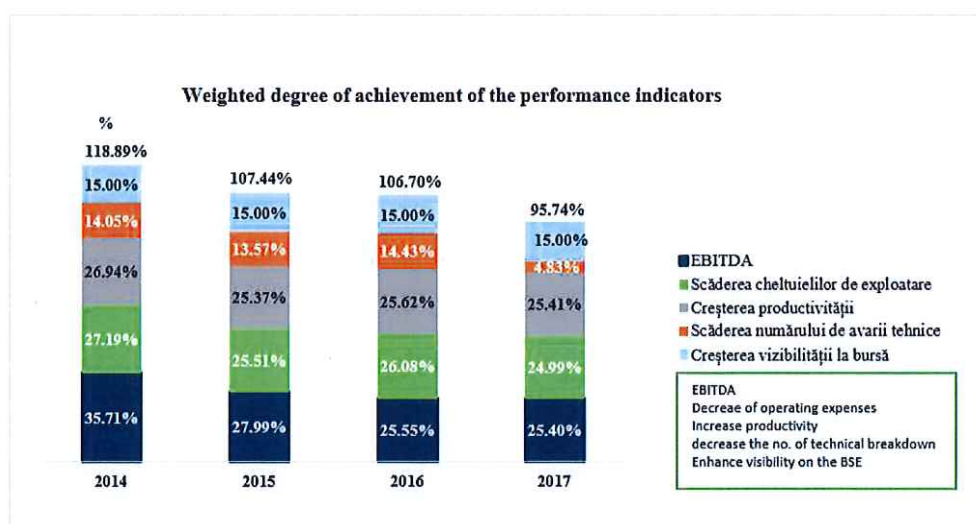


Chart 12 - Weighted degree of achievement of the performance indicators

## **4. ANALYSIS OF THE COMPANY'S BUSINESS**

### **4.1 Review of the operating activity**

#### **4.1.1 The regulation framework**

The core business of CONPET is included in NACE code 4950 – Transports through pipelines, activity defined by law as being the ensemble of the activities for the operation of the major pipelines or segments thereof, as well as the take-over, handling, dispatching, storage, selection, transport and delivery of crude oil to the end-consumers, distributors, to export, or along the route.

CONPET S.A. is the operator of the Crude Oil, Rich Gas, condensate and Ethane Pipeline Transport System (NTS) based on the Oil Concession Agreement concluded with the National Agency for Mineral Resources, approved pursuant to GD no. 793/2002.

The Crude Oil, Rich Gas, condensate and Ethane Pipeline Transport System (NTS) is being defined and regulated by Law no. 238/7.06.2004 - Petroleum Law and the Methodological Norms for the enforcement of the Petroleum Law approved under GD no. 2075/2004.

The crude oil transport via the national transport system is a public service of national concern and strategic importance, being included in the regulated segment of the internal oil market. The transport service is being supplied under the natural monopoly regime based on the tariff set by NAMR.

#### **4.1.2 The crude oil, condensate, rich gas and ethane transport**

CONPET S.A. supplies transport services for its clients via both the National Transport System, and by rail, from the loading ramps to the refineries, for the oil areas which are not connected to the transport main lines.

The available throughput represents the difference between the total physical throughput of the system and the throughput covered by the contractual obligations assumed by the carrier, under the contracts concluded and in force at the date of the request from a beneficiary.

Given the natural distribution of the oil fields spread over the entire Romanian territory, the National Transport System was built as to meet the transport needs from all those fields to the refineries. The system operation is being made based on the local dispatch centers, coordinated from the Company's Central Dispatch.

The pipelines transport system is approximately 3,800 km in length, out of which, to date, 3,161 km of pipelines are being used for the transport of crude oil, rich gas, condensate.

The Crude Oil, Rich Gas, Condensate and Ethane Pipeline Transport System has in composition transport subsystems, grouped according to the transported products, as follows:

- the domestic crude and condensate transport sub-system, having in composition pipelines describing approx. 1540 km, for the transport of crude oil and condensate from the production

units of OMV Petrom operating areas throughout the country, to the refineries. The crude oil and condensate domestic production is transported through pipelines, by railway tanks, or combined (rail and pipelines).

- the rich gas transport sub-system is meant for the rich gas transport from the degasolination units in Ardeal and Oltenia to the Petrobrazi refinery. The domestic rich gas production is transported through pipelines, by railway tanks, or combined (rail and pipelines).

- the ethane transport sub-system is used for the ethane transport from Turburea deethaniser platform to Arpechim Pitesti refinery. Currently, due to the inoperability of Arpechim refinery, the sub-system is not used and only one portion of the pipeline is used for the transport of condensate from Totea warehouse to Petrobrazi refinery.

- The sub-system for the import crude transport provides the transport of crude oil from Oil Terminal Constanta to the refineries in Ploiești, Arpechim-Pitești and Midia.

The crude oil, rich gas, condensate and ethane transport service provides the fulfillment of the tasks in connection with CONPET program, consequently, easing free access to the system's available throughput, to all petitioners, authorized legal persons, under equal conditions, on a non-discriminatory and transparent basis.

The transport contracts signed with the beneficiaries of the services are compliant with the regulated frame-contract and provides the legal framework for the supply of the transport services.

The crude oil transport is being performed from the sites of delivery to the producers/importers, to the processing units, by means of the pumping stations, rail loading-unloading ramps, as well as all the related installation, equipment and endowments.

The degree of utilization of the transport system is at the same level with the one in 2016, respectively 37.6% (in 2016 – 38.2%), due to the cumulated effect produced by the slight decrease in the volumes transported, by approx. 3.8% and reduction of the available transport throughput by 2.2% due to the interruption of the activity of Steaua Română Câmpina.

The transport services contracted and achieved in 2017, by beneficiaries is as follows:

Name of the client	Contract number and date	Contract Scope	Duration in months	Contracted volume (tons)	Achieved quantity (tons)
OMV - Petrom S.A.	BC 48/27.01.2017	Transport of domestic crude oil, import crude, rich gas and condensate	12	3,983,157	4,365,731
Rompetrol Rafinare S.A. – Petromidia refinery	BC 563/21.12.2016	Transport of import crude oil	12	78,000	94,603
Petrotel-Lukoil S.A.	BC562/21.12.2016	Transport of import crude oil	12	2,365,183	2,359,390

Table 9 – Transport services contracted and achieved in 2017

The transport activity by products – crude oil, rich gas and condensate, programmed and achieved in 2017, as compared to 2016, is as follows:

Transport subsystems	Indicators and products	2017	2016	2015	Variation % 2017/2016
DOMESTIC	<b>Domestic crude oil, condensate and light condensate</b>				
	-programmed quantities (thousand tons)	3,503	3,642	3,991	▼3.9%
	-achieved quantities (thousand tons)	3,531	3,650	4,042	▼3.3%
	-degree of achievement	100.8%	100.2%	101.3%	+0.6 p.p.
	-degree of use of the transport throughput	57.7%	55.9%	59.3%	+1.8 p.p.
	<b>Rich gas</b>				
	-programmed quantities (thousand tons)	16	41	38	▼60.5 %
	-achieved quantities (thousand tons)	19	35	42	▼45.3%
	-degree of achievement	119.0%	86.1%	109.8%	+32.9 p.p.
	-degree of use of the transport throughputs	9.8%	18.5%	21.3%	-8.7 p.p.
	<b>Total domestic subsystem</b>				
	-programmed quantities (thousand tons)	3,519	3,683	4,029	▼4.5%
	-achieved quantities (thousand tons)	3,551	3,685	4,084	▼3.7%
	-degree of achievement	100.9%	100.1%	101.3%	+0.8 p.p.
	-degree of use of the transport throughputs	56.2%	54.8%	58.1%	+1.4 p.p.
IMPORT	<b>Crude oil</b>				
	-programmed quantities (thousand tons)	2,945	3,070	2,331	▼4.1%
	-achieved quantities (thousand tons)	3,269	3,393	2,907	▼3.7%
	-degree of achievement	111.0%	110.5%	124.7%	+0.5 p.p.
TOTAL	-degree of use of the transport throughputs	27.7%	28.8%	21.5%	-1.1 p.p.
	-programmed quantities (thousand tons)	6,464	6,753	6,360	▼4.3%
	-achieved quantities (thousand tons)	6,820	7,078	6,991	▼3.7%
	-degree of achievement	105.5%	104.8%	109.9%	+0.7 p.p.
	-degree of use of the transport throughputs	37.6%	38.2%	34.1%	-0.6 p.p.

Table 10- Transported quantities by types of products 2015-2017

During January-December 2017, out of the transported and delivered domestic production amounting to 3,551 thousand tons of crude oil, rich gas and condensate, by rail have been transported 1,188 thousand tons, which represents 33.4 % of the overall transported quantity, out of which:

- Directly to the refineries – 1,061 thousand tons, (89.3% of the quantity transported by rail);
- From Bărbătești ramp–127 thousand tons, (10.6% of the quantity transported by rail).

During Febr 25, 2017 – April 04, 2017, Petrotel Lukoil refinery has scheduled technological overhaul.

The recorded technological consumptions fell within the limits set under the annual transport agreements.

The evolution of the regulated technological consumption by products as compared to the consumption achieved during 2015-2017 is as follows:

Products	2017			2016			2015		
	Regulated	Achieved	Variation	Regulated	Achieved	Variation	Regulated	Achieved	Variation
Import crude oil	0.2481%	0.1123%	-0.1 p.p.	0.2614%	0.1072%	-0.2 p.p.	0.2508%	0.0958%	-0.2 p.p.
Domestic crude oil, condensate and light condensate	0.3723%	0.2837%	-0.1 p.p.	0.3589%	0.2800%	-0.1 p.p.	0.3644%	0.3260%	-0.04 p.p.
Rich gas	7.383%	3.451%	-3.9 p.p.	7.383%	3.584%	-3.8 p.p.	7.383%	4.788%	-2.6 p.p.

Table 11 – Evolution of the regulated technological consumption as compared of the achieved consumption 2015-2017

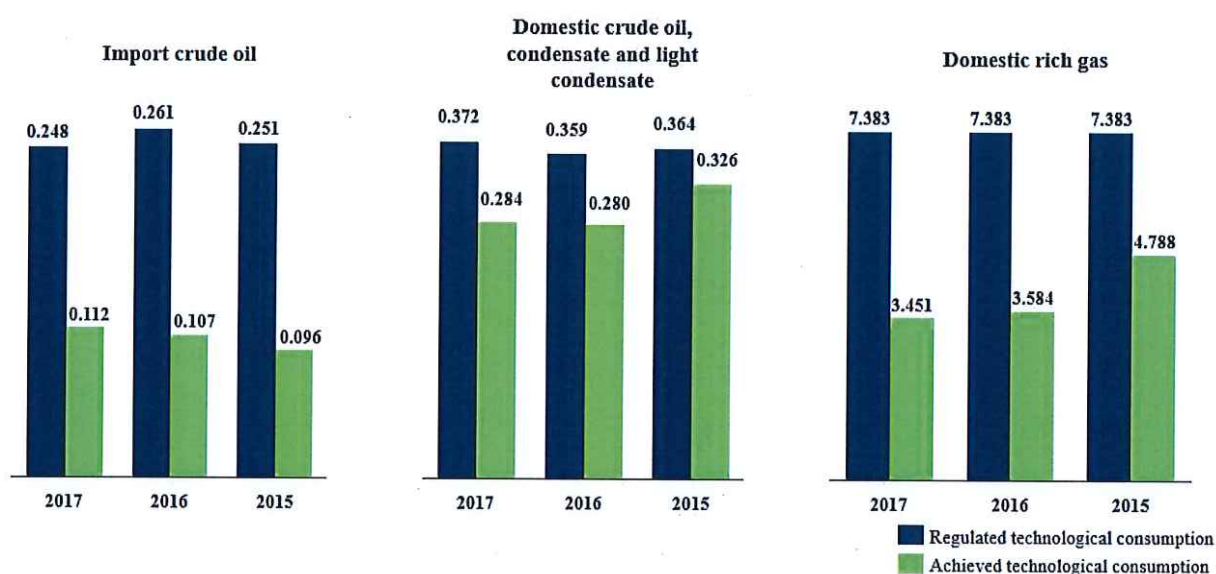


Chart 13 - Evolution of the technological consumption by products 2015-2017

The tariffs applied for the transport of crude oil, rich gas, condensate and ethane are regulated by the NAMR and are distinguished per transport subsystems, as follows:

- The tariff in amount of 79.75 RON/ton for the supply of the transport services on the domestic subsystem was set by NAMR pursuant to Order no. 32/2016.
- The tariffs for the supply of the transport services on the import subsystem were set by NAMR pursuant to Order no. 32/2016. The tariffs are applied per refineries, by transported quantities batches, being implemented the bracket tariff model:

Period	Batches	Arpechim refinery	Ploiești Basin (Brazi and Petrotel Lukoil refineries)	Petromidia refinery
	Thousand tons/months	RON/tons	RON/tons	RON/tons
January 01, 2017 - December 31, 2017	<100	38.85	38.00	8.00
	>100	16.60	16.00	7.33

Table 12 – Import transport tariffs per batches and per refineries

The transport tariffs include a modernization quota meant exclusively for the financing of the investments related to the National Transport System.

The total value of the services VAT excluded, invoiced to the beneficiaries in 2017 is in amount of 372.36 million RON and in detail by every beneficiary, is as follows:

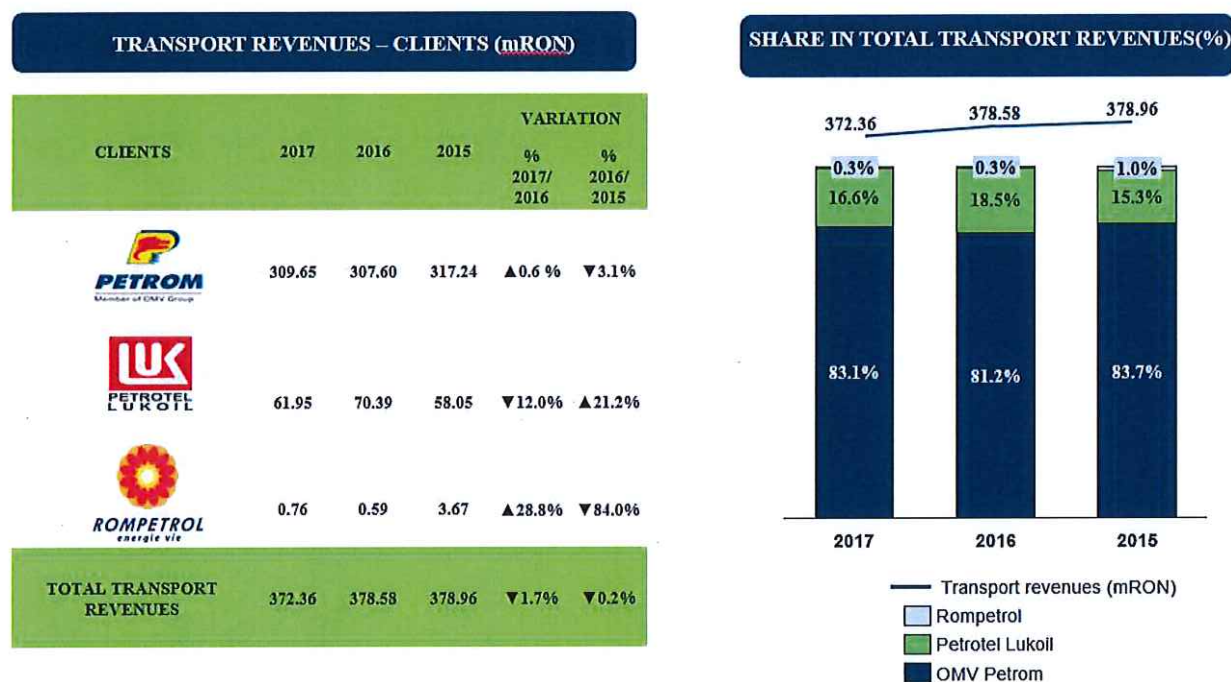


Chart 14 – Share of transport revenues per refineries in total transport revenues

The company holds a monopoly position on the crude oil pipeline transport market, not having other competitors in this business area. The transport services are being contracted based on a frame contract approved by the National Agency for Mineral Resources, the practiced transport tariffs being regulated and approved by the same authority.

The transport services supplied by CONPET SA address to a reduced number of potential beneficiaries; consequently, the volume thereof is closely related to the trade policy applied by the beneficiaries of the supplied services. A similar situation is being recorded in relation to OMV Petrom, which is the main client when referring to the domestic crude oil transport and the only client for the transport of rich gas and condensate.

### 4.1.3 Other activities

Other activities, with a contribution of 1.1% to the company's turnover, are represented by leases of lands and telecommunication equipments, rail shunting, sale of pipe material etc.

### 4.1.4 Evaluation of the operating activity

In the table below is presented the evolution of the transport services supply and of other services supply, for the period 2015-2017:

Indicators [thousand RON]	2017	2016	2015	Variation % 2017/2016	Variation % 2016/2015
<i>Revenues from transport services Domestic Subsystem</i>					
<i>Thousand tons</i>	3,551	3,685	3,905	▼ 3.7%	▼ 5.6%
<i>Thousand RON</i>	284,890	296,077	309,279	▼ 3.8%	▼ 4.3%
<i>Revenues from transport services Import Subsystem</i>					
<i>thousand tons</i>	3,269	3,393	3,085	▼ 3.7%	▲ 10.0%
<i>thousand RON</i>	87,466	82,498	69,679	▲ 6.0%	▲ 18.4%
<b>Total revenues from transport services</b>					
<b>thousand tons</b>	6,820	7,078	6,990	▼ 3.7%	▲ 1.3%
<b>Thousand RON</b>	372,356	378,575	378,959	▼ 1.6%	▼ 0.1%
Rental income	1,399	1,231	1,521	▲ 13.6%	▼ 19.1%
Other revenues	2,930	1,840	873	▲ 59.2%	▲ 110.7%
<b>Turnover</b>	376,685	381,646	381,353	▼ 1.3%	▲ 0.1%

Table 13–Evolution of turnover revenues during 2015-2017

#### 4.1.5 Evaluation of the supply activity

The procurement activity was performed in compliance with the provisions of the internal procurement Norms of CONPET S.A. – revision 1 (for the procedures started before 01.01.2017) and in compliance with the provisions of the Internal Procurement Norms of CONPET S.A. – revision 2, starting 01.01.2017.

During January-December 2017, based on the requests formulated by the entities within the company, were initiated 196 procurements.

175 procurements have been completed (out of which 16 starting in 2016), by the conclusion of a total number of 192 contracts and 9 addenda in total amount of 115,159,944 RON.

Late December were in progress 15 procurements, in total amount of 5,966,781 RON, respectively:

- 2 tender procedures in total estimated amount of 2,253,400 RON;
- 6 simplified procedures in total estimated amount of 2,895,181 RON;
- 7 direct procurements in total estimated amount of 818,200 RON.

#### The oversee and evidence of the procurement contracts and contract conclusion in view of achieving revenues

At 31.12.2017, the structure of the overseen contracts is as follows:

- 140 works contracts (out of which 53 in progress, the rest being completed in terms of execution, but still covered by the guarantee period);
- 176 services contracts (out of which 122 in progress, the rest being completed in terms of execution, but still covered by the guarantee period)

- 162 products supply contracts (out of which 41 in progress, the rest being completed in terms of execution, but still covered by the guarantee period)
- 63 revenues contracts;
- 81 utility contracts.

#### 4.1.6 Company mergers and reorganizations, procurements and disposals of assets during 2017 financial year

During 2017 there were no mergers. The company has no subsidiaries in Romania or abroad.

In 2017, the company CONPET SA registered disposal of assets, namely the sale of Strejnic Sports Base, made of buildings in spread area of 1,987.3 square meters, located in Strejnicu village, Târgșoru Vechi commune, Prahova county, sale approved by the Extraordinary General meeting of Shareholders dated 19.09.2017.

#### 4.1.7 Development of the management control system

The program of development of the internal management control system of CONPET SA is analyzed on an annual basis, after the self-assessment of the implementation degree according to OSGG 400/2015, with its subsequent amendments and completions.

The specific goals of the organizational entities within CONPET have been reviewed in August 2017, according to the organization chart of 12.06.2017.

Meetings of all risk management teams (RMT) took place in August-September 2017, where each team has reassessed the risks corresponding to the goals set and analyzed the progress made on the implementation of the control measures due and, where appropriate, new control measures have been proposed for risk mitigation as well as new deadlines for their implementation.

Following these meetings, the statement of the risks identified within the risk management teams looks as follows:

Crt. No.	RMT name	Tolerance level of the risk identified				Total number of identified risks
		No. Of tolerable risks (1-4)	No. of risks with high tolerability (5-8)	No. risks with low tolerability (9-12)	No. of intolerable risks (15-25)	
1	RMT Transport Operations Direction	14	14	-	-	28
2	RMT Economic Direction	3	7	1	-	11
3	RMT Commercial and Regulated Activities Direction	14	4	-	-	18
4	RMT Development Maintenance Direction	6	22	13	-	41
5	RMT Control and Integrity Unit	5	1	2	-	8
6	RMT Critical Infrastructure Safety and Administration Unit	7	10	4	-	21
7	RMT Corporate Governance, Strategy and Management	1	5	7	-	13

Crt. No.	RMT name	Tolerance level of the risk identified				Total number of identified risks
		No. Of tolerable risks (1-4)	No. of risks with high tolerability (5-8)	No. risks with low tolerability (9-12)	No. of intolerable risks (15-25)	
	Systems Unit					
8	RMT Human Resources Unit	2	5	2	-	9
9	RMT Communication, Public Relations and Administrative Management Unit	3	1	-	-	4
10	RMT Internal Public Audit Department	3	5	3	-	11
11	RMT Legal Department	1	-	2	-	3
12	RMT BoA and GMS Secretariate Bureau	-	3	-	-	3

Table 14 - Statement of risks identified in 2017

No intolerable risks have been identified (with levels between 15 and 25).

TOTAL NUMBER OF IDENTIFIED RISKS  
during August- September 2017

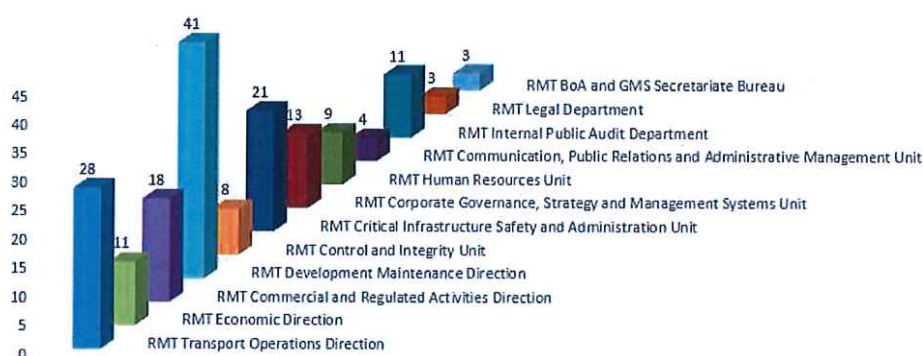


Chart-15- Risk statement at company level

The program of development of the internal management control system for the period 2017-2018 has been reviewed and approved by the Director General. This program is registered under no. 43758/30.10.2017.

#### *Stage of implementation of the internal management control system*

For the year 2017, following the assessment of the internal management control system according to the provisions of OSGG 400/2015, with its subsequent amendments and completions, it has been declared as compliant with all 16 standards implemented.

The report on the internal management control system as of 31.12.2017 is annexed to the annual Financial Statements.

Furthermore, the results of the self-assessment are forwarded annually to the tutelary authority.

#### 4.1.8 Risk management

Risk management in CONPET SA is a permanent and important activity and the Board of Administration, which is carried out in the framework of an integrated management system, based on the management/internal control standards and capital market regulatory requirements.

CONPET SA leadership has set the following strategic directions in terms of risk management:

- understanding the risks the company is exposed to, the causes, their costs and impact on the general and specific goals;
- creating a safe working environment for employees;
- operating the crude oil National Transport System in a safe manner, without creating danger for third parties and without harming the environment;
- implementing optimal risk control measures.

Below are exposed the risks assessed and found under supervision during 2017:

##### ➤ The Market Risk

The company is dependent on the level of processing the crude oil in Romania. The National Transport System, operated by CONPET, is not interconnected to other external transport systems, in the region.

Due to the restructuring of the petrochemical industry in Romania, the transported crude oil, condensate and rich gas quantities decreased, which had a bad influence on the system's degree of use.

In lack of an interconnection of the National Transport System to other transport network outside the Romanian borders, there is a dependency in the achievement of the programmed revenues, on the decisions of the companies involved in the processing of the crude oil in Romania.

Given the conditions, by the support of the Ministry of Energy and the National Authority for Mineral Resources (NAMR), the company pays efforts to identify new opportunities that lead to the increase of the degree of utilization of the system, nevertheless involving into regional projects started in its business area.

It feels the need to emphasize the unpredictability of crude oil and derivatives extraction and processing in Romania, which may badly influence the financial standing of the company.

For this medium level risk, describing low tolerability, measures have been made in order to reduce it, e.g. identification and development of activities related to the core business.

##### ➤ Operational Risks

The Company's results and activity may be influenced by specific operational risks, including the followings:

- Degradation of the National Pipeline Transport System due to the low level of utilization (small quantities, reduced frequency).
- Escalation of the criminal acts related to pipeline attacks bearing significant impact on the Pipelines National Transport System and environment;

The reduction of the activity of CONPET beneficiaries led to the application of certain procedures for the identification of other possibilities to operate the National Transport System.

Where haven't been identified new opportunities for the utilization of the respective throughputs, upon the NAMR approval, one proceeds to the conservation/inactivation thereof in order to cut expenses.

The analyzed level of operational risk associated to the “degradation of the NTS” is large; it is an intolerable risk for which have been set urgent measures to control it, such as the redefinition of the transport infrastructure according to demand-side.

The analyzed level of operational risk related to “the escalation of the criminal behavior” was average, being a low tolerability risk for which have been set short-term measures to keep it under control:

the deterrence of the criminal behavior by the introduction of a real-time leak detection and location system.

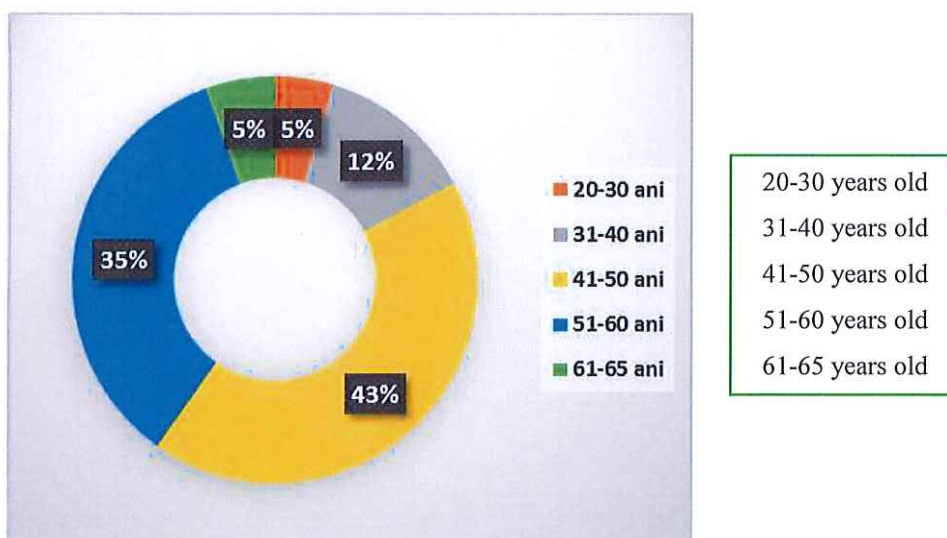
### ➤ The Personnel Risk and the Salary System

On December 31st 2017, the structure according to age is not balanced, the age category with the highest rate ratio in the company was the personnel where the age is ranging between 41-50 years old (43%), followed by the category where the age is ranging between 51-60 years old (35%) and between 31 - 40 years old (12%).

The mean age of CONPET personnel is high enough (48.38 years old), the advantage being that 52% of the personnel has over 20 years of experience in the company, which stands for the stability and professionalism of the company's employees.

The personnel related risk stands upon the possibility that in the future, the company be faced a lack of qualified personnel due to the leaves of the experienced employees due to natural causes.

The analyzed level of this risk was low; this is a high tolerability risk and for the control thereof have been set medium and long-term measures by way of the personnel policy and the monitoring of the personnel fluctuations (personnel input/output in/from the company).



*Chart 16 - Personnel structure according to age*

These employees are extremely valuable, as they gathered knowledge and unique skills, some of them requiring years of experience to be appropriated. Nevertheless, there is the risk for the company to face a qualified personnel shortcoming in the future, due to the increasing number of those who will meet the retirement conditions. The analyzed level of this risk was low; this is a high tolerability risk and for the control thereof have been set medium and long-term measures by way of the personnel policy and the monitoring of the personnel fluctuations.

### ➤ The Credit Risk

The credit risk implies the hazard for the COMPANY to bear a financial loss due to the non-fulfillment of the contractual obligations by a client or a counterpart to a financial instrument and

this risk resides mainly in the trade liabilities, the cash and cash equivalents and short-term investments of the Company.

The Company carries-out trade relations exclusively with approved third-parties that justify the credit financing.

The company implemented a series of policies according to which is being provided that the sale of services is being performed by clients with rapid proceeds. The value of the net liabilities (no depreciation adjustments) represents the maximum amount exposed to the encashment risk.

The credit risk related to trade liabilities is reduced due to the regular encashment of the transport services. Despite the significant concentrations, the clients base being extremely reduced, the management appreciates that the trade credit risk is reduced.

The analyzed level of this risk was negligible; it is a tolerable risk for which are not necessary special measures to keep it under control.

#### ➤ **The Liquidity Risk**

The liquidity risk is the Company's risk to face difficulties in the achievement of the liabilities associated with the financial debts that are being settled in cash or by the transfer of other financial asset.

The Company's approach in the liquidity management consists in being sure, as much as possible, that it will always dispose of enough liquidities to pay the maturity liabilities, both under normal and stress conditions, without bearing unacceptable losses or endanger the Company's reputation. The liquidity risk is managed by the Company's management by the application of a permanent insurance policy of the liquidities meant to cover the settlement of the due financial liabilities.

The analyzed level of this risk was low; there is a high tolerability risk for which the measures to keep it under control stick to the close surveillance of the exposure to liquidity risk, this measure being sufficient.

#### ➤ **Exchange Rate Risk**

The company may be exposed to fluctuations of the exchange rate of the currencies by means of cash and cash equivalents, short-term investments, long term loans or trade liabilities expressed in foreign currencies.

The functional currency of the Company is the Romanian Lei (RON). To date, the Company is exposed to the exchange rate risk through cash and cash equivalents, as well as through the procurements made in a currency different from the functional currency. The currencies exposing the Company to such a risk are mainly EUR, USD and GBP. The debts in foreign currency are subsequently expressed in RON, at the exchange rate of the date of the balance sheet, communicated by the Romanian National Bank. The resulting differences are included in the profit and loss account, but do not affect the cash flow up to the moment of the extinguishment of the liability.

The Company's exposure to the exchange rate risk expressed in RON was insignificant. The Company exposure to the exchange rate risk was insignificant. The analyzed level of this risk was negligible; it is a tolerable risk for which are not necessary special measures to keep it under control

➤ **The Risk Determined by the Correlation with the Global Market Evolution**

The events on the world financial market bear direct and indirect impact on the evolution of the Romanian economy, fact reflected in the evolution of the Romanian capital market within the last years. Consequently, the evolutions at world level affect both CONPET activity and the evolution thereof on the capital market.

Romania's economy, like any other emerging economy, is sensitive to activity fluctuations at world level. The political, economic, social and any other type of world market events bear significant impact on the economic climate CONPET is doing business into.

The decrease of the oil price may determine a reorientation of the clients towards imports and implicitly a higher use of the import transport sub-system in the detriment of the domestic transport sub-system, with unfortunate effects on the revenues from the transport activity. Furthermore, the dependency on the only client on the domestic transport sub-system and reduction of the production and/or refining business, not offset by the bringing into production of new capacities, bears a direct and negative impact on the revenues.

The analyzed level of the risk determined by the evolution of the oil&gas market at national and regional level, as well as of the global market was high; there is an intolerable risk for which have been instituted urgent measures to keep it under control, by the systematic and adequate communication with the representatives of the majority shareholder (the Romanian State), of the shareholders and of all other interested parties for the integration of the company's economic activity in the national energy strategy.

➤ **Frontier Market Risk**

The frontier market investors must be aware of the fact that such markets present a higher risk than the markets of the countries with a developed economy and mature legal and political systems. This risk is determined by the need to adapt to the legislative system in view of creating certain effective instruments from both the legal and economic point of view, in order to provide the necessary framework for a functional market economy to perform.

The Romanian capital market, when referring to the current state of development, may be included in the frontier market category, markets that present higher risks as compared to the emerging or developed markets, although they may offer higher performance to the investors. The country risk is generated by the likelihood of occurrence of certain unpredictable political, social and economic changes, recurrent legislative changes, fluctuations of the exchange rate or high rates of inflation. Even if Romania is member state of the European Union, CONPET financial standing and results may be influenced by unforeseeable events typical to a frontier market, being considered a market characterized by higher volatility, especially in the current global context.

As per the Financial Times Stock Exchange (FTSE), România is currently classified as a frontier market and is being included on the "WatchList" for a possible promotion to the secondary emerging market status. According to FTSE released: "Romania meets eight out nine necessary criteria to become a secondary emerging market, following the recent developments of the market infrastructure which have been positively received by the international investors. The only criterion left to be fulfilled is "enough liquidity to sustain an investment significant enough at global level".

➤ **Legislative-related Risks**

The results of CONPET initiatives are hard to predict and may be amended following the legislative instability in Romania. The frequent amendment of the normative acts, here included those that bear direct impact on CONPET activity, may trigger risks for the company.

CONPET effort to constantly adapt to the legislative requirements under continuous change may generate significant additional costs and the potential future amendments of the legislative framework may bear side effects on CONPET business and profitability (tax augmentation,

introduction of new taxes and fees, reduction or suspension of certain fiscal facilities etc.). Moreover, a possible increase in the level of the royalty paid for the use of the national Transport System may affect the financial statements and financial projections. In the past, there existed such legislative projects and the company expressed its standing within the meaning of the inadvisability of such a legislative decision, justified by the presentation of the produced financial effects, on both the company and consecutive, at macroeconomic level. An increase of the level of the royalty shall reflect into an augmentation of the transport tariff and subsequently, the consequences may be seen on two levels: the decrease of the crude transported quantities – especially on the imported crude – and over the pump price of the finite products resulted from the crude oil processing.

Therefore, the Romanian legislation regarding CONPET business may be amended in the detriment of the company and implicitly of the investors (tax augmentation, introduction of new taxes and fees, reduction or suspension of certain fiscal facilities).

The level of the analyzed risk was low; it is a high-tolerability risk for which the control measures thereof are reduced to the permanent systemic communication with all States' representatives and interested parties in order to integrate the economic activity of the company in the strategy of Romania, the energy field and the industry sector, in order to prevent, as much as possible, the legislative risks.

An important risk is being represented by the loss of the facility regarding the expenses borne by the Romanian State in order to provide the guard and protection of the pipelines by gendarmes, regulated by GD no. 1107 dated November 14, 2012, which amends and complements GD no. 1468/2005.

The level of this analyzed legislative risk was average; there is a low tolerability risk for which have been set short-term measures to keep it under control: the introduction of a real-time leak detection and location system partially covers the risk of losing the facility to provide the guard and protection of the pipelines by gendarmes.

#### ➤ **The Risk Related to the Regulation Framework and Permits**

CONPET core business, namely the transport via pipelines and by railway tanks, bears significant impact on the environment, which implies the acquirement and renewal of the permits regulating the Company's business, the acquirement of the building permits, based on all the permits necessary to conduct the subcontracted works included in the capital repairs (Rom. RK) programs and investments, acquirement of the permits and certifications for the rail transport activity (AFER), acquirement of INSEMEX permit for all sectors etc.

The Company activity is conditioned by a great number of regulations from different areas which, if not observed, may lead to the company sanctioning or activity suspension. Moreover, the Company is dealing with a lack of coherence and consistency between these regulations; this situation is triggering additional expenses and delays in the start or completion of certain works bearing side effects, such as: technical breakdowns, followed by losses of transported product and receipt of sanctions from the authorities.

The level of the analyzed risk determined by the regulation and authorizing framework was high; it is an intolerable risk for which have been set urgent measures to keep it under control: has been submitted to the Ministry of Energy the draft amendment of the Petroleum Law and of the Roads Law in view of the harmonization thereof with other applicable legal provisions from the areas interfering with.

#### ➤ **Risks related to certain Litigations**

One of the major risks the company is currently exposed to, as concessionaire of the National Crude oil, rich gas, ethane and condensate transport system drives its sources in the legal regime of the lands under/over crossed by the transport major pipelines instituted pursuant to the provisions of Petroleum Law no. 238/2004. The number of private properties under/over crossed

by pipelines is very high and there is a possibility that more and more owners bring proceedings in Court against the Company in order to obtain substantiated compensations based on the simple presence of the pipelines on their lands. Due to the defective way in which has been regulated the legal regime of the lands under/over crossed by the transport major pipelines, CONPET was and currently is engaged in a series of trials where the owners of those lands claim for the transport pipelines be either lifted, or moved to other sites (and the expense be borne by CONPET), or be granted annual compensations representing consisting amounts of money.

Within the last years, the Company prepared various legislative proposals to amend Law no 238/2004 - Petroleum Law, hoping for a coherent and clear regulation of the legal regime of lands under/over crossed by the transport major pipelines.

#### ➤ **Risks with increased probability of occurrence**

Cyber security, the risk related to the interference of the majority shareholder in the company's operations and the lack of manpower are the risks bearing high probability of occurrence and nevertheless bearing high impact of the company's business. Other risks with increased probability of occurrence include the renegotiation of the collective labor agreement, the degradation of the NTS and bringing no further changes to the Oil Law. Of all these identified risks the one bearing the highest impact on the company's business is being represented by the potential disruptive decisions of OMV Petrom.

#### *Internal control*

The company annually self-assesses the degree of implementation of the international control standards and reports in accordance with the legal requirements.

The Code of Ethics of the company CONPET SA is prepared and approved, an ethics adviser is appointed by the decision of the Director General and the staff of the organization has signed an individual commitment to comply with the ethical conduct and integrity rules contained in the Code of Ethics.

In accordance with the provisions of the system procedure "CONPET SA Goals Setting", SMART goals are set at relevant functions and levels.

The setting of the specific goals has taken into account the organization's mission and the strategic goals contained in the Administration Plan 2014-2017; furthermore, one has also taken into account all the general goals defined in the IMS documentation, in accordance with the requirements of the reference standards. The risks of not achieving the goals are identified and assessed on an annual basis and control measures for their mitigation are set, in accordance with the system procedure "Risk Management".

The processes identified as early as 2007 while implementing the integrated management system and the formalized procedures by activities have been harnessed as control tools, the development and implementation of new procedures for the risky activities being a practice known to all employees.

In order to implement the provisions of Order no. 400/2015 approving the Code of internal/management control of public entities, with its subsequent amendments and completions, the Commission for monitoring the internal management control system has been established, which has the following duties:

- It develops the program of development of the internal/management control system, which includes the stages, goals, actions, responsibilities and completion deadlines, and submits it to the Director General for approval;
- It also highlights distinctly in the program the professional training actions, both for people in management positions and executive positions;
- Monitors the performance and ensures the update of the program of development of the internal/management control system;

- Coordinates the process of updating the (specific) goals and the activities to which performance or result indicators are attached for their assessment;
- Analyzes and prioritizes the significant risks that may affect the achievement of the general goals;
- Analyzes, for approval, the information on the monitoring of performance at the level of CONPET SA, as developed by the Secretary of the Monitoring Commission, based on the annual reporting on performance monitoring from the level of divisions / departments / services / offices;
- Analyzes, for approval, the information on the risk management process evolution.

Each member of the Monitoring Commission is responsible for the fulfilment of the tasks in the program for the development of the management control system and for the compliance with the specified time limits.

The Internal Public Audit Office advises the Monitoring Commission and participates in its meetings. The Internal Public Audit Office monitors the activities of the Monitoring Commission and informs the Director General systematically on the work of the Monitoring Commission and the problems it faces, which may affect the process of implementation and maintenance of the internal/management control system.

#### **4.1.9 Internal audit and external audit**

*The internal public audit activity* within CONPET SA is organized at the level of the Internal Public Audit Service.

The internal public audit activity in 2017 was performed based on the Internal Public Audit Plan approved by the Director General of CONPET SA and endorsed by the Audit Committee consisting of three members of the Board of Administration.

The core component of the system for reporting the results of the internal audit activity is represented by the internal audit reports, which are compiled at the end of each completed mission and are approved by the company's management. The reports contain the findings, conclusions and recommendations made by the auditors in order to improve the audited activities, as well as their opinion in relation to the level of functionality and efficiency of the internal control system attached to the areas assessed.

A total of 6 internal audit missions have been performed in 2017, where 20 recommendations have been formulated.

#### **The topics of the missions have been as follows:**

- Analyzing the incidents recorded in the National Transport System
- Assessing the stage of implementation and development of the internal management control system
- The foundation, planning and execution manner of the investment projects provided for in the approved investment programs
- The regime for the provision of personal protective equipment, hygienic and sanitary materials and protective food
- The compliance with the contractual clauses relating to the leasing of assets held by CONPET SA
- Organizing and carrying out the inventory of assets, liabilities and equities

Audit findings have revealed the existence of malfunctions that have been brought to the attention of the management, which has ordered appropriate actions for their removal. The recommendations made by the internal auditors have been implemented or are in the process of implementation and there have been no recorded cases of management refusal in terms of their implementation.

Internal public audit service permanently monitors the status of implementation of the recommendations within the internal audit missions.

*The audit of the financial statements has been carried out by the independent auditor BDO Audit SRL.*

#### 4.1.10 Assessment of human resources and social dialogue activity

The number of employees on December 31<sup>st</sup>, 2017 was 1,711.

The evolution of personnel structure by education categories reveals the interest of the company to cover the staff needs with high qualification specialists and by the continuous improvement of the existing staff. In 2017, the number of higher education employees was 529, an increase by 90 people compared to 2015, and the number of secondary or general education employees has decreased from 1,104 people to 1,037 persons.

Education	Total	%	Women	% of total employees	Men	% of total employees
General (8-10 grades) education	145	8.47%	15	0.88%	130	7.60%
Secondary education	1037	60.61%	90	5.26%	947	55.35%
Higher education	529	30.92%	186	10.87%	343	20.05%
<b>Total:</b>	<b>1711</b>	<b>100%</b>	<b>291</b>	<b>17.01%</b>	<b>1420</b>	<b>82.99%</b>

Table 15 - Personnel structure by education level and gender



Chart 17 – Evolution of the employees' structure according to level of studies and gender



Chart-18 – Personnel structure by gender

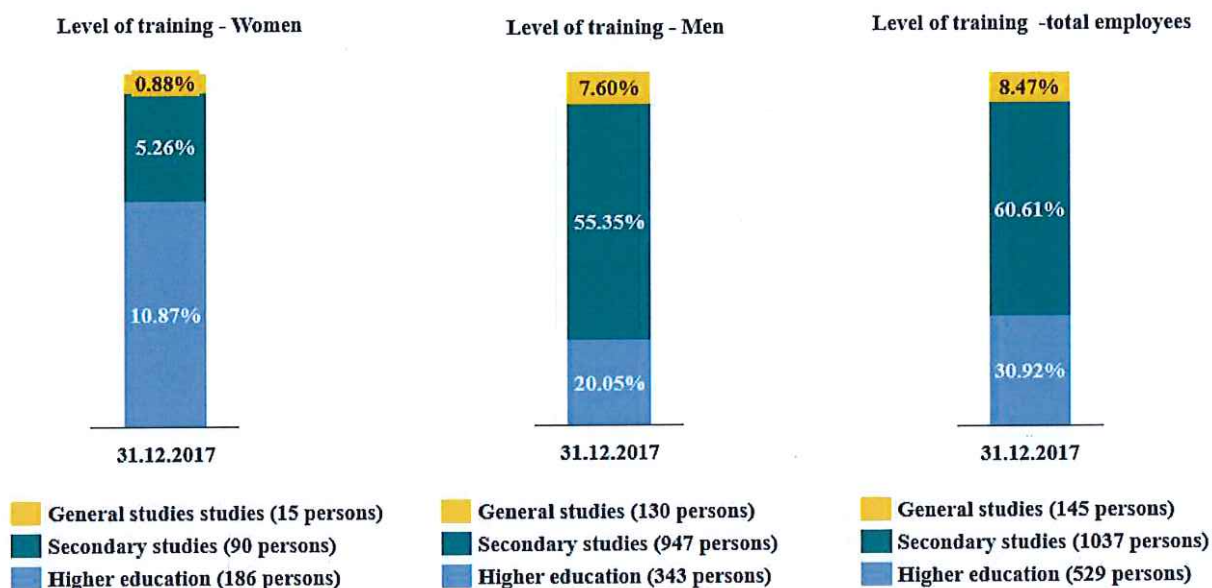


Chart-19- Structure of personnel share by categories of studies and gender

The evolution of the staff structure by education categories and gender reveals that the company promotes a non-discriminatory behavior by employing female specialists with higher education and professional skills that contributes to the growth of the company's activity results.

The staff with managerial functions represents 5% of the total number of employees and the executive staff amounts to 95%.

The degree of unionization of the workforce for the year 2017 is 99.82%. During 2017, there have been no elements of a conflictual nature between employees and the management of the company.

### Bargaining and conclusion of a new Collective Labor Agreement

*A new Collective Labor Agreement, applicable at the level of CONPET SA has been negotiated in the period from July 10<sup>th</sup> to August 30<sup>th</sup>, 2017.*

The new Collective Labor Agreement has been approved by the Decision of the Board of Administration no. 12/30.08.2017 and has been registered with the Prahova Labor Inspectorate under no. 420/31.08.2017, being applicable from September 1<sup>st</sup>, 2017 for a period of one year.

Furthermore, the Decision of the Board of Administration no. 23/20.12.2017 has led to the approval of the Addendum no. 1. to the Collective Labor Agreement, *in order to implement the provisions of the Government Emergency Ordinance no. 79/2017*, so as not to decrease the net salary earnings resulted from the gross salary rights granted with effect from January 1<sup>st</sup>, 2018.

### The activity of professional training and authorization

Training activities are carried out on an ongoing and planned basis, based on the professional training and authorization programs of the company, as a result of the conduct of a comprehensive process of identification and prioritization of the CONPET SA staff training needs.

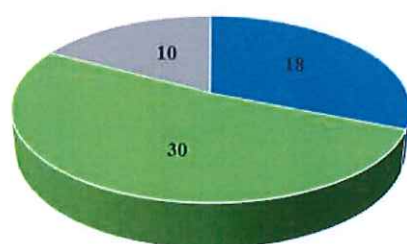
The training of the company personnel relates mainly to external courses organized in collaboration with professional authorized trainers, for all activity fields within the company, and internal courses organized in collaboration with specialists within the organizational entities of the company, for the professional categories that require an update / maintenance of the knowledge necessary in carrying out the job duties and/or in acquiring new skills needed at the work place. Internal training is organized by trainers and/or specialists within the company, with a good knowledge of the field concerned and/or with relevant experience in the activity field in question, which perform sessions of professional courses / training / maintenance of the knowledge in various fields of activity and examine / check the attending employees.

The training of the employees has two components: a professional one (technical, economic, other specialties), necessary to carry out the work tasks in the job description, and a general one, related to the improvement / professional authorization in various fields.

The management of CONPET SA provides annually, through the Income and Expenditure Budget, large amounts for vocational training, with the aim of maintaining and developing new staff skills. Particular attention is paid to the training of the technical personnel (maintenance and operations), mainly for the acquisition of new skills necessary for the safe performance of the activity of the National Transport System.

No.	Category	Courses	Attending employees
1.	internal training/authorization courses	18	648
2.	external training/authorization courses in various fields	30	475
3.	external training/authorization courses in the railway field	10	248
<b>TOTAL:</b>		<b>58</b>	<b>1371</b>

Table 16– Structure of training / professional authorization courses in 2017



- Cursuri interne formare/autorizare (648 participanți)
- Cursuri externe formare/autorizare in domenii diverse (475 participanți)
- Cursuri externe formare/autorizare in domeniul CF (248 participanți)

internal training/authorization courses (648 participants)  
external training/authorization courses in various fields (475 participants)  
external training/authorization courses in the railway field (248 participants)

Chart-20- Structure of training / professional authorization courses

## **Revision of the Regulation on the assessment of the professional performance of CONPET SA employees**

Having regard to the requests made by the members of the Board of Administration and top management of CONPET SA on the need to change the assessment system in order to eliminate subjectivism in the appraisal of the performance of the employees, the Plan of Measures of the Management Review no. 22/11.04.2017 has established the following measure *“The revision of the Regulation on the assessment of the professional performance of CONPET SA employees in order to improve the quality of employee assessment”*.

### **4.1.11 HSEQ activity assessment**

#### ***Basic activity impact on the environment***

- *Identification of environmental aspects and environmental impact assessment*

The activity of environmental impact assessment is carried out in the production sectors whenever changes occur in the system involving activities with an impact on the environment, the list of significant impact issues identified at the level of the company being the basis for the preparation of the Environmental Management Program and the Action Plan for the fulfilment of the environmental goals. In 2017, the environmental goals have been reviewed and included in a new Action Plan for the fulfilment of the environmental goals.

The requirements of the SR EN ISO 14001:2015 standard on the risks associated with environmental aspects and obligations of environmental compliance will have to be implemented, so it will be necessary to review the PS-MI-11 procedure – Identification of environmental aspects and related impacts.

- *Assessments of compliance with legal requirements and other environmental requirements*

Periodical assessment of the compliance with the legal requirements has been ensured through inspections conducted by the representatives of the environmental authorities, internal inspections carried out by the HSEQ officers, internal audits performed by the staff of the specialized services of CONPET SA.

Environmental and water management authorities have conducted in the CONPET SA locations a number of 106 inspections regarding the compliance with the environmental regulations and the measures ordered as a result of the accidental pollution. At the same time, inspections have been carried out based on the Law no. 59/2016 on the control of major-accident hazards involving dangerous substances.

- *Pollution with significant environmental impact*

Accidental pollution can occur during the pumping of crude oil on the transport pipes, resulting in the pollution of the geological environment. Thus, accidental pollutions have been reported in 2017 in the following areas: Lumina, Triaj, Cernavoda, PAMN-Raja channel, Valul lui Traian, landmark 11, Mircea Voda, Cuza Voda, Poarta Alba (Constanta County), Aninoasa, Tuicani (Dambovit County), Surani, Lacul Turcului, Orzoaia, Rafov, Lukoil refinery, Moara Noua,

Cioceni, Avicola Gageni, Coadă Malului (Prahova County), Dragalina, Ivanesti (Calarasi County), Jilavele, Garbovi, Movilita, Balta Ialomitei, Grindu (Ialomita County), Parvu Rosu, Popesti (Arges County), Nuci (Ilfov County), Crevedia Mare (Giurgiu County), Scaiosi (Valcea County), Independenta (Galati County), Vermesti (Bacau County). In 2017, the expenditure with the depollution of the affected areas amounted to RON 377,740.

Over time, from the activity of crude oil storage in tanks the mechanical impurities in the crude oil settle resulting in the “tank silt”, whose regular discharge is necessary in order to ensure the necessary space for crude oil storage and for tanks’ repair / calibration. No tanks have been cleaned in 2017. Several acquisition procedures for crude oil tank cleaning services have been performed, resulting in the contracting of such services in December.

Furthermore, two acquisition procedures took place for the collection, transport and temporary storage for the purposes of recovery / disposal of paraffin-type hazardous waste (arising from the inner cleaning of crude oil transport pipelines and related manifolds operated by CONPET SA), which have been cancelled for lack of bidders.

Based on the requirements of the chapter “Environmental Monitoring” included in the environmental permits, “*The annual program for monitoring and measuring the characteristics of the environmental factors 2017*” has been developed, which has included the performance of the following parameters:

- concentration of pollutants in the emissions of water discharged in surface waters, sewage networks, and concentration of pollutants in the groundwater (existing monitoring drillings), determination of the pollution level in the case of accidental pollution of water courses;
- concentration of pollutants in the air emissions of fixed and/or mobile sources (thermal power plants, crude oil storage tanks) and concentration of pollutants in the ambient air;
- concentration of specific pollutants in the soil samples;
- noise level.

To determine the pollution level for the water, air, soil and noise environmental factors, analyses are performed by authorized laboratories. As such, monitoring has been carried out concerning the quality of the environmental factors: water, air, soil and groundwater, and no concentrations in excess of the maximum permissible concentrations have been found. In 2017, the costs for environmental factors monitoring amounted to RON 27,151.

The certification of the quality–environment–health and occupational security integrated management system took place for the first time in September 2007, with recertification every three years, namely in September 2010, September 2013 and September 2016. Annual surveillance audits are performed every year by the auditors of the certification body DET NORSKE VERITAS-GERMANISCHER LLOYD.

In September 2016, the energy management system has been certified in accordance with the requirements of SR EN ISO 50001:2011, implemented and integrated with the previous

management systems. The certification audit has been carried out by the same body DET NORSKE VERITAS-GERMANISCHER LLOYD.

The annual surveillance audit has been conducted by DET NORSKE VERITAS-GERMANISCHER LLOYD in September 2017. No lacks of conformity with the requirements of the reference documents have been identified.

The Director General of CONPET SA has established the policies concerning quality, environment, occupational health and safety (OHS) and energy, taking into account the following elements:

- Strategic directions of the organization;
- Legal requirements and other requirements applicable;
- Result of environmental aspects identification;
- Result of risk factors identification, assessment and control of risks of accidents and occupational diseases;
- Results of the initial energy analysis.

The general quality goals, the Environmental Management Program, the OHS Management Program and the Action Plan for achieving the goals and energy targets are consistent with the policies concerning quality, environment, occupational health and safety and energy.

- The policy regarding quality, environment, occupational health and safety aims at:
  - satisfying the requirements of the customers and of other relevant stakeholders;
  - compliance with the legal requirements applicable to the organization;
  - environmental protection by adopting measures aimed at preventing pollution;
  - ensuring a healthy and safe work environment for the entire staff of the organization;
  - systematic analysis of the organization's context and setting actions appropriate for the identified risks and opportunities;
- The energy policy aims at improving the energy performance of the organization through the fulfilment of the goals and targets in the energy field.

The certificates in force issued by DET NORSKE VERITAS-GERMANISCHER LLOYD for the management systems implemented are:

- 179568-2015-AQ-ROU-RvA, in accordance with the requirements of SR EN ISO 9001:2008,
- 179569-2015-AE-ROU-RvA, in accordance with the requirements of SR EN ISO 14001:2004,
- 179565-2015-AHSO-ROU-RvA, in accordance with the requirements of SR OHSAS 18001:2007.
- 207619-2016-AE-ROU-RvA, in accordance with the requirements of SR EN ISO 50001:2011.

Starting in 2010, the Railway Safety Management System has also been integrated, in accordance with the requirements of Directive 2004/49/EC, transposed in Romania by Law 55/2006 on

railway safety. The scope of this system includes the railway ramps where CONPET performs railway shunting operations.

Through the railway safety policy, CONPET SA undertakes to act in order to achieve the common safety goals and compliance with the requirements set out in both the technical specifications for interoperability and the national safety regulations.

For the railway ramps, the Romanian Railway Authority (AFER) has granted the company the License for performing railway transport services (railway shunting) and the Safety certificate part A.

For railway ramps where CONPET SA carries out railway shunting for third parties or on its own account, on an industrial track not owned by the company, AFER granted Safety certificates part B, as follows:

- Safety certificate part B for Salonta railway ramp;
- Safety certificate part B for Suplacu de Barcau railway ramp.

Within the integrated management system, the Director General leads the biannual analyses in the “Management Reviews – AEM” meetings.

The management reviews, performed in order to determine the effectiveness of the integrated management system for quality – environment – occupational health and safety – energy, took place on 22.04.2017 (AEM no. 22) and 06.11.2017 (AEM no. 23). The measures laid down as a result of these analyses mainly relate to the following issues:

- Review of certain IMS documents in order to comply with the changes in the legal requirements in force (e.g. revision of the documents related to the “BVC development, monitoring and correction”).
- Establishment of a team for the revision of the operational procedures relating to working points liquidation / preservation;
- Assessment of light condensate acceptance and transport in terms of compliance with the applicable legal requirements specific for environmental protection, occupational health and safety;
- Revision of the general quality goals for supplementation with the indicators specific for light condensate transport;
- Updating the Action plan for the achievement of the environmental goals and the Environmental management program for correlation with the policy concerning quality, environment, occupational health and safety and with the organizational changes of 12.06.2017;
- Preparation of instructions for the acceptance of light condensate;
- Revision of the Regulation relating to the assessment of the professional performance of the employees;
- Revision of the documents related to the “Measuring and monitoring equipment control” process in order to clarify the requirements for the acquisition and acceptance of measuring tapes and to modify the composition of the Acceptance Commissions responsible for carrying out the acceptance of the measuring and monitoring equipment.

- Clarification of the responsibilities of the persons who are part of the energy management team.

The energy goals and targets have been updated in 2017. The document “List of energy goals and targets for 2017” includes the following goals and targets:

Energy goal	Energy target
G1: Maintaining energy efficiency for significant electricity uses	<p>G1/T1: Reducing electricity consumption in the Transport Operations Department – National Crude Oil Transport System by 6.46% compared to the reference period 2014;</p> <p>G1/T2: Keeping electricity consumption in the Transport Operations Department – Import Crude Oil Transport System at the level of the reference period 2014;</p> <p>G1/T3: Keeping electricity consumption in CONPET Administrative Offices reduced by 3.99% compared to the level of the reference period 2014.</p>
G2: Increasing energy efficiency for natural gas significant uses	G2/T1: Reducing the consumption of natural gas at the level of CONPET SA by 10.57% compared to the reference period 2014
G3: Increasing energy efficiency for diesel oil significant uses	G3/T1: Reducing the consumption of diesel oil for the railway shunting by 10.00% compared to the reference period 2014
G4: Increasing energy efficiency for car fuel significant uses	G4/T1: Keeping the consumption of car fuels at the level of CONPET SA reduced by 15.00% compared to the reference period 2014

*Table17 – Energy goals and targets*

Furthermore, the document “Action plan for achieving the energy goals and targets” has been prepared and approved. The document was registered under no. 22909 of 09.06.2017.

The stage of achievement of the energy goals and targets for 2017 and the stage of completion of the actions in the “Action plan for achieving the energy goals and targets” shall be analyzed in the meeting for the Management Review no. 24.

#### *Internal audit of the Integrated Management System*

Internal audit provides information on the compliance with the requirements of the referentials and the applicable legal requirements. The internal audits have been conducted in accordance with the program approved for 2017 and the audit criteria set out in the Audit Plans. The results have been communicated to the audited parties through the dissemination of Audit Reports, to which the Reports of non-compliance and corrective action (RNAC/P) opened during audits have been

attached. The company ensures resources for the proper development of the internal audit every year, in line with the mandatory requirement of the reference standards SR EN 9001:2008, SR EN ISO 14001:2005, SR OHSAS 18001:2008 and SR EN ISO 50001:2011.

## 4.2 Analysis of development activity

### 4.2.1 The main components of the NTS infrastructure

The National Transport System for Crude Oil, condensate, rich gas and ethane is composed of four transport subsystems grouped according to the products transported:

**1. The national transport subsystem for crude oil and condensate**, consisting of pipelines with a total length of about 1,700 km which can be used to carry crude oil and condensate from the production units of OMV Petrom and third party operating areas across the country to refineries.

This subsystem has the following main components:

- **Ardeal component**, used to transport crude oil from the deposit to the railway cauldron loading ramps and from here to the refineries in Ploiesti or to Barbatesti unloading ramp. Thus,
  - The crude oil received in Suplacu de Barcău is loaded in railway cauldrons at Suplac loading ramp and is transported to Petrobrazi refinery. The loading capacity of Suplac ramp is 1,500 t/day;
  - The crude oil in Petreu deposit is pumped in Marghita loading ramp, is loaded in railway cauldrons and transported to the railway ramp of Petrobrazi refinery. The loading capacity of Marghita ramp is 1,000 t/day
  - The crude oil in Turnu and Bodrog deposits is pumped in Pecica loading ramp, is loaded in railway cauldrons and transported to Barbatesti unloading ramp. The loading capacity of Pecica railway ramp is 1,200 t/day.
  - The crude oil in Sat Chinez deposit is pumped in Biled loading ramp, is loaded in railway cauldrons and transported to Barbatesti unloading ramp. The loading capacity of Bilet ramp is 800 t/day.
  - The crude oil in Tinca deposit is transported to Salonta loading ramp, is loaded in railway cauldrons and transported to Barbatesti unloading ramp;
  - As a result of the reduction and restructuring of OMV Petrom activity, crude oil transport operations from Teremia deposit to Valcani railway loading ramp has been suspended in 2010.
- **Moldova component**, used to transport crude oil from the production units related to Lucacesti, Comanesti and Cerdac pumping stations to Rafo Onesti and Darmanesti refineries. At present, because the crude oil processing plants from Rafo Onesti and

Darmanesti refineries no longer works, the pumping of the crude oil picked up for transport is made in the deposit of Moinesti loading ramp. From here, crude oil is transported with wagons, by rails, to Petrobrazii refinery, Petrotel Lukoil or other destination, depending on customers' requests. During 2017, following the take-over by Mazarine of the concession of several oil fields in the area of Moldova, Cerdac deposit has been closed. Crude oil extracted from this area is transported by tanks at Ghelinta deposit. From Ghelinta deposit, crude oil is pumped at Imeci loading ramp, is loaded in railway cauldrons and transported to Petrobrazii refinery.

- where crude oil from the production units related to Ghercesti, Lact, Raca, Izvoru, Videle, Poeni, Roata and Potlogi pumping stations is transported by pipeline to Petrobrazii refinery in Ploiesti. The transport is carried out as follows:
  - by main line  $\varnothing 10^{3/4''}$  x 145 km. Ghercesti – Icoana – Cartojani, with connections  $\varnothing 6^{5/8''}$  x 5.5 km. from LACT, connection  $\varnothing 6^{5/8''} + 4^{1/2''}$  x 8.3 km. from Izvoru (the pipeline belongs to OMV Petrom);
  - From Poeni deposit, crude oil is transported by pipe  $\varnothing 10^{3/4''}$  Icoana – Cartojani, to Cartojani station;
  - From Cartojani station, it is pumped to Ploiesti by the two pipes  $\varnothing 12^{3/4''}$  x 80 km. and  $\varnothing 14^{3/4''}$  x 80 km. with connection  $\varnothing 10^{3/4''}$  x 7.8 km from Potlogi station;
  - Pumping from Videle deposit is made by pipe of 10'', in pipe of  $\varnothing 14^{3/4''}$  simultaneously with the pumping of transit crude oil from Cartojani;
  - Between the pipes  $\varnothing 12^{3/4''}$  and  $\varnothing 14^{3/4''}$  from Cartojani to Ploiesti and the pipes  $\varnothing 14^{3/4''}$  and  $\varnothing 20''$  Calareti – Pitesti (related to the import crude oil transport subsystem) there are links to the manifold in Ghimpati, in order to transporting Petromar or import crude oil to Petrobrazii refinery.

The maximum transport capacity by the pipe  $\varnothing 14^{3/4''}$  is given by the simultaneous pumping with one pump from Videle, one from Cartojani and one from Potlogi. In this situation, the transport capacity is 2,500 t/day. A maximum of two pumps can be used to pump in the pipe  $\varnothing 12^{3/4''}$ , the maximum capacity being 2,000 t/day. If pumping is made from Calareti to Brazi, on the route 14''x12''/14'', the maximum capacity is 5,000 t/day.

- **Ticleni–Ploiesti component** includes two main lines with a length of approx. 250 km, thread I and thread II.

The main line, Ticleni–Barbatesti and Barbatesti–Orlesti–Poiana Lacului–Siliste–Ploiesti, thread I, ensures the transport of crude oil from Ticleni and from Barbatesti unloading ramp to the refineries in Ploiesti (with the possibility of pumping to Arpechim Pitesti refinery, as well). OMV Petrom Totea-Hurezani deposit is connected to Barbatesti – Orlesti pipe sector. The transport capacity of this main line is 2,000 t/day;

The main line thread II collects crude oil and condensate from Ticleni, Madulari, Orlesti, Otesti, Poiana Lacului, Oarja, Saru, Siliste and Bucsani pumping and re-pumping stations for supplying

the refineries in Ploiesti (or Arpechim Pitesti refinery). Varteju station was closed by OMV Petrom in 2017. The transport capacity of this main line is 2,200 t/day;

▪ **Muntenia basin pipeline component** includes pipelines used to transport crude oil from the stations and deposits close to the city of Ploiesti:

- From Teis, Ochiuri, Moreni and Aricesti deposits, crude oil is transported through the pipe 6" RA Moreni-Ploiesti to Petrobrazi refinery; the nominal transport capacity is 1,200 t/day
- From Grindu deposit, crude oil is transported through pipe on Urziceni – Albesti – Ploiesti route; from Urlati deposit, crude oil is transported through pipe on Urlati – Albesti – Ploiesti route; the nominal transport capacity to Ploiesti is 550 t/day
- From Surani, Predealul Sarari, Gura Vitioarei, Pacureti and Boldesti deposits, crude oil is transported through Boldesti-Ploiesti pipe, with the nominal transport capacity of 1,300 t/day;
- From Recea, Mislea, Baicoi Vest, Slobozia and Padure deposits, crude oil is transported through Baicoi – Ploiesti pipe, with the nominal transport capacity of 1,000 t/day.

▪ **Local pipeline component**, used to transport crude oil from deposits to the railway cauldron loading ramps, and from here to the refineries in Ploiesti. Thus,

- The crude oil from Lascar Catargiu deposit is pumped to Independenta railway loading ramp, with a loading capacity of 1,200 t/day
- The crude oil from Oprisenesti deposit is pumped to Ciresu railway loading ramp, with a loading capacity of 2,000 t/day
- The crude oil from Monteoru and Berca is loaded in Berca railway loading ramp, with a loading capacity of 1,000 t/day
- The crude oil from Ghelinta deposit is loaded in Imeci railway loading ramp, with a loading capacity of 400 t/day.

**2. Rich gas transport subsystem** is intended for the transport of rich gas from the recovery plants in Ardeal, Oltenia and Muntenia to the refineries in Pitesti and Ploiesti. The transport subsystem has the following composition:

- Main pipe thread I Ticleni-Ploiesti;
- Local piping in Ardeal

Rich gas transport by pipeline in Arpechim refinery has been suspended since April 2011. In 2017, the dower of the rich gas pipeline 6<sup>5/8</sup>" thread I Barbatesti – Ploiesti has been discharged, in the length of 289 km. At the present time, actually 2 recovery plants (Abramut and Calacea) are still working and the rich gas produced is transported by rails to Petrobrazi refinery.

- **Ardeal local pipeline component** – Rich gas taken from Calacea recovery plant is pumped through a pipe of  $\varnothing 6^{5/8}$ " x 15 km to Biled railway loading ramp, with a loading capacity of 150 t/day. Rich gas taken from Abramut recovery plant is pumped through a pipe of  $4^{1/2}$ " x 4 km Marghita railway loading ramp, with a loading capacity of 100 t/day.

**3. Ethane transport subsystem.** Ethane transport from Turburea de-ethanization platform to Arpechim Pitesti refinery. At present, due to the inactivity of Arpechim refinery, the subsystem is not used. Ethane transport has been suspended in November 2008. Note that a portion of this pipeline (11 km) is used to transport condensate from Totea deposit to Petrobrazi refinery, with the approval of A.N.R.M.

**4. Import crude oil transport subsystem.** Import crude oil transport subsystem ensures the transport of crude oil from the Oil Terminal Constanta to the refineries in Ploiesti, Arpechim-Pitesti and Midia. Import crude oil transport subsystem includes Constanta Nord, Constanta Sud, Mircea Voda, Baraganu, Dragos Voda, Calareti, Mavrodin and Martinesti pumping stations.

Domestic crude oil is pumped from Petromar crude oil deposit through the pipe  $\varnothing 10$ " Petromar-Nisipari (pipe belonging to OMV Petrom). Nisipari is the interconnection with the main lines  $\varnothing 14$ ",  $\varnothing 20$ " and  $\varnothing 28$ " Constanta – Baraganu.

From Baraganu station it was possible to pump to Rafo Onesti refinery, through the pipeline  $\varnothing 20$ " Baraganu – Martinesti – Rafo Onesti. Currently, the pipeline is drained from product at the request of Rafo Onesti, with the approval of A.N.R.M. From Baraganu, one can also pump, by means of the stations related to each pipe, through the pipelines  $\varnothing 14$ ",  $\varnothing 20$ " and  $\varnothing 24$ " to Calareti station.

From Calareti, one can pump to Ploiesti through two pipes  $\varnothing 12$ " Thread I and II, to Petrotel refinery, and through a pipe  $\varnothing 24$ " to Petrobrazi refinery. At this point, the  $\varnothing 24$ " pipe sector from Pietrosani manifold (in Prahova, close to Ploiesti) to Petrobrazi is impractical due to the advanced deterioration. From Calareti, one can pump to Pitesti refinery both through the  $\varnothing 14$ " pipe and the  $\varnothing 20$ " pipe. Currently, the pipe  $\varnothing 20$ " Calareti – Pitesti was drained from product at the request of OMV Petrom, with the approval of A.N.R.M.

Depending on the pumping method chosen, from pump to pump, through the by-pass of the stations or by pumping from Calareti tanks, different pumping scenarios can be performed for each transport route. At this moment, Constanta Nord, Mircea Voda, Dragos Voda, Martinesti, Baraganu and Mavrodin pumping stations and the tanks in Baraganu station are no longer used.

- For Petrotel Lukoil, pumping is made from Oil Terminal Constanta Sud deposit through the  $\varnothing 28$ " pipe to Baraganu station and from here, through pipe  $\varnothing 24$ " Baraganu – Calareti, at a pumping rate of 650 t/h. From Calareti deposit, E station pumps through the  $\varnothing 24$ " pipe to Ploiesti, up to Pietrosani manifold, where routing is made through the two threads of  $\varnothing 12^{3/4}$ " to Petrotel refinery, with flow rates of 650 t/h. The annual crude oil transport capacity for Petrotel refinery is 4 million tons.
- For crude oil supply to Petromidia refinery, the crude oil received in Constanta Sud deposit is pumped through the pipe  $\varnothing 24$ " Constanta – Midia, using two booster pumps carrying a rate of 850 cbm/hours, providing a yearly transport capacity of 6.5 million tons;

- For OMV Petrom, the pumping of the crude oil received in Oil Terminal and Petromar, intended for Arpechim and Petrobrazii refineries, is done through the Ø 20" pipe, Constanta – Baraganu, and through the Ø 20" pipe, Baraganu – Calareti. From Calareti, it is possible to pump through the Ø 14" pipe up to Ghimpati manifold and, from here, in the Ø 12" pipe Cartojani to Petrobrazii refinery. From Calareti it is also possible to pump through the Ø 14" pipe up to Arpechim refinery. The maximum flow of crude oil discharge from Petromar is 200 cbm/hour, through the 10" pipe Petromar – Poarta Alba. From Calareti, the crude oil discharge flow rates to the two refineries are 250 cbm/hour to Petrobrazii and 220 cbm/hours to Arpechim refinery, with a yearly transport capacity of 1.3 million.

Domestic production of crude oil, condensate and rich gas is transported only by pipeline, either by rail tanks, or combined (rail and pipeline).

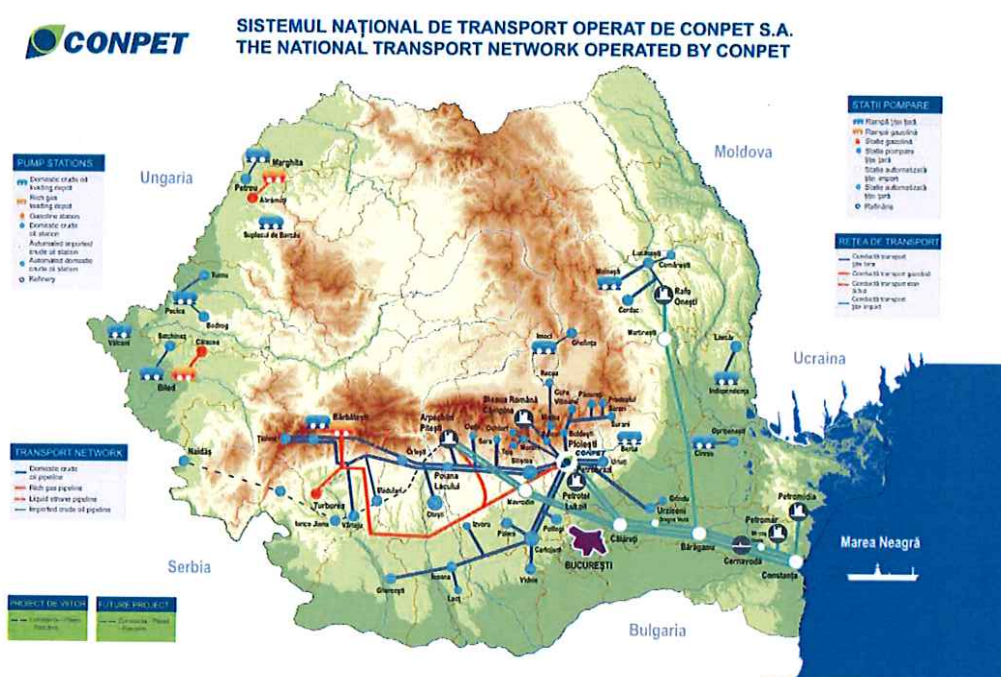


Chart-21- The national transport system operated by CONPET

Considering the natural distribution of the oil fields almost on the entire Romania area, the National Transport System has been built so as to satisfy the transport needs from all these fields to refineries. The operation of the system is ensured by means of local dispatchers coordinated by the Central Dispatcher of the company.

In the course of the transport process, CONPET uses 96 tanks of its own of different capacities and 4 tanks for rich gas taking over.

The company also has a fleet comprising 240 vehicles; its structure by functional destinations on December 31<sup>st</sup>, 2017 is as follows:

- Means of intervention (excavator, bulldozer, sewage trucks, crane trucks, dump truck, backhoe loaders, crawler mini-excavators, digging trucks, special trailers, forklifts) – 92 pcs.;
- Utility vehicles for intervention, work team transport and merchandise transport – 72 pcs.;
- Cars for business trips – 76 pcs.

#### 4.2.2. The wear degree of the company's properties

In order to perform its activity object, the transport of crude oil, rich gas and ethane, from and to all its business partners, in conditions of maximum operativity, high efficiency and operating costs as low as possible, in compliance with the legislation in force relating to environmental protection and labor protection and the other normative acts in the field, CONPET carries out a continuous activity on the improvement of the technical condition of the National Transport System.

In the period 1995-2007, through the Modernization Project co-financed by the World Bank, works consisting of the rehabilitation and modernization / refurbishment itself of the Oil National Transport System have been conducted, by means of:

- Rehabilitation of pipelines;
- Rehabilitation of the pumping stations on the main lines and two crude oil and rich gas loading / unloading ramps;
- Automation of the transport system and SCADA system introduction;
- Introduction of crude oil tax measurement systems;
- Development of a telecommunication system.

After this period, the emphasis has been mainly placed on the pipeline component. For correct determination of the portions to be replaced, most transport main lines have been inspected with smart pig.

Approx. 486 km of pipelines have been replaced between 2003 and 2017.

Furthermore, for safe operation, monitoring and maintenance of the pipeline National Transport System, our company has considered the performance of works intended to secure the infrastructure of the water crossings designed to enhance the degree of safety in operation of the pipelines in question, indirectly, and the protection of the waters crossed against pollution.

The pipelines included in the National Crude Oil Transport System cross various water courses in two constructive solutions: aboveground and underground.

Another important component in terms of safe operation and environmental protection was the securing of crossings, the works consisting of:

- bottom sills;
- bank guards downstream and upstream of the bottom sill;
- wave breakers;
- pile foundation strengthening;
- bank guards on the route of the pipelines parallel to the river bed (destroyed bank);
- other works related to pipeline strengthening.

CONPET is intensifying its efforts for continuing the activities of modernization of the main pipeline transport subsystems, while paying increased attention to the other technological components of the system, namely:

- tanks;
- technological installations;

- FFP facilities;
- technological and administrative buildings;
- energy and thermal plants, telecommunications;
- auxiliary components.

Due to the improvement of the system, one may see:

- reduced technological costs in the storage and transport process;
- minimized energy, fuel and lubricant consumptions;
- minimized operating costs and reduced operating difficulties;
- improved safety and flexibility of the system;
- reduced environmental impacts;
- improved quantitative and qualitative measurements of the crude oil transported.

In relation to those shown, one can ascertain that the technical condition of the pipeline National Crude Oil Transport System operated by CONPET is a proper one, the modernization efforts in the future focusing on components such as: leak detection system and modernization of the cathodic protection system.

#### 4.2.3 Investments achieved in 2017 as compared to the program 2017

The current pipeline replacement frequency is given by the inline inspection thereof, the statistics of the breakages and the aggressive stance of the attacks. The replacements within the last few years, amounting approximately to 446 km in length, having been performed on the pipelines with the highest degree of utilization.

The total number of technical and provoked breakdowns decreased from 184 in 2013 to 40 in 2017.



Graphic –22- The Evolution of the technical and provoked breakdowns during 2015-2017

The achievement of the investment program in 2017, as compared to the level scheduled for 2017 is the following:

Investments	2017		
	Program (thousand RON)	Achieved (thousand RON)	%
<b>Total investment, of which:</b>	<b>64,269</b>	<b>49,198</b>	<b>77%</b>
<b>PUBLIC DOMAIN</b>	<b>51,645</b>	<b>38,939</b>	<b>75%</b>
Pipelines rehabilitations, of which:	25,158	22,261	88%
Pipelines replacement	20,856	18,216	87%
Safe disposals	4,302	4,045	94%
Modernization and monitoring of the cathodic protection system at central and sectoral level, related to the crude oil transport pipelines Țicleni- Ploiești, F1 and F2	253	225	89%
Modernization and monitoring of the cathodic protection system related to the National Transport System import and domestic – projection	425	271	64%
Modernization and monitoring of the cathodic protection system related to the National Transport System import – execution	2,368	2,194	93%
Pilot system for detection and location of product leaks from the crude oil major pipelines system Poiana Lacului-Siliste - Ploiesti	800	0	-
Consulting and Technical Assistance	50	0	-
Tanks	6,372	2,570	40%
Energy Works	6,225	5,517	89%
Telecommunication Works	1,535	1,528	100%
Modernization of Pumping Systems	3,214	1,792	56%
Ramp modernization	2,785	2,318	83%
Buildings, stations fencing	103	0	-
Automation and SCADA works	605	218	36%
Other works	1,597	0	
Projects, Studies, Technical Appraisals	155	45	29%
<b>OPERATOR AREA</b>	<b>12,624</b>	<b>10,259</b>	<b>81%</b>
Investment objectives, of which:	8,092	6,309	78%
Pipelines rehabilitations:	2,349	1,959	83%
Water feedings	172	172	100%
Buildings, stations fencing	1,519	622	41%
LDH tanks	112	112	100%
Energy works	391	313	80%
Other works	3,315	2,942	89%
Intangible investment	234	189	81%
Independent Facilities and Equipment	4,532	3,950	87%

Tabel 18– The achievement of the investment program 2017

In 2017, within the Maintenance-Development Directorate were in progress a number of 55 projection works, of which were endorsed in the Economic-Technical Committee (Rom.CTE) of CONPET a number of 22 works with a total investment value of 84,591,519 RON, as follows:

- Replacements of the Ø 6 5/8" and Ø 8 5/8" Opișenești-Cireșu crude oil pipeline, in Perișoru area, approximately 3,550 m in lengths, with a value estimated by the designer of 1,152,475 RON;
- Replacements of the Ø 10 3/4" crude oil pipeline Icoana - Cartojani, in the Valea Burzii area, Miroși commune, Arges county, on a length of approximately 350m with a value estimated by the designer of 238,772 RON;
- Commissionings of the crude oil transport pipeline 10 3/4 F1 Țicleni-Ploiești, right bank river Pesceana, Livezi locality, Vâlcea County, with a value estimated by the designer of 110,677 RON;
- Replacements of the crude oil pipeline Ø12"and Ø14" Cartojani-Ploiești, in Sfântu Gheorghe village area, on a length of approximately 1,100 m, Crevedia Mare commune, Giurgiu County, with a value estimated by the designer of 1,222,197 RON;
- Supply, installation and commissioning of the security technical system in Marghita Ramp, with a value estimated by the designer of 709,170 RON;
- Upgrade of the heat station and heating network Marghita, with a value estimated by the designer of 1,300,000 RON;
- Replacements of the Ø 4 1/2" pipeline Grindu-Urziceni, in the area of Grindu irrigation ditch Ialomita County, on a length of approximately 1100 m, with a value estimated by the designer of 202,780 RON;
- Upgrade of Madulari pumping system Mădulari-Vâlcea county, Moreni- Dâmbovița county and Opișenești- Brăila county, with a value estimated by the designer of 4,895,099 RON;
- Upgrade of the exterior lighting installations, by using LED technology sources, West and Import Divisions, with a value estimated by the designer of 2,900,000 RON;
- Upgrade and monitoring of the cathodic protection system related to NTS import and country, with a value estimated by the designer of 13,566,825 RON;
- Replacements of the 12"+14" pipeline Cartojani-Ploiesti in the area: Ghimpat locality-Colentina river crossing 500 m, Ghimpat commune, Dambovita county , with a value estimated by the designer of 688,882 lei;
- Replacement of the Ø 14" crude oil pipeline Constanta - Baraganu, in Castelu - Cuza Voda - Mircea Voda area, Constanta County, on a length of approximately 12580m, with a value estimated by the designer of 7,230,323 lei;
- Replacement of the Ø 10 3/4" F1+F2 pipeline Poiana Lacului - Siliste - in the area of overcrossing the irrigation ditch, Bucsani locality and County Road DJ 720 A Adanca - Bucsani, Dambovita County, on a length of approximately 2700 m on each way and the area park 14 Cobia, Blidari locality, Dambovita County, on a length of approximately 570 m on each way, with a value estimated by the designer of 3,169,791 lei;

- Replacements of Ø 10¾" crude oil pipeline Ghercesti-Icoana: station exit-undercrossing County Road D.J.Craiova-Ghercesti-Ghercesti swimming pool section = 370 m, Teslui creek left bank-former creek bed section= 200 m, Valea Draghiei area section = 250 m, in total 820 m, with a value estimated by the designer of 699,808 RON;
- Safety disposal of Ø6 5/8" pipelines Urlati-Ploiesti and Ø4" fibre-optic support at Teleajen river undercrossing, Stage 2 – hydortchnical works for pipeline protection at Teleajen river crossing, with a value estimated by the designer of 1,374,561 RON;
- Upgrade of the exterior lighting installations, by using LED technology sources, West and East Divisions, with a value estimated by the designer of 3,000,000 RON;
- Upgrades of the tanks park from pumping Station Băicoi, Prahova county, with a value estimated by the designer of 866,600 RON;
- Safety disposal for Arges river crossing, Cateasca area Arges County, with a value estimated by the designer of 4,752,072 RON;
- Decommissioning of R9 tank for crude oil (V=2.889m3) and construction of a new tank fro crude oil (V=2.500 m3) Cartojani pumping station, with a value estimated by the designer of 4,135,577 RON;
- Supply, installation and commissioning of a security technical system in Independența Ramp, Independența Deposit and Băicoi station, with a value estimated by the designer of 1,297,490 RON;
- Rehabilitation buildings II , No. 8 Rezervoarelor Str., with a value estimated by the designer of 18,208,518 RON;
- Decommissioning tank R3 for crude oil (V=31.500 m3) and the construction of a new tank for crude oil (V=31.500 m3) in the precincts of Călăreți pumping Station, with a value estimated by the designer 12,869,902 RON;

Important works elaborated in this period are the followings:

- Replacement of the 14 inch crude oil pipeline Calareti-Pitesti resulted following the smart piggig on a length of 2.1 km (Calareti-Mavrodin) and 4,1 km (Mavrodin-Pitesti);
- Replacement of a section of the Ø 6 5/8" crude oil transport pipeline Ochiuri-Moreni, identifying a route avoiding private properties, on a length of approximately 1200 m, between RK end of overcrossing Slanic creek left bank and RK end of Ocnița "mill" area, Ocnița locality, Dambovița County;
- Replacement of Ø10 3/4" F1 + F2 crude oil pipeline Silistea Ploiesti, L= 2 x 3481m, in the areas Ilfoveni-Iuda forest, Racovita valley way, Habeni-Comisani, Mija;
- Replacement of the 24"inch crude oil pipeline Constanta - Midia in the area of Navodari bridge - start of the above ground route, on a length of 405m;
- Replacement of the Ø10" F2 crude oil pipeline Poiana Lacului - Siliste, L=7510m, in the overcrossing areas of Teleorman river, wth safety disposal (Mares locality, former SMA), Parvu Rosu, izlaz Oarja, Cateasca Leordeni, Cobiuta, Cobia, Siliste);

- Replacement of two pipeline sections Ø65/8" Urziceni - Manifold Albești Paleologu, valve section Jilavele-Borna 1, 1900 m in length and Borna 2 - valve road Armășești, 400 m length
- Replacement of a pipeline section of approximately 1350 m of the Ø85/8 pipeline Boldesti-Ploiesti, between the Teleajen River left bank valve and Gravel Pit exploitation exit.
- Replacement of the Ø10" F1 crude oil pipeline Orlesti – Poiana Lacului, L=295m, Negrea grazing ground – Poiana Lacului area;
- Replacement of the Ø10" crude oil pipeline Icoana – Cartojani on a length of 300m, in the Dia forest area, Raca locality, Arges County;
- Safety disposal for no. 2 undercrossing of Ø10¾" pipeline Potlogi – P.F. Arges, Sabar river, Gaiseni locality, Giurgiu county, on a length of 350 m;
- Replacement of a section of the Ø10¾" F1 pipeline Barbatesti-Orlesti in Becsani area – Cerna river left bank, Fartatesti commune, Valcea County – 500 m from the Suvar garden -V.S. Cerna river right bank;
- Safe disposals related to the pipeline Izvoru connection 10" Icoana Cartojani, in Teleorman river area."
- Solution study elaboration services on the Danube and Borcea undercrossing of the crude oil transported through the Constanta - Baraganu 14", 20", 28" pipelines - resumption;
- Technical project elaboration study for the following objectives: Modernization of the crude oil pumping station from the pumping station Potlogi, Dâmbovița county and the Modernization of the crude oil pumping system Ochiuri, Dâmbovița county
- Design services for the Rehabilitation five Loading Ramps : Cireșu, Berca, Imeci, Marghita, Suplac

#### Important works under performance:

- Replacement of the Ø 24" crude oil pipeline Constanta - Midia, in the area of Ovidiu city, Constanta County, on a length of approximately 1140m
- Replacement of the Ø 14" crude oil pipeline Constanta - Baraganu, in Castelu - Cuza Voda - Mircea Voda area, Constanta County, on a length of approximately 12580m
- Replacement of the 14 inch crude oil pipeline Baraganu-Calareti resulted following the pigging on a length of 7,5 km (on sections)
- Smart pigging ,inspection of Ø 20" Constanța – Calareti pipeline and elaboration of reports related to the inspection
- Safety disposal works for Arges river crossing, Cateasca area Arges County, stage 2
- Upgrade and monitoring of the cathodic protection system related to NTS import and country

- Pilot sistem for detection and location of product leaks from Poiana Lacului - Siliste - Ploiesti crude oil major pipeline transport system
- Rehabilitation of the tank 9 Cartojani
- Modernization works PSI tank with the capacity of approximately 1,100 m<sup>3</sup> in Călăreți pumping Station
- Crude oil tank R3 Calareti station
- Microwave radio relay transport capacity increase on Baraganu- Constanta section and displacement of Constanta Nord location + microwave radio relay system software upgrade
- Optimization of SCADA system and Hardware and Software of the remotes transmission units (RTU)

The causes for delay in the achievement of the objectives comprised in the investment program:

**A.** The refusal of the land owners to enable the land access in view of works performance  
 Replacement of a 24" pipeline Baraganu-Calareti on a total length of 16179 m  
 Replacement of a section of the Ø 6 5/8" crude oil transport pipeline Ochiuri-Moreni, identifying a route avoiding private properties, on a length of approximately 1200 m, between RK end of overcrossing Slanic creek left bank and RK end of Ocnița "mill" area, Ocnița locality, Dambovița County.

Safety disposal for the undercrossing of the Ø 12" and Ø 14" crude oil pipelines Cartojani-Ploiesti of Ciorogarla river, in Brezoaiele locality, Dambovita County

**B.** Refusal of obtaining permit from CNAIR

- Replacement of the Ø10 3/4" crude oil pipeline Madulari-Botorani, in the area of National Road DN 67 B Dragasani-Tg. Carbunesti, Gusoieni locality and Maciuca locality, Valcea County, on a length of approximately 2250m.

**C.** The long duration of the legal approaches necessary for the temporary removal from the agricultural use or temporary transfer to forestry of the lands affected by the works performance:

- Ø10 3/4" crude oil pipeline Icoana-Cartojani, in the SPC Birla area, on a length of approximately 850m, in Mirosi-agricultural lands area, on a length of approximately 2400 m, Negreni-Clanita village area, Teleorman County, on a length of 1500m, in total 4750m
- Replacement of the Ø10 3/4" crude oil pipeline Madulari-Botorani, in the area of National Road DN 67 B Dragasani-Tg. Carbunesti, Gusoieni locality and Maciuca locality, Valcea County, on a length of approximately 2250m
- Upgrade and monitoring of the cathodic protection system related to NTS import and country – design.

**D.** Delays in works contracting the works caused by the resumption of the procurement procedure due to the lack of bids or submission of tenders with values gihher than the estimated ones;

- Replacement of the Ø10'' crude oil pipeline Icoana – Cartojani on a length of 300m, in the Dia forest area, Raca locality, Arges County – 3 months,
- Replacement of the Ø10'' F1 crude oil pipeline Orlesti – Poiana Lacului, L=295m, Negrea grazing ground – Poiana Lacului area – 3 months,
- Replacement of the Ø10'' F2 crude oil pipeline Poiana Lacului - Siliste, L=7510m, in the overcrossing areas of Teleorman river, with safety disposal (Mares locality, former SMA), Parvu Rosu, izlaz Oarja, Cateasca Leordeni, Cobiuta, Cobia, Siliste) – 5 months,
- Replacement of Ø10 3/4'' F1 + F2 crude oil pipeline Silistea Ploiesti, L= 2 x 3481m, in the areas Ilfoveni-Iuda forest, Racovita valley way, Habeni-Comisani, Mija – 2 months,
- Replacement of the 14 inch crude oil pipeline Calareti-Pitesti resulted following the smart pigging on a length of 2.1 km (Calareti-Mavrodin) and 4,1 km (Mavrodin-Pitesti)– 5 months until now and it is necessary to resume the procedure,
- Safety disposal works for the Ø 10 3/4'' Line 1 crude oil pipeline Barbatesti-Orlesti in the areas: Verdea locality, Amarasti commune, Verdea village, Valcea County and Orlesti locality, Orlesti commune, Valcea County – 4 months until now and it is necessary to resume the procedure,
- Optimization of SCADA system and Hardware and Software of the remote transmission units (RTU) 2016-2019– 2 months,
- Smart pigging, inspection of Ø 20" Constanța – Calareti pipeline – 2 months,
- Nitrogen production system for pipelines conservation/equipment – 2 months.

In view of obtaining a higher degree of physical and value achievement of the investment program 2017 there were undertaken the following measures:

- Meetings with the contractors of the objectives for the settlement with celerity of the different issues occurred in the contract performance process.
- Meetings with authorities issuers of permits/authorizations necessary in the works performance works for the clarification and speed up the settlement of the requirement thereof
- The continuation of the approaches for the settlement of the identified issues - Continuarea demersurilor pentru soluționarea problemelor identificate – written submissions sent to the Ministry of Energy and ministry of Transports.
- Improvement of the monitoring system related to the performance of the investment objectives, by raising awareness on several specialists on each objective and the settlement of tracking sheets of the evolution of the investment works.

The commissionings achieved in 2017 amounted to 31,224 thousand RON, of which, on financing sources:

- 22,310 thousand RON from the modernization quota;
- 8,914 thousand RON of own sources.

#### 4.2.4 Development Projects

The main investment projects started in the previous years and that we continues in 2014 are the followings:

➤ **Leak Detection and Location System**

During 1995-2007 our company had in progress a Modernization Project, co-financed by the World Bank, prject by which have been works consisting of the proper rehabilitation and modernization/revamping of the crude oil National Transport System, by:

- Pipelines rehabilitations
- Rehabilitation pumping stations on the major pipelines and two crude oil and rich gas loading/unloading ramps;
- Automation of transport system and introduction of SCADA system;
- Introduction of the crude oil fiscal measuring systems;
- Achievement of an own telecommunications system.

The necessity and opportunity of a pipeline leak detection and location system has been substantiated as of the state of the Modernization Project, but this component has not been achieved.

In 2012, CONPET performed a feasibility study on the installation of a pipeline leak detection and location system.

It made a comparative analysis of the systems of this kind existing on global level, revealing the fact that, for CONPET is necessary a system made up of two detection methods, namely the detection method based on the analysis of the pressure waves, relevant particularly for high debit product losses and the detection method based on the mathematica shaping of the pipeline profile, relevant for low debit losses.

The project will be performed in two stages, namely, in first stage will be implemented a pilot project on the pipelines subsystem Poiana Lacului-Siliște-Ploiești and will be tracked the post-implementation advantages, initially estimated through study, as well as the maintenance costs, and in the second stage will be installed the system on the remaining operational pipelines of the crude oil National Transport System.

In August 2017 was signed the contract for the implementation of a pilot system on the pipelines subsystem Poiana Lacului-Siliște-Ploiești, with a value of 4.2 mRON and an implementation duration of și 21.5 months from the location hand-over (18.09.2017).

During 2017 has been completed the testing procedure of the equipment at the supplier, followed bt the hand-over and settlement thereof.

➤ **SCADA system optimization and upgrade hard and soft of the remote transmission unit (RTU)**

The SCADA and Automation system initially implemented, starting 2002 required 15 years lifespan. The change of data transmission and automation equipments, as well as the optimization of the SCADA system by updating all the related documents, the revision thereof in the SCADA System and the implementation of a database "Historian" – type within the SCADA System, with increase the system's safety in operation, will increase the possibility of analysis and automated and centralized reporting, will increase the efficiency in tracking and storing the process parameters, here included all the unmonitored locations so far.

In September 2017, following the completion of the auction process was signed a projection and execution contract, with a value of 16.9 mRON and a fulfilment term of 3 years and 6 months from the execution date and comprises the followings:

Stage I – Technical project and execution details – within 9 months as of the contract signing date, which consists of:

- the elaboration of the automation documentation and the achievement of an analysis study and the optimization of the automation:
- The elaboration of the technical documentation that has to comprise: specific documents on each location, design specification for Automation and SCADA System, Installation and Operation Manual

Stage II – Personnel training, procurement, configuration/testing in the factories, site installation and testing the first 2 stations – within 5 months as of the date of approval of the technical documentation in the Technical and Economic Committee (Rom.CTE).

Stage III - Procurement, configuration/testing in the factory, instalation and siste testing in 9 stations – within 8 months from the completion of stage II

Stage IV – Procurement, confirguration/testing in the factory, site installation and trsting 9 stations – within 8 months as of the completion of stage III.

Stage V - Procurement, confirguration/testing in the factory, site installation and trsting 9 stations – within 8 months as of the completion of stage IV.

Stage VI – commissioning of the entire system – within 4 months as of the completion of stage V.

Stage VII – Operational acceptance – at 6 months from the date of completion without objections of the reception protocol on commissioning.

We're currently at stage I, the elaboration of the technical documentation for the 29 locations.

### ➤ **Geographic Information System (GIS) within CONPET**

The necessity of implementation of a Geographic Information System was acknowledged and is being emphasized in the document named "Development Strategic Perspectives of CONPET SA for the period 2017-2025".

The implementation of such a system within our company creates the opportunity of managing the operational risks, particularly by the management of the causes leading to operational events (deficitary maintenance, lack of awareness of the exact features of the infrastructure in the geographic context of the environment that the infrastructure is crossing, hereincluded: the impact of the characteristics (physical and chemical) of the soil, the identification of high risk areas considering the potential of impact on the environment and population etc.) This information, specific to a discipline known in the industry under the name of „pipeline integrity management”, cannot be managed in lack of an informatics tool enabling both the registration and the work with information of technical nature attached though to some linear pipeline sections and that, meanwhile, enable also the visualisation of the physical and chemical characteristics of the soil, as well as the placement context of the pipelines infrastructure (the proximity of some human settlement, the distance thereto and the dimension of the population potentially affected, the proximity of other networks that can either provoke or be affected in case of operational incidents, the impact on the environment and the environment impact on the worsening potential of the effects of an operational incident etc).

In 2017 CONPET SA has performed a feasibility study on the implementation of a Geographic Information System (GIS).

The implementation of such a project requires the continuation of the improvement initiatives of CONPET computerisation started by the implementation of an ERP system "enterprise" type and responds to a streamlining need in what concerns the company's activities in the technical area, by a better management of the patrimonial, technical and operating information.

### **4.2.5 Litigations and other aspects on the company's tangible assets.**

During 2017 CONPET SA was involved in a number of 113 of litigations of which a number of 31 have been settled final and irrevocable. None of these litigations present risks related to the stability and continuity of the company's business.

#### ***a). Litigations on the property rights on the company's tangible assets***

CONPET S.A. was involved in two lawsuits on the claim of the property right over some properties, of which one was settled final and irrevocable and the other one is under second appeal, as follows:

**Case File no. 132/229/2012 – settled final and irrevocable.**

By civil Decision no.1755/24.09.2014, Fetești Law Court rejected the main request formulated by the plaintiff Zacon Trandafir and the reconventional Request formulated by CONPET S.A. with regards to the possession of apartment no.19, located in Fetesti city, Calarasi Street, bl.25A, 4th Floor, Ialomita County, remaining final and irrevocable by Decision no. 284/21<sup>st</sup> March 2016 pronounced by the Bucharest Court of Appeal.

**Case File no. 2378/105/2009– under settlement.**

By civil Decision no.5872/18.12.2017, Prahova Law Court dismissed the action of the plaintiff Cojocaru Irinel on the claim for the 2500 sq.m of the land CONPET S.A. property, as ungrounded. The decision can be subject to appeal after the communication of the decision.

***b). Related to the structure of the share capital***

CONPET S.A. was involved in two lawsuits on the structure of the share capital, of which one has been settled final and irrevocable and the under one is under appeal, as follows:

**Case file no. 5555/2/2014 \* – settled final and irrevocable.**

By Decision no. 1370/03.10.2017, the High Court of Cassation and Justice dismissed as ungrounded the appeal declared by the recurrent-plaintiff the Ministry of Energy against the civil decision no.932/19.05.2017, pronounced by Bucharest Court of Appeal – Section V Civil. Irrevoacable. By this decisions was established the quality of owner of over a number of 524,366 shares of CONPET S.A.share capital. The case file no.5555/2/2014\* (file that has been registered before the law court in the three procedural cycles under no. 4093/302/2007 , 33317/3/2007 and no. 5555/2/2014) represented a litigation between the shareholders of the company and was subject to the action for recovery of possession of a number of 524,366 shares of the share capital of CONPET S.A, initially formulated by Bucharest Authority for State Assets Recovery (Rom.AVAS), in the rights thereof succesivley subrogated the Office of State Participation and Privatization in Industry (Rom. O.P.S.P.I.), the Ministry of Economy, Commerce and Business Environment (Rom M.E.C.M.A.), currently the Ministry of Economy, namely the Ministry of Energy. By civil Sentence no.151/17.01.2018, pronounced in file no.3715/105/2007, Prahova Law Court.

**File no. 3715/105/2007 – under settlement.**

By civil Sentence no. 151/17.01.2018, pronounced in File no. 3715/105/2007 – Prahova County Court) admitted the request subject to annulment of the GMS decision, formulated by the plaintiff SC Fondul Proprietatea SA, in opposition with the defendant CONPET S.A. and annulled Art.4 of the OGMS Decision no.2 dated 25.04.2017 on the payment of the dividend due to the shareholders of CONPET S.A. (AVAS, fondul Proprietatea S.A., other shareholders) related to the financial year of the year 2006. The civil sentence no.151/17.01.2018 was challenged by appeal by CONPET S.A.

*c) Litigations where the company's administrators/members of the executive management were involved, in the last 5 years.*

In the last 5 years, two ex-administrators have been involved in litigations with the company, as follows:

**Case file no. 172/105/2011 – settled final and irrevocable.**

On 22.06.2011, Prahova Law Court dismissed the request of the plaintiff Ilași Liviu subject to the payment order of the amount of 196,552 RON, with annual premium title, based on the mandate contracts no. 1/20.07.2007 and no.1/30.10.2008, as ungrounded.

**Case file no. 2671/281/2012 – settled final and irrevocable.**

By Decision no.8/12.09.2013, Prahova Law Court has rejected the appeal of CONPET S.A. formulated against the decision of Ploiesti Law Court by which was admitted the action of the plaintiff Ilași Liviu subject to payment order of the amount of 196,552 RON, with annual premium title, based on the mandate contracts no. 1/20.07.2007 and no.1/30.10.2008

**Case file no. 1269/105/2014\* – settled final and irrevocable.**

By sentence no.746/08.04.2015, Prahova Law Court takes note of the motion to withdraw of the plaintiff. Case file no.1269/105/2014\* **was subject to the action of Tudora Dorin of binding CONPET S.A. at the payment of the equivalent value of 36 salaries**, corresponding to the last gross salary as director HSEQ, corrected by inflation, as well as at the payment of an amount equivalent to the difference between “the salary granted for the position of execution” and 9/10 of the “maximum salary paid by the company for a position of execution.”

**Other aspects on the company's tangible assets**

***The state of the lands not-included in the share capital***

CONPET SA holds lands based on the land ownership certificates, in total surface of 709,949.07 sq.m., whose structure is the following:

- 554,537.62 sq.m. – lands held based on 47 land ownership Certificates obtained during 2001-2005, appraised on the date of acquiring the certificates, as per GD. 834/1991 on the establishment and appraisal of several lands held by the state-owned commercial companies, at the value of 26,255,918 RON. These lands were registered in the company's patrimony on account of other reserves from equities, without augmenting the share capital. At 31.12.2017 the fair value of these lands is of 12,348,115 RON;
- 155,411.45 sq.m. – lands held based on 14 land ownership Certificates acquired until 2001, which are registered in the share capital. At 31.12.2017, the fair value of these lands is of 3,144,984 RON;

### ***State of the Real Estate Registration of lands and buildings belonging to CONPET***

Out of the total surface of lands, of 883,931,826 sq.m., were finalized and registered at the Land Register the real estate registration documentations for 99% of lands, the difference of 1% representing lands whose registration documentation at the Land Register was rejected invoking the total or partial overlapping with other neighbouring plots already registered in the Land Register.

CONPET SA holds in patrimony a number of 226 buildings for which the complete set of property acts includes also the registration in the Land Register of the real rights of the owner.

Up to December 31, 2017 were registered 149 buildings out of a total of 226 (66%). For the intabulation of the rest of the buildings (77), the company has concluded a service supply contract with 3D CAD SOLUTION SRL Oradea, firm authorized in land registry works, which performs the activities necessary to draft the cadastral documentation in view of entering also the owners rights in the Land Register.

### ***Other aspects related to property right***

At December 31, 2017 the company holds two lands based on the the Land Ownership Certificates, for which has not benn performed the registration in the Land Register, due to the overlapping of several surfaces with other buildings already entered in the Land Register in favour of OMV PETROM SA. These lands are the followings:

- a) The land on which is being located the crude oil Loading Ramp Suplacu de Suplacu de Barcău and for which the company holds the Land Owmership Certificate, serios MO3 no.10094 – rejected surface of 11,169 sq.m;
- b) The land on which is being placed “Ochiuri” Pumping Station and for which the company holds the Land Ownership Certificate series MO3 no. 9464 – rejected surface of 770 sq.m.

## **4.3 The Accounting Financial Statement**

As of 2013 financial year, CONPET annual financial statements have been prepared according to the International Financial Reporting Standards (IFRS).

### **4.3.1. Statement of the Financial Standing**

Indicator (thousand RON)	2017	2016	2015	Variation % 2017/2016	Variation% 2016/2015
<b>ASSETS</b>					
<b>Non-current assets</b>					
Tangible assets	407,275	403,469	398,698	▲ 0.9%	▲ 1.1%
Intangible assets	1,463	1,971	2,852	▼ 25.8%	▼ 30.9%
Financial investments	974	657	306	▲ 48.3%	▲ 114.7%
Receivables regarding the deferred profit tax	970	-	-	-	-
<b>Total non-current assets</b>	<b>410,682</b>	<b>406,097</b>	<b>401,856</b>	<b>▲ 1.1%</b>	<b>▲ 1.0%</b>

Indicator (thousand RON)	2017	2016	2015	Variation % 2017/2016	Variation% 2016/2015
<b>Current assets</b>					
Stocks	9,024	8,548	8,189	▲5.5%	▲4.3%
Trade receivables and other receivables	46,753	42,356	42,204	▲10.3%	▲0.3%
Short-term investments	70,624	163,053	256,149	▼56.7%	▼36.4%
Cash and cash equivalents	209,847	244,598	124,121	▼14.2%	▲97.0%
Assets held in view of sale		0	3,031	▼100.0%	
Accrued expenses	1,843	255	231	▲621.3%	▲10.4%
<b>Total current assets</b>	<b>338,091</b>	<b>458,812</b>	<b>433,925</b>	<b>▼26.4%</b>	<b>▲5.7%</b>
<b>TOTAL ASSETS</b>	<b>748,773</b>	<b>864,909</b>	<b>835,781</b>	<b>▼13.5%</b>	<b>▲3.4%</b>
<b>EQUITIES AND LIABILITIES</b>					
<b>EQUITIES</b>					
Subscribed and paid-up share capital	28,570	28,570	28,570	-	-
Legal reserves	5,714	5,714	5,714	-	-
Revaluation reserves	31,017	32,958	93,604	▼5.9%	▼64.8%
Other reserves	478,500	536,239	501,119	▼10.8%	▲7.0%
Retained earnings	40,211	120,685	72,316	▼66.7%	▲66.8%
Year's result	74,388	71,547	63,199	▲4.00%	▲13.2%
<b>Total Equity</b>	<b>658,400</b>	<b>795,713</b>	<b>764,522</b>	<b>▼17.3%</b>	<b>▲4.0%</b>
<b>Deferred income</b>					
Subsidies for investment	1,314	1,468	1,281	▼10.5%	▲14.6%
Deferred income	12	16	18	▼24.0%	▼13.4%
<b>Total deferred income</b>	<b>1,326</b>	<b>1,484</b>	<b>1,299</b>	<b>▼10.7%</b>	<b>▲14.2%</b>
<b>Long-term liabilities</b>					
Deferred corporate tax	-	1,671	96	-	▲1.642.3%
Long-term provision	12,818	3,543	3,719	▲261.8%	▼4.8%
Long-term trade liabilities	0	0	714	-	-
<b>Total long term liabilities</b>	<b>12.818</b>	<b>5.214</b>	<b>4.529</b>	<b>▲145.8%</b>	<b>▲15.1%</b>
<b>Current debts</b>					
Commercial Debts	30,654	20,658	20,043	▲48.3%	▲3.0%
Current corporate tax	3,762	3,902	3,376	▼3.6%	▲15.5%
Other debts	32,282	26,516	22,672	▲21.7%	▲16.9%
Short-term provisions	9,531	11,422	19,340	▼16.6%	▼41.0%
<b>Total current debts</b>	<b>76,229</b>	<b>62,498</b>	<b>65,431</b>	<b>▲22.0%</b>	<b>▼4.5%</b>
<b>TOTAL DEBTS</b>	<b>89,047</b>	<b>67,712</b>	<b>69,960</b>	<b>▲31.5%</b>	<b>▼3.3%</b>
<b>TOTAL EQUITIES AND DEBTS</b>	<b>748,773</b>	<b>864,909</b>	<b>835,781</b>	<b>▼13.5%</b>	<b>▲3.4%</b>

Chart 19- Company's Statement of the financial standing during 2015-2017

The fixed assets have registered at the end of 2017 a slight increase by approximately 1% yoy, mainly due to the achieved investments that have exceeded the value of amortization of the fixed

assets.

At December 31, 2017 were appraised by EAST BRIDGE SRL București, movables and impovables, special buildings and land belonging to the State public domain, concessioned by CONPET SA, as per GO 81/2003 and assets in Group - Buildings and lands in the company's patrimony.

Following the revaluation of the lands belonging to the company, they have registered an increase of the net accounting value in amount of 0.1 mRON.

The company recognized an increase of the net accounting value from revaluation of tangible assets included in group 1 "Buildings" existing in the company's patrimony at 31.12.2017, in total amount of 1.6 mRON.

The impact on the financial statements resulting from the registration of the changes related to the tangible assets, namely the appreciations and deprecations as compared to the registered remaining at 31.12.2017 is of augmentation of the equities by the amount of 1.7mRON and augmentation of the year's result by the amount of 0.1 mRON .

**The current assets** registered a decrease by 26.4%, from 458.81 mRON RON at 31.12.2016 at 338.09 mRON at 31.12.2017. The decrease was mainly determined by the payment, in July 2017, to the shareholders of the dividends out of the net profit related to the financial year 2016 and and several amounts of the retained earnings (143.6mRON), as well as the payment, in November 2017 of the additional dividends distributed out of reserves representing own financing sources and out of the retained earnings (85mRON).

At 31.12.2017 the cash related to the modernization quota was of 211.85 mRON, 24.37 mRON higher than at the end of the year 2016 (187.48 mRON).

The cash representing modernization quota has aspecial treatments, provided by GD no. 168/1998, being destined exclusively to the financing of the modernization and development works of the assets in public domain.

**The equities** have decreased by 17.3% (137.31 mRON) as compared to December 31,2016, mainly due to:

- The decrease of other reserves and the retained earnings by 162.53 mRON, representing dividends distributed therefrom during 2017;
- The increase of the reserves established out of the modernization quota by 22.38 mRON;

The net profit for the financial year 2017 is of 74.39 mRON, 2.84mRON higher yoy (71.55mRON).

**The long term liabilities** have increased by 7,61 mRON, from 5.21 mRON at 31.12.2016 la 12.82 mRON at 31.12.2017 as a result of the increase of the long-term provision for benefits granted on retirement. This provision was registered under the Actuarial Report drafted by the Company GELID ACTUARIAL COMPANY S.R.L. București based on the services supply contract concluded with CONPET SA.

The **current liabilities** registered an increase by 13.73 mRON as compared to 2016.

The increase was generated by the increase of the trade liabilities and other debts representing mainly dividend payable unclaimed by the shareholders following the two distributions during 2017.

### 4.3.2. The Global Result

In 2017 CONPET registered an increase of the profitability, reaching a net profit of 74.39 mRON, increasing by 2.84 mRON as compared to 2016 (71.55 mRON).

The evolution of the main financial indicators of the profit and loss account, during 2015-2017, is presented below.

#### *Profit and Loss Account*

Indicator (mRON)	2017	2016	2015	Variation % 2017/2016	Variation % 2016/2015
<b>Operating revenues</b>					
Turnover revenues	376,685	381,646	381,353	▼1.3%	▲0.1%
Other revenues	33,937	29,284	32,422	▲15.8%	▼9.7%
Gain from disposal of assets	945	-	-		
<b>Total operating revenues</b>	<b>411,567</b>	<b>410,930</b>	<b>413,775</b>	<b>▲0.1%</b>	<b>▼0.7%</b>
<b>Operating expenses</b>					
Inventory related expenses	7,079	6,266	7,266	▲12.9%	▼13.8%
Expenses with energy and water	9,535	9,695	10,053	▼1.7%	▼3.6%
Personnel expenses	111,394	111,505	105,564	▼0.1%	▲5.6%
Value adjustments regarding the tangible/intangible assets	44,574	40,315	51,027	▲10.5%	▼21.0%
Value adjustments related to current assets	(1,234)	576	(548)	-	-
Expenses related to external services	99,855	103,807	107,581	▼3.9%	▼3.6%
Other expenses	55,792	62,919	64,870	▼11.4%	▼3.1%
Provisions adjustments	1,517	(8,094)	(1,566)	-	▲416.8%
Loss from disposal of assets	-	3,635	-	-	-
<b>Total operating expenses</b>	<b>328,512</b>	<b>330,624</b>	<b>344,248</b>	<b>▼0.7%</b>	<b>▼4.0%</b>
<b>Operating profit</b>	<b>83,055</b>	<b>80,306</b>	<b>69,528</b>	<b>▲3.4%</b>	<b>▲15.5%</b>
Financial revenues	3,613	3,836	5,793	▼5.9%	▼33.8%
Financial expenses	45	109	35	▼58.8%	▲203.5%
<b>Financial profit</b>	<b>3,568</b>	<b>3,727</b>	<b>5,757</b>	<b>▼4.3%</b>	<b>▼35.3%</b>
<b>Profit before income tax</b>	<b>86,623</b>	<b>84,033</b>	<b>75,285</b>	<b>▲3.1%</b>	<b>▲11.6%</b>
Expenses with the current income tax	14,235	12,571	13,882	▲13.2%	▼9.5%
Expenses with (revenues from) deferred income tax	(2,000)	(85)	(1,796)	▲2.274.1%	▼95.4%
<b>Year's profit</b>	<b>74,388</b>	<b>71,547</b>	<b>63,199</b>	<b>▲4.0%</b>	<b>▲13.2%</b>
Actuarial loss from update of benefits awarded upon retirement	(4,928)	-	-	-	-

Indicator (mRON)	2017	2016	2015	Variation % 2017/2016	Variation % 2016/2015
Gain/ (Loss) from revaluation	1,375	(269)	-	-	-
Total other global result elements	(3,553)	(269)	-	▲1.221.4%	-
<b>TOTAL GLOBAL RESULT</b>	<b>70,835</b>	<b>71.278</b>	<b>63.199</b>	<b>▼0.6%</b>	<b>▲12.7%</b>
<b>Result per share</b>	<b>8.59</b>	<b>8.26</b>	<b>7.30</b>	<b>▲4.0%</b>	<b>▲13.2%</b>

Table 20- Statement of Global Result

The synthesis of the results, in evolution 2015-2017, is as follows:

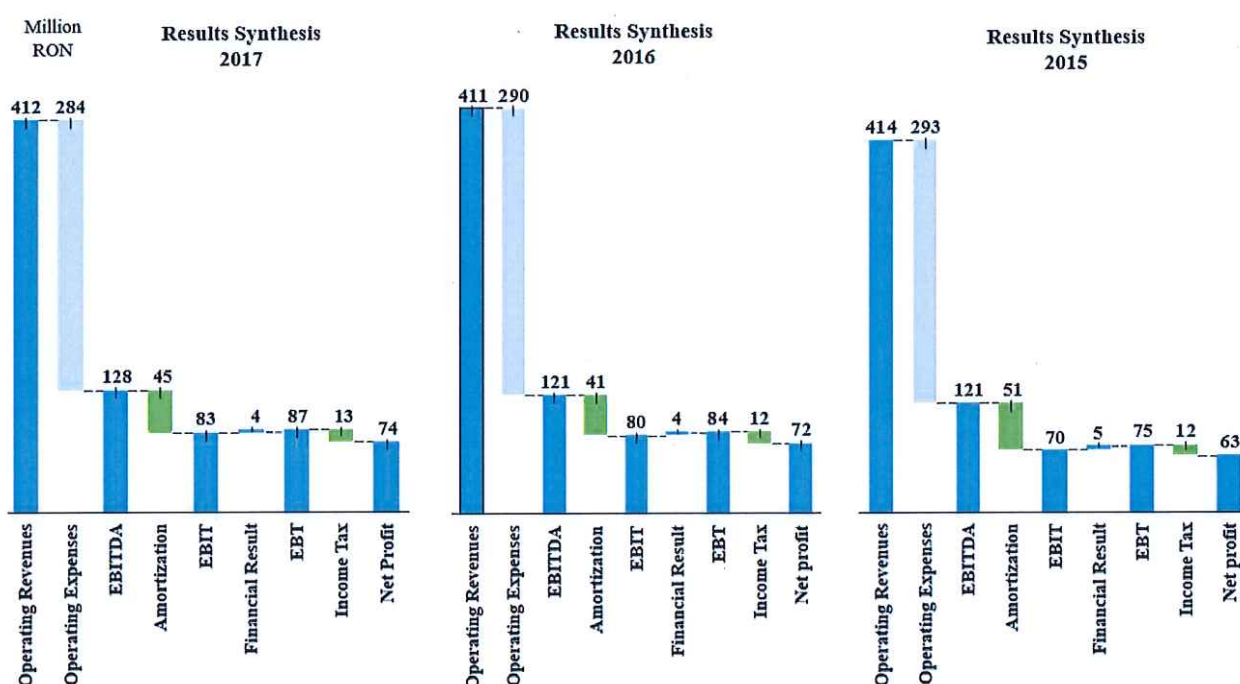


Chart 23- Synthesis of the financial results during 2015-2017

### Operating Revenues

As compared to the approved budget and the previous period, the total revenues of the operating activities in 2016 reveal the followings:

Achieved 2017	Budget 2017	Variation % 2017/Budget	Indicators [thousand RON]	2017	2016	2015	Variation % 2017/2016	Variation % 2016/2015
			Domestic transport system related revenues					
3,551	3,519	▲0,9%	Thousand tons	3.551	3.685	3.905	▼3.7%	▼5.7%
284,890	282,272	▲0,9%	Thousand tons	284.890	296.077	309.279	▼3.8%	▼4.3%
			Import transport system related revenues					
3,269	2,945	▲11,0%	Thousand tons	3.269	3.393	3.085	▼3.7%	▲9.9%
87,466	81,683	▲7,0%	Thousand tons	87.466	82.498	69.679	▲6.0%	▲18.4%

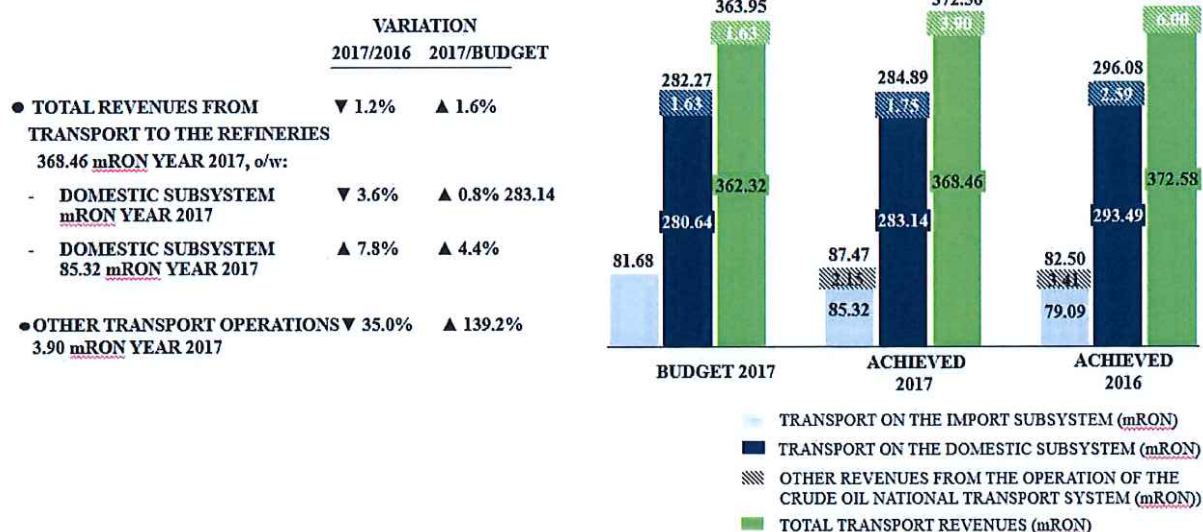
Achieved 2017	Budget 2017	Variation % 2017/Budget	Indicators	2017	2016	2015	Variation % 2017/2016	Variation % 2016/2015
			[thousand RON]					
			<b>Total revenues out of transport services</b>					
6,820	6,464	▲ 5.5%	Thousand tons	6,820	7,078	6,990	▼ 3.7%	▲ 1.2%
372,356	363,955	▲ 2.3%	Thousand tons	372,356	378,575	378,958	▼ 1.7%	▼ 0.2%
1,399	1,244	▲ 12.4%	Rental revenues	1,399	1,231	1,521	▲ 13.6%	▼ 19.1%
2,930	8,411	▼ 65.2%	Other revenues	2,930	1,840	874	▲ 59.3%	▲ 110.7%
376,685	373,610	▲ 0.8%	<b>Turnover</b>	376,685	381,646	381,353	▼ 1.3%	▲ 0.1%
29,813	31,598	▼ 5.6%	Recognition as income of the reserve established upon the expenses with the modernization quota	29,813	27,664	30,637	▲ 7.8%	▼ 9.7%
945	260	▲ 263.1%	Gain from assets disposals	945	-	-	-	-
4,124	2,863	▲ 44.1%	Other revenues	4,124	1,620	1,785	▲ 154.5%	▼ 9.3%
34,882	34,721	▲ 0.4%	<b>Other operating revenues</b>	34,882	29,284	32,422	▲ 19.1%	▼ 9.7%
411,567	408,331	▲ 0.8%	<b>Total oprtating revenues</b>	411,567	410,930	413,775	▲ 0.1%	▼ 0.7%

Table 21- Statement of the operating revenues year 2017 compared to 2017 budget and the period 2015-2017

As compared to the previous year, the transport revenues have decreased by 1.7% (6.22 mRON) due to the reduction of the transported quantities. The total transported quantity in 2017 faced a decrease by 258 thousand tons as compared to 2016, following the reduction of the demand for transport services.

On the domestic transport subsystem the transported quantity decreased by 134 thousand tons, and on the import transport subsystem was registered a decrease by 124 thousand tons.

**REVENUES ACHIEVED FROM THE TRANSPORT ON THE DOMESTIC AND IMPORT SUBSYSTEMS**  
BUDGET 2017, ACHIEVED 2017, 2016



Graphic -24- Revenues achieved out of the transport on subsystems

The transport services revenues hold a share of 90.4% in total operating revenues, namely 98.8% of the total turnover.

The company achieved revenues from other activities, representing lands and telecommunication

equipment, rail shunting, tubular material etc, in amount of 4.33 mRON.

In other operating expenses are recognized the reserves representing modernization quota at the level of the expenses related to the amortization of the tangible assets financed out of it and the gain obtained from the operating product sale – rich gas resulting following the unloading thereof from the transport pipeline Țicleni – Petrobrazi. In 2017 the value of these revenues amounts to 34.88 mRON.

Compared to the budget, the achieved transport revenues were higher by 2.3% (8.40mRON). The operating revenues increased by 0.8% as compared to the budgetary provisions.

The increase of the transported volume by 356 thousand tons as compared to the contracted and budgeted quantities led to an increase of the transport revenues by 2.3%.

In the structure, on transport subsystems, the evolution of the revenues as compared to the Budget provisions is different, as follows:

- Revenues increase by 0.9% of the transport on the domestic subsystem;
- Revenues increase by 7.0% of the transport on the import subsystem.

In 2017 Budget was provided in other operating revenues the sale of the tubular material within CONPET storehouses and the sale thereof was only materialized in proportion of 29%, potential client not showing their interest. This fact led to the failure to achieve the budgetary values at other operating revenues.

### Operating Expenses

The operating expense achieved in 2017, as compared to the last 2 years and the budgeted provisions reveal the followings:

2017	Budget	Variation % 2017/ Budget	Indicators (thousandRON)	2017	2016	2015	Variation % 2017/2016	Variation % 2016/2015
7,079	7,228	▼2.1%	Material expenses, of which:	7,079	6,266	7,266	▲13.0%	▼13.8%
3,402	3,685	▼7.7%	-expenses with consumables	3,402	3,251	3,217	▲4.7%	▲1.0%
1,737	1,712	▲1.5%	-fuel expenses	1,737	1,643	2,208	▲5.8%	▼25.6%
9,536	9,821	▼2.9%	Other external expenses ( with energy and water )	9,536	9,695	10,053	▼1.6%	▼3.6%
111,394	111,505	▼0.1%	Expenses with personnel, of which:	111,394	111,505	105,564	▼0.1%	▲5.6%
75,611	75,662	▼0.1%	-salaries expenses	75,611	74,094	70,074	▲2.0%	▲5.7%
21,754	21,789	▼0.2%	-expenses with insurances, social protection and other legal obligations	21,754	23,169	21,164	▼6.1%	▲9.5%
14,029	14,053	▼0.2%	-other personnel expenses	14,029	14,243	14,327	▼1.5%	▼0.6%
44,574	44,809	▼0.5%	Expenses with amortization of tangible and intangible assets	44,574	40,315	51,027	▲10.6%	▼21.0%
99,855	100,554	▼0.7%	Expenses with outside services, of which :	99,855	103,807	107,581	▼3.8%	▼3.5%
1,456	2,467	▼41.0%	-maintenance ( maintenance, current and capital repairs )	1,456	2,279	2,378	▼36.1%	▼4.2%
56,389	53,823	▲4.8%	-expenses with the crude oil railway transport	56,389	57,599	61,309	▼2.1%	▲6.1%
410	1,600	▼74.4%	-expenses with decontamination works	410	1,393	1,173	▼70.5%	▲18.7%
28,637	28,005	▲2.3%	-oil royalty	28,637	29,162	28,991	▼1.8%	▲0.6%

2017	Budget	Variation % 2017/ Budget	Indicators (thousandRON)	2017	2016	2015	Variation % 2017/2016	Variation % 2016/2015
12,962	14,659	▼11.6%	-other services performed by third parties	12,962	13,374	13,729	▼3.1%	▼2.6%
(1,234)	-	-	Impairments of current assets	(1,234)	576	(548)	-	-
1,517	389	▲290%	Impairments of provisions	1,517	(8,094)	(1,566)	-	▲416.9%
-	-	-	Loss from assets disposal	-	3,635	-	-	-
55,792	53,225	▲4.8%	Other operating expenses, of which:	55,792	62,918	64,870	▼11.3%	▼3.0%
52,191	50,325	▲3.7%	-expenses with	52,191	53,878	59,970	▼3.1%	▼10.2%
328,512	327,530	▲0.3%	Total operating expenses	328,512	330,624	344,247	▼0.6%	▼4.0%

Table 22- evolution of operating expenses 2015-2017

The operating expenses achieved in 2017 have decreased by 0.6% as compared to 2016, from 330.62 mRON down to 328.51mRON and are 0.3% higher as compared to the budget (327.53mRON).

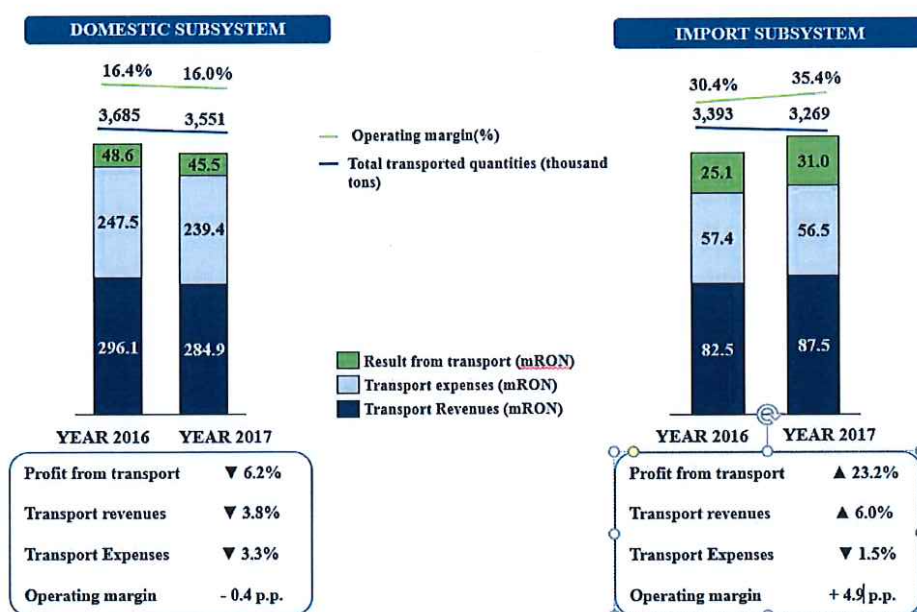
The operational costs registered with the operation of the two transport subsystems (domestic and import) in 2017 are being decreased by 2.95% as compared to 2016.

The cost per transported ton incurred in 2017, as compared to 2016, has increased by 0.73% (from 43.08 RON/ton 2016 to 43.39 RON/ton in 2017).

In the structure, the cost evolution per ton is different, as follows:

- The domestic subsystem incurs in 2017 a cost per ton increasing by 0.37%, from 67.17 RON/ton to 67.42 RON/ton, generated by the decrease of the transported quantities by 134 thousand tons;
- The import subsystem registers an increase of the cost/ton by 2.26%, from 16.91 RON/ton to 17.57 RON/ton, due to the decrease of the transported quantity by 124 thousand tons. u

The profitability of the transport subsystems reveals the followings:



Graphic 25- Profitability of the transport subsystems

## The Financial Result

Indicator (thousand RON)	2017	2016	2015	Variation 2017/2016	Variation 2016/2015
Interest income	2,634	1,960	2,968	▲ 34.3%	▼34.0%
Revenues related to corporate actions and other financial instruments	947	1,815	2,810	▼ 47.9%	▼35.5%
Other financial revenues	33	61	15	▼46.0%	▲306.6%
<b>Total financial revenues</b>	<b>3,614</b>	<b>3,836</b>	<b>5,793</b>	<b>▼5.8%</b>	<b>▼33.8%</b>
Other financial expenses	45	109	87	▼58.8%	▲25.2%
Value adjustments regarding the financial assets	-	-	(51)	-	-
<b>Total financial expenses</b>	<b>45</b>	<b>109</b>	<b>36</b>	<b>▼58.8%</b>	<b>▲202.7%</b>
<b>Net financial result</b>	<b>3,569</b>	<b>3,727</b>	<b>5,757</b>	<b>▼4.3%</b>	<b>▼35.3%</b>

Table 23 - The financial result during 2015-2017

The financial revenues have decreased by 5.8% in the year 2017 as compared to 2016 due to the decrease of yields for banks deposits and other investments.

Based on this evolution the financial result has decreased by 4.3% in 2017, as compared to 2016.

### 4.3.3. Economic-Financial Indicators

Indicators	2017	2016	2015	Variation 2017/2016	Variation 2016/2015
<b>Margins</b>					
Gross margin	22.1%	21.0%	18.2%	▲1.1pp	▲2.8 pp
Net margin	19.8%	18.7%	16.6%	▲1.1pp	▲2.1 pp
Operating profit margin (venit din exploatare %)	20.1%	19.5%	16.8%	▲0.6pp	▲2.7 pp
<b>Cost-effectiveness</b>					
Return on equity (ROE)	11.3%	9.0%	8.3%	▲2.3pp	▲0.7 pp
Return on assets (ROA)	9.9%	8.3%	7.6%	▲1.6pp	▲0.7 pp
<b>Indicators per share</b>					
Net profit per share (RON)	8.59	8.26	7.30	▲4.0%	▲13.2%
<b>Liquidity indicators</b>					
Current liquidity - <i>number of times</i>	5.0	9.0	9.4	▼44.0%	▼4.3%
Immediate liquidity – <i>number of times</i>	4.9	8.8	9.2	▼44.2%	▼4.3%
<b>Business indicators (management)</b>					
Stocks rotation (number of days)	457	536	473	▼14.7%	▲13.3%
Stock rotation speed (number of times)	0.80	0.68	0.77	▲17.6%	▼11.7%
Rotation speed of the clients debits (days)	36	36	32	0.0%	▲12.5%
Rotation duration of the clients debits (no of times)	10.25	10.18	11.29	▲0.7%	▼9.8%

Indicators	2017	2016	2015	Variation 2017/2016	Variation 2016/2015
Rotation speed of the suppliers credits (days)	24.86	19.46	23.96	▲27.7%	▼18.8%
Rotation duration credits-suppliers (no of times)	14.68	18.75	15.23	▼21.7%	▲23.1%

Table 24 - Economic-Financial Indicators

#### 4.3.4 The Cash Flow

Indicators (thousand RON)	2017	2016	2015	Variation % 2017/2016	Variation % 2016/2015
<b>Cash flows from operating expenses:</b>					
+ Proceeds from services supply	397,531	402,605	408,062	▼1.3%	▼1.3%
+ Proceeds from interests related to banking investments	2,585	1,817	3,941	▲42.3%	▼53.9%
+ Other proceeds	7,458	10,811	7,057	▼31.1%	▲53.2%
- Payments to the suppliers of goods and services	107,780	114,569	132,709	▼6.0%	▼13.7%
- Payments to and on behalf of the employees	110,190	110,485	105,763	▼0.3%	▲4.5%
VAT payments	49,602	50,609	61,560	▼2.0%	▼17.8%
- Corporate tax payments	16,186	16,577	13,280	▼2.4%	▲24.8%
-Other payments regarding operating activities	45,054	39,197	38,450	▲14.9%	▲1.9%
<b>A Net cash from operating activities</b>	<b>78,760</b>	<b>83,796</b>	<b>67,300</b>	<b>▼6.1%</b>	<b>▲24.5%</b>
<b>Cash flows from investment activities:</b>					
Proceeds from sale of +tangible assets	4,000	1,064	578	▲276.0%	▲84.1%
+Proceeds from modernization quota	52,191	53,878	59,970	▼3.2%	▼10.2%
+Proceeds from short-term financial investments	165,666	263,545	14,241	▼37.2%	▲1.750.6%
+Proceeds from interests related to government securities	1,798	3,461	0	▼48.1%	-
-Payments for purchase of tangible assets	44,991	54,576	43,918	▼17.6%	▲24.3%
-Payments for short-term financial investments	74,087	172,095	259,979	▼57.0%	▼33.8%
<b>B Net cash from investment activities</b>	<b>104,577</b>	<b>95,277</b>	<b>-229,109</b>	<b>▲9.8%</b>	<b>▲141.5%</b>
<b>Cash Flows from financing activities</b>					
Proceeds dividends transferred to Depozitarul Central	2,710	2,044	0	▲32.5%	-
Paid dividends	220,798	60,639	49,438	▲264.1%	▲22.7%

Indicators (thousand RON)	2017	2016	2015	Variation % 2017/2016	Variation % 2016/2015
<i>C Net cash from financing activities</i>	-218,088	-58,595	-49,438	▲272.1%	▼18.5%
<i>Net increase of the cash and cash equivalents=A+B+C=D2-</i>	34,751	120,477	-211,247	▼71.2%	▲157.0%
<i>D1 Cash and cash equivalents at the beginning of the financial year</i>	244,598	124,121	335,368	▲97.0%	▼63.0%
<i>D2 Cash and cash equivalents at the end of the financial year</i>	209,847	244,598	124,121	▼14.3%	▲97.1%
<i>to which is being added: Government securities as government bonds and treasury bills</i>	70,310	161,889	253,339	▼56.6%	▼36.1%
<i>Total availabilities at the end of the year</i>	280,157	406,487	377,459	▼31.1%	▲7.7%

Table 25 – Cash Flow Statement 2015-2017

**The net cash out of operating activities** has decreased in 2017 by 6.1% yoy, mainly due to the decrease of the proceeds related to the core business determined by the decrease of the quantities transported to the clients, as well as due to the increase of the volume of payments for the interests related to the dividends distributed during 2017.

**The net cash from investment activities** has registered an increase in 2017 generated by the Government securities having reached maturity.

**The net cash out of financing activities** comprises the dividends payments and also the proceeds, in 2016, of the non-distributed dividends balance related to year 2016 from Depozitarul Central. The amounts paid during the reporting period were not high as compared to the previous year, following the approval of the General Meeting of Shareholders of the repartization to dividends of the profit related to 2016 and certain amount from the retained earnings (143.6 mRON), as well as the distribution of additional dividends representing own financing resources also from the retained earnings (85mRON).

#### 4.3.5. The internal audit and the risks management systems in the financial reporting process

The internal audit and the risks management systems in the financial reporting process have the following main objectives:

- Compliance with the financial-accounting legislation in force;
- The application of the instructions drafted by the management with regards to the financial information;

- Ensuring the reliability of the financial information (i.e. checking whether the communicated or published accounting, financial and management information is comprehensive and fairly reflect the activity and state of the company);
- Prevention and detection of frauds and accounting and financial irregularities.

The fulfilment of these objectives is being supported by:

- Personnel recruitment with an adequate level of competence, in compliance with the company's needs and the existence of a continuous professional development plan to enable the upgrade of knowledge related to the accounting and fiscal legislation;
- Clear definition of the responsibilities related to each person involved in the financial reporting process (*as per the job description*), respectively the separation of attributes related to the performance of operations among persons, so that the approval, audit and registration attributions be, in a fair measure, awarded to different persons (*as per the company's organization chart*);
- Design and implementation of several internal procedures regarding the counting and control of the accounting-financial operations, settlement of the information circuits and the related audits thereof, to ensure the quick, fair and complete centralization of the financial information (*as per the internal procedures manual and the financial audit system*);
- The risks identification in relation to the financial reporting process, the assessment of the effectiveness and efficiency of application of internal procedures regarding the processes relevant to the financial reporting by the internal audit department and the communication of the shortcomings identified, to the Board of Administration (*as per the internal audit annual plan*);
- The existence of an accounting policies manual drafted as per the legislation in force, approved by the Board of Administration;

The existence of a calendar and a well-defined process with regards to the elaboration of accounting and financial information compliant with the reporting requirements (financial-accounting of the capital market) and the checking and appropriate approval thereof by the Board of Administration, in view of publication thereof.

#### **4.3.6 Related Parties**

The company registered in 2017 transactions with the following related parties:

- The company SNTFM CFR Marfă SA București, to which the State holds majority stake;

### **4.4 Analysis of corporate activity**

#### **4.4.1 Activity on the capital market**

##### **The evolution of "COTE" shares**

The shares issued by CONPET SA are traded on the regulated market managed by Bucharest Stock Exchange, on the Main segment, in the Equity Securities sector – Premium category, under the "COTE" symbol.

At the end of 2017, the trading price of CONPET shares recorded an increase by 24.56% compared to the price of the first trading days of the same year.

In summary, the transactions recorded with CONPET shares on Bucharest Stock Exchange in 2017 are as follows:

- In 2017, a number of 20,800 transactions were performed, almost three times more than in 2016 (8,225 transactions);
- The total volume of the shares traded in 2017 was 1,148,250 shares, by approximately 55% more than in 2016 (739,999 shares);
- The total value of the transactions performed in 2017 was RON 125,732,385, with 135.41% more than the value recorded in 2016 (RON 53,410,029).
- The average trading price was 109.50 lei/share in 2017, an increase by 37.32 lei/share compared with the average price of the shares recorded in 2016 (72.18 lei/share);
- At the end of May 2017, the trading price reached a new historic maximum, namely 143 lei/share;
- A peak of the transactions was recorded on 23.03.2017, when a total volume of 55,982 shares was traded (representing approximately 4.87% of the total volume of the COTE shares traded during 2017), in the amount of RON 6,269,342;
- Market capitalization at the end of December 2017 was of RON 860,558,283, an increase by RON 178,345,077 compared to the value recorded at the end of 2016 (RON 682,213,206).

Trading values indicate a stable share, which continues to attract investors' confidence, due, to a large extent, the effectiveness of CONPET management and the high degree of transparency on the activities and goals of the company.

The main trading indices of 2017 for the shares issued by CONPET are presented in the following table:

<i>Indices</i> <i>Month</i>	Average price (RON/share)	No. of transactions	No. of traded shares	Transactions value (RON)
January	85.10	993	68,855	5,859,329
February	96.39	977	72,634	7,001,002
March	108.06	1,635	154,071	16,648,723
April	117.16	1,489	80,272	9,404,711
May	130.35	2,062	132,927	17,326,507
June	125.46	3,751	167,958	21,072,461
July	101.60	2,369	76,346	7,756,633
August	96.48	1,930	61,756	5,957,988
September	105.36	1,491	86,004	9,061,083
October	105.60	1,437	116,511	12,303,449
November	102.95	1,626	97,124	9,998,857
December	98.89	1,040	33,792	3,341,642
<b>Cumulated</b>	<b>109.50</b>	<b>20,800</b>	<b>1,148,250</b>	<b>125,732,385</b>

Table 26- Main trading indices

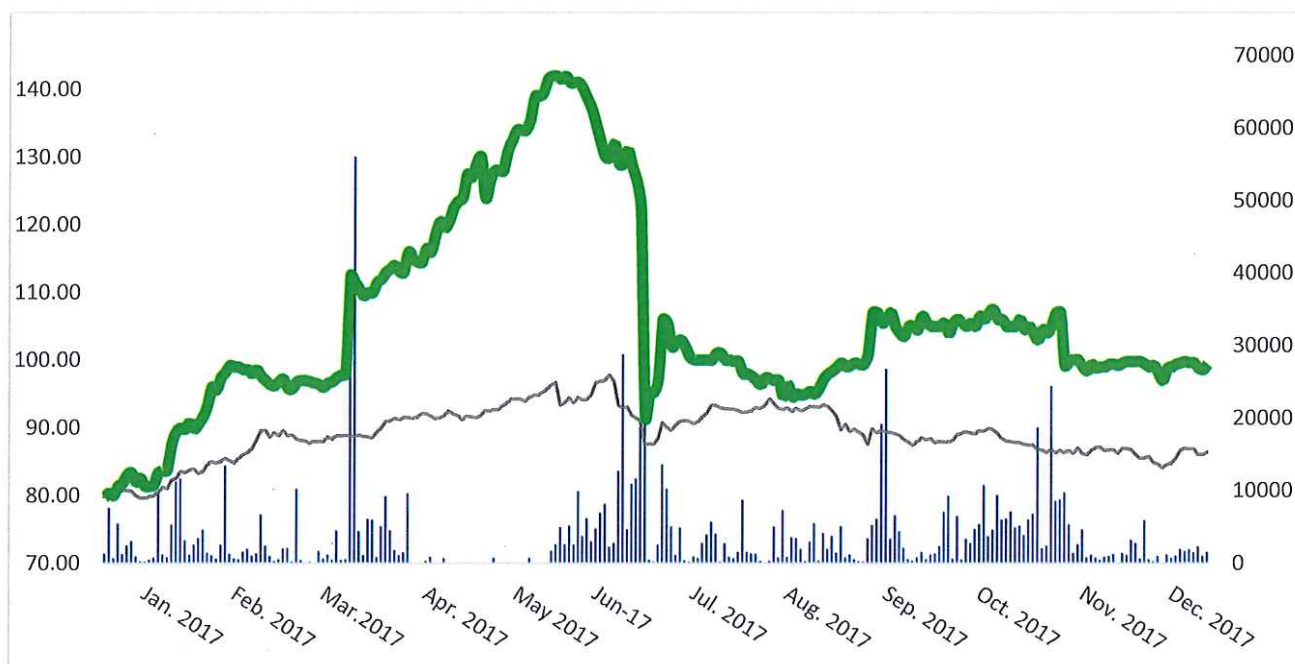


Chart 27- Evolution of COTE shares vs. BET index (rebased)

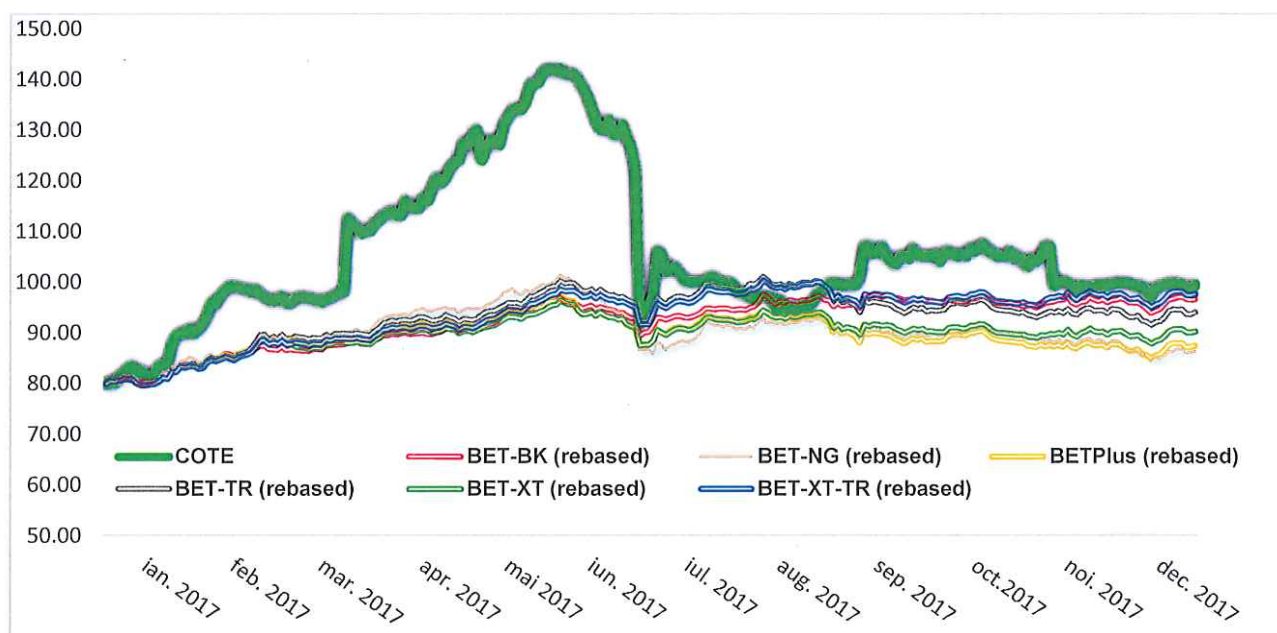
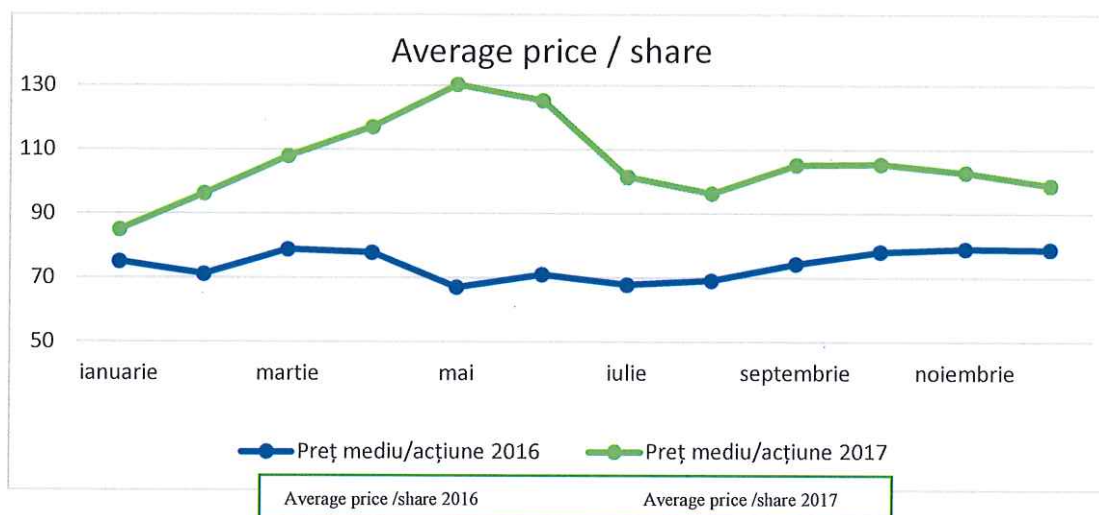


Chart-28 – Evolution of COTE share vs. stock indices (rebased) in which it is included in 2017 (RON)

Graphically, the evolution of the trading price of CONPET SA share, during 2017, is as follows:



*Chart - 29-Evolution of the share trading price*

Stock indices	Year		
	2015	2016	2017
<b>PER</b>	12.96	10.79	12.03
<b>P/BV</b>	0.92	0.89	1.08
<b>EPS</b>	5.94	7.30	8.26
<b>DIVY(dividend yield)</b>	7.72	9.26	26.56

*Table-27 Main stock performance indices*

In 2017, investors have expressed a growing interest for CONPET shares, compared with 2016, which is also reflected in the evolution of the average price / share. Thus, if in 2016, the average price did not exceed 80 lei/share, during 2017 it was more than 100 lei/share, with a maximum of 130.35 lei/share in May.

Considering the data presented above, the COTE share reflects in a real manner the economic and financial performance of the company, remaining attractive to investors both in the short and in the long run.

On 31.12.2017, according to the TOP 100 Issuers by capitalization, CONPET ranked the 18<sup>th</sup>, with a market capitalization of RON 860,558,283 (EUR 184.7 million), which represents a share of 0.52% in the total market capitalization. Compared to the end of 2016, when the market capitalization was around EUR 150 million, one can see an increase of 23.13%.

## The Dividend Policy

The company does not have a dividend policy because it is a majority state-owned company and profit distribution is done in accordance with the Government Ordinance no. 64/2001 on the distribution of profits to national enterprises, national companies and fully or majority state-owned companies, as subsequently amended.

Within the last three years, CONPET has distributed dividends at a rate ranging from 85% to 93% of the net profit. For the 2018-2020 period, the forecast is for a rate of 85% of the net profit.

The shareholders entitled to receive the dividends allocated out of the profit to be distributed following the end of the financial year are those registered in the Consolidated Shareholders' Registry at the registration date approved by the General Meeting of Shareholders.

According to Art. 1, para. (3) of GO no. 64/2001 on the distribution of profits to national enterprises, national companies and fully or majority state-owned companies and autonomous authorities, amended pursuant to the Government Emergency Ordinance no. 47/2012, by way of derogation from the provisions of the Art. 67, para. (2) of the Companies Laws no. 31/1990, updated, with its subsequent amendments and completions, the national enterprises, national companies and companies where the State or an administrative-territorial unit is acting as sole, majority shareholder, or where it holds control thereof, are bound to transfer the dividends due to the shareholders within 60 days of the deadline stipulated by law for the submission of the annual financial statements.

The evolution of the dividends distributed from the net profit for the period 2014 – 2016 is as follows:

For the year	GMS Date	Registration date	Total gross dividends due - RON-	% of net profit	Gross dividend / share -RON-	Gross dividends paid -RON-	Net dividends accumulated on 31.12.2017
2014	28.04.2015	03.07.2015	51,434,194	91%	5.94	49,609,871,82	1,824,322,18
2015	28.04.2016	06.07.2016	63,198,986	93.3%	7.29	60,684,530,82	2,514,455,18
2016- dividend from the profit of the financial year	26.04.2017	30.06.2017	69,836,604	91.5%	26.41	218,929,858	9,632,416
2016- Dividend from reserves and retained earnings	25.10.2017	10.11.2017	158,725,670				

Table 28- Evolution of dividends distributed in the period 2014-2016

The return on investment and dividend yield in the period 2014-2017 are shown in the chart below.

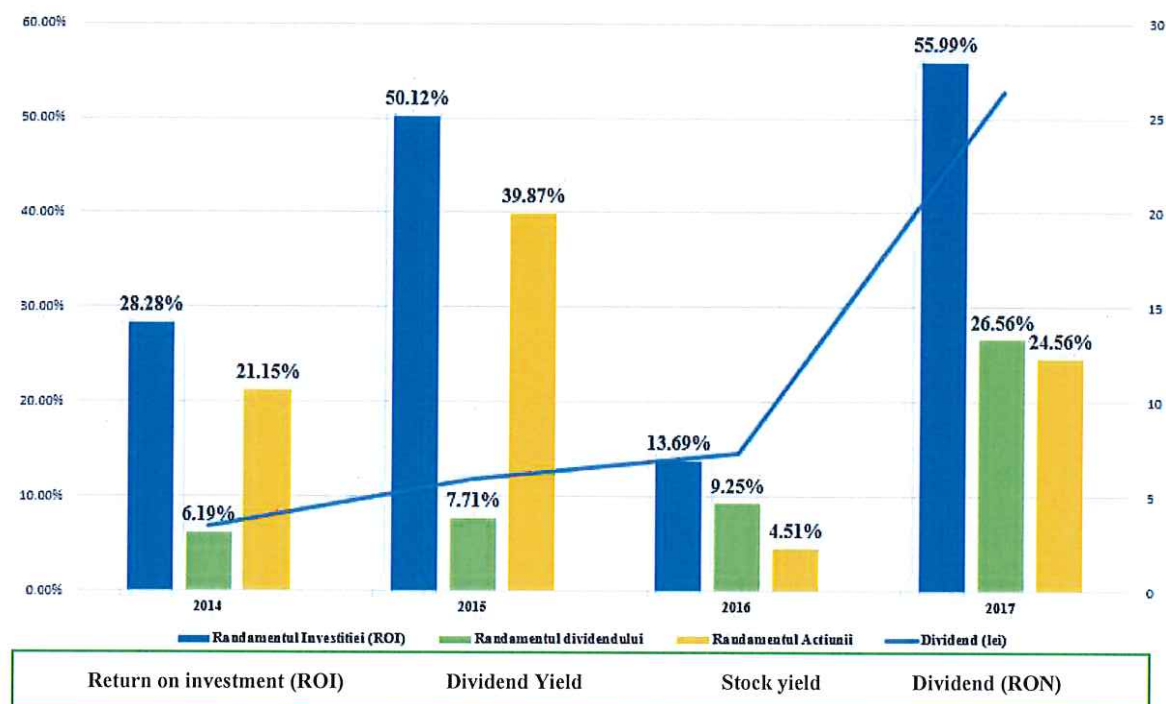


Chart- 30 – Evolution of return on investment and dividend yield

In 2017, out of the 13 companies most traded on Bucharest Stock Exchange, CONPET S.A. has granted dividends with the highest yield.

Total dividend per share was 26.41 RON, thus offering its shareholders a dividend yield of 26.56%, thereby positioning itself on the first place in the top of the dividends granted by a company listed on Bucharest Stock Exchange.

Dividend yield related to 2017 has recorded a substantial increase of about 190% compared to 2016, when the value recorded was 9.26%.

In the “Toupl national al Firmelor” event – 2017 Edition, organized by the Romanian Chamber of Commerce and Industry, CONPET S.A. has received the award for excellence in business: “The highest dividend yield at BSE”.

### Own shares, issuance of bonds or other debt securities

CONPET did not carry out transactions involving the purchase of own shares and does not hold own shares at the end of 2017.

CONPET has no branches and there are no shares issued by the parent company and owned by the branches.

CONPET has not issued bonds or other debt securities.

#### 4.4.2. Corporate governance

Corporate governance continues to be in a process of adapting to the demands of a modern economy, increasingly obvious globalization of social life as well as the information needs of investors and third parties interested in the activity of the companies.

Corporate governance at the level of CONPET is organized and conducted in accordance with the Romanian legislative framework, namely the Companies Law no. 31/1990 and the Government Emergency Ordinance no. 109/2011 on corporate governance of public enterprises.

CONPET shares are traded, since September 5<sup>th</sup>, 2013, on the regulated market managed by Bucharest Stock Exchange (BSE) at category I, under the COTE symbol.

As of January 5<sup>th</sup>, 2015, CONPET is found in the PREMIUM category of the regulated market managed by BSE.

CONPET corporate governance system is continuously improved, so that it complies with the rules and recommendations applicable to a company listed at BSE.

Among the measures already implemented, please note:

- The inclusion in the administrators' annual report of a chapter devoted to corporate governance with reference, inter alia, to the information related to the Board of Administration and the advisory committees, namely the Audit Committee, the Appointment and Remuneration Committee, the Financial and Investors Relationship Committee, the Development and Authorities Relationship Committee;
- Diversification of communication with shareholders and investors through the inclusion on the internet page of the releases addressed to market participants, half-yearly and quarterly financial statements, annual reports, procedures to be followed in order to access and participate in the GMS;
- Existence of a specialized entity dedicated to the relationship with investors and shareholders.

##### ***Corporate Governance Rules***

As an issuer listed on Bucharest Stock Exchange, CONPET has promoted and approved, by the Decision of the Board of Administration no. 7 of 27.03.2014, the CONPET Corporate Governance Rules. This document represents the voluntary assumption by the Company of the corporate governance principles, taking into account the characteristics and its specific activity in accordance with the principles set out in the Corporate Governance Code of Bucharest Stock Exchange.

The Regulation is a public document and can be viewed on the company's website by clicking on the following link <http://www.CONPET.ro/guvernanta-corporativa/regulament-de-guvernanta-corporativa/>.

##### ***Other applicable documentation***

For the application of the general regulatory framework, CONPET has adopted documents by which corporate governance is transposed in practice:

- The Articles of Incorporation of CONPET, comprising provisions relating to the management bodies (General Meeting, Board of Administration, Executive Management) as well as their powers and operating procedures;
- The Regulation for the organization and functioning of the Board of Administration, detailing and operationalizing how this body meets, how it analyzes, discusses and makes decisions, how it interacts with the executive management and with other parties.
- The Regulation for the organization and functioning of CONPET, the Code of Ethics, the Internal Regulations, which incorporate, detail and operationalize certain aspects incident to the governance framework of the company.

### Statement on the Conformity with the Provisions of the Corporate Governance Code issued by Bucharest Stock Exchange

Provisions of the Bucharest Stock Exchange Code	Complies	Fails to comply or partially complies	Reason for Non-Compliance
A.1. All companies should have internal regulation of the Board which includes terms of reference/responsibilities for Board and key management functions of the company, applying, among others, the General Principles of Section A.	YES		The distinction of the responsibilities of the BOA from those of the Director General is provided in the Corporate Governance Regulation.
A.2. Provisions for the management of conflict of interest should be included in Board regulation. In any event, members of the Board should notify the Board of any conflicts of interest which have arisen or may arise, and should refrain from taking part in the discussion (including by not being present where this does not render the meeting non-quorate) and from voting on the adoption of a resolution on the issue which gives rise to such conflict of interest.	YES		Both the Rules of Organization and Operation of the Board of Administration of the company CONPET S.A and the Corporate Governance Rules approved by the Board of Administration contain provisions concerning the management of the conflict of interests. In practice, the members of the Board inform the Board, whenever needed, on any conflict of interests having arisen or that may arise and refrain from taking part to discussions and from the voting for the adoption of a Resolution regarding the issue giving rise to such conflict of interests.
A.3. The Board of Directors or the Supervisory Board should have at least five members.	YES		
A.4. The majority of the members of the Board of Administration should be non-executive. In case of the Premium Tier companies, at least two non-executive members of the Board of Administration or Supervisory Board should be independent. Each member of the Board of Administration or Supervisory Board, as the case may be, should submit a declaration that he/she is independent at the moment of his/her nomination for election or re-election as well as when any change in his/her status arises, by demonstrating the grounds on which he/she is considered independent in character and judgment in practice and according to the following criteria: A.4.1. Not to be the CEO/executive officer of the company or of a company under his/her control and not have been in such position for the previous five years;	YES		

<p>A.4.2. Not to be an employee of the company or of a company under his/her control and not have been in such position for the previous five (5) years;</p> <p>A.4.3. Not to receive and not have received additional remuneration or other advantages from the company or from a company under his/her control, apart from those corresponding to the capacity of non-executive administrator;</p> <p>A.4.4. Not to be or not have been an employee of, or not have or have had any contractual relationship, during the previous year, with a significant shareholder of the company, controlling over 10% of the voting rights, or with a company under his control;</p> <p>A.4.5. Not to have and not have had during the previous year a business or professional relationship with the company or with a company under his/her control, either directly or as a customer, partner, shareholder, member of the Board/Administrator, CEO/executive officer or employee of a company having such a relationship if, by its substantial character, this relationship could affect his/her objectivity;</p> <p>A.4.6. Not to be and not have been in the last three years the external or internal auditor or a partner or associate employee of the current external financial auditor or internal auditor of the company or of a company under his/her control;</p> <p>A.4.7. Not to be a CEO/executive officer in another company where another CEO/executive officer of the company is a non-executive administrator;</p> <p>A.4.8. Not to have been a non-executive administrator of the company for more than twelve years;</p> <p>A.4.9. Not to have family ties with a person in the situations referred to at points A.4.1. and A.4.4.</p>			
<p>A.5. Any relatively permanent professional commitments and engagements of a member of the Board, here-included the executive and non-executive Board positions in companies and not-for-profit institutions, should be disclosed to shareholders and to potential investors before appointment and during his/her mandate.</p>	YES		<p>Part of the professional commitments and obligations are communicated in the Statements of Assets and Liabilities of the Board members (in compliance with provisions of Law 176/2010 regarding integrity in the exercise of the positions and public dignities, for the amendment and complementation of Law no. 144/2007 regarding the incorporation, organization and operation of ANI, as well as for the amendment of other normative acts).</p>
<p>A.6. Any member of the Board should submit to the Board, information on any relationship with a shareholder who holds directly or indirectly, shares representing more than 5% of all voting rights. This obligation concerns any kind of relationship which may affect the position of the member on issues decided by the Board.</p>	YES		<p>The existing provisions included in the independence statements, respectively in the Corporate Governance Rules regarding the conflict of interest provide compliance with the requirement.</p>
<p>A.7. The company should appoint a Board secretary responsible for supporting the work of the Board.</p>	YES		
<p>A.8. The corporate governance statement should inform on whether an evaluation of the Board has taken place under the leadership of the chairman or</p>	YES		<p>The company was part of the project of the Priorities Implementation Unit (Delivery Unit), established at the level of the Chancellery of the Prime-Minister,</p>

the nomination committee and, if so, summarize the key action points and changes resulting from it. The company should have a policy/guidance regarding the evaluation of the Board containing the purpose, criteria and frequency of the evaluation process.			whose objective was to enhance the transparency and governance of the State-owned companies in the energy industry. The project consisted in actions for the evaluation of the governance engagements at the level of the company's management bodies, here-included evaluations of the Boards of Administrations and/or Supervisory Boards. Furthermore, a renowned international expert in the field of corporate governance, selected by the World Bank together with the Delivery Unit, analyzed the activity of CONPET S.A. Board of Administration, next to the activities of other companies, drafting the Guide "Decision-making, roles and responsibilities in the State-owned companies in the energy field in Romania".
A.9. The corporate governance statement should contain information on the number of meetings of the Board and the committees during the past year, attendance by the administrators (in person and in absentia) and a report of the Board and committees on their activities.	YES		
A.10 The corporate governance statement should contain information on the precise number of the independent members of the Board of Administration or of the Supervisory Board.	YES		
A.11. The Board of Premium Tier companies should set up a nomination committee formed of non-executives, which will lead the process for new Board appointments and make recommendations to the Board. The majority of the members of the nomination committee should be independent.	YES		The procedure for the appointment/nomination of the Board members is performed in compliance with the provisions of the EGO no. 109/2011 on the corporate governance of the public enterprises.
B.1 The Board should set up an audit committee where at least one member should be an independent non-executive. The majority of members, including the Chairman, should have proven an adequate qualification relevant to the functions and responsibilities of the committee. At least one member of the audit committee should have proven and adequate auditing or accounting practice. In the case of Premium Tier companies, the audit committee should be composed of at least three members and the majority of the audit committee should be independent.	YES		
B.2. The audit committee should be chaired by an independent non-executive member.	YES		
B.3. Among its responsibilities, the audit committee should undertake an annual assessment of the system of internal control.	YES		
B.4. The assessment should consider the effectiveness and scope of the internal audit function, the adequacy of risk management and internal control reports to the audit committee of	YES		

the Board, management's responsiveness and effectiveness in dealing with identified internal control failings or weaknesses and their submission of relevant reports to the Board.			
B.5. The audit committee should review conflicts of interests in relation to the transactions of the company and its subsidiaries with related parties	YES		
B.6. The audit committee should evaluate the efficiency of the internal control system and risk management system.			
B.7. The audit committee should monitor the application of statutory and generally accepted standards of internal auditing. The audit committee should receive and evaluate the reports of the internal audit team.	YES		
B.8. Whenever the Code mentions reviews or analysis to be exercised by the Audit Committee, these should be followed by recurrent (at least annual), or ad-hoc reports to be submitted to the Board afterwards.	YES		
B.9. No shareholder may be given undue preference over other shareholders with regard to transactions and agreements made by the company with shareholders and their related parties.	YES		The company CONPET S.A. observes the recommendation of the Corporate Governance Code of the BSE, but has no policy in relation to the affiliated parties' transactions.
B.10. The Board should adopt a policy ensuring that any transaction of the company with any of the companies with which it has close relations, that is equal to or more than 5% of the net assets of the company (as stated in the latest financial report), should be approved by the Board following an obligatory opinion of the Board's audit committee, and fairly disclosed to the shareholders and potential investors, to the extent that such transactions fall under the category of events subject to disclosure requirements.		Partially compliant	We have no policy in this respect.
B.11. The internal audits should be carried out by a separate structural division (internal audit department) within the company or by hiring an independent third-party entity.	YES		
B.12. To ensure the fulfillment of the core functions of the internal audit department, it should report functionally to the Board via the Audit Committee. For administrative purposes and in the scope related to the liabilities of the management to monitor and mitigate risks, it should report directly to the Director General.	YES		
C.1. The company should publish a remuneration	DA		

policy on its website and include in its annual report a remuneration statement on the implementation of this policy during the annual period subject to review.			
D.1. The company should have an Investor Relations function - indicating, the person (s) responsible or the organizational unit, to the general public. In addition to information required by legal provisions, the company should include on its corporate website a dedicated Investor Relations section, both in Romanian and English, with all relevant information of interest for investors, including:	YES		
D.1.1. The main corporate regulations: the articles of association, general shareholders' meeting procedures;	YES		On the company website are published information relevant for the investors (Articles of Association, shareholders' rights etc.). The General meetings of Shareholders are held by the observance of the legislation in force regarding the companies and the capital market, in compliance with the legal provisions regarding the call and performance of the general meetings.
D.1.2. Professional CVs of the members of its governing bodies, other professional commitments of the Board members, here-included the executive and non-executive Board positions in companies or non-profit institutions;	YES		The recommendation is not implemented in what regards other professional engagements of the members of the Board, here-included executive and non-executive positions within the Boards of Administration of companies or non-profit institutions.
D.1.3. Current reports and periodic reports (quarterly, semi-annual and annual reports) – at least as provided at item D.8 – including current reports with detailed information related to non-compliance with this Code;	YES		
D.1.4. Information related to general meetings of shareholders: the agenda and supporting materials; the procedure for the election of Board members; the rationale for the proposal of candidates for the election to the Board, together with their professional CVs; shareholders' questions related to the agenda and the company's answers, including the decisions made;	YES		
D.1.5. Information on corporate events, such as payment of dividends and other distributions to shareholders, or other events leading to the acquisition or limitation of rights of a shareholder, including the deadlines and principles applied to such operations. Such information should be published within a timeframe that enables investors to make investment decisions;	YES		
D.1.6. The name and contact data of a person who should be able to provide knowledgeable information upon request;	YES		
D.1.7. Corporate presentations (e.g. IR presentations, quarterly results presentations, etc.), financial statements (quarterly, semi-annual, annual), auditor reports and annual reports.	YES		
D.2. The company should provide a policy related to the annual distribution of dividends or other benefits to the shareholders, proposed by the Director	YES		In relation to shareholders, CONPET used the distribution rate indicator and targeted the maximization of the return

General or the Management Board and adopted by the Board of Administration, as a set of directions the company intends to follow regarding the distribution of net profit. The principles of the annual dividend distribution policy should be published on the corporate website.			<p>on investment. Within the last 7 years, the distribution rate ranged 85 to 93.3%. For the following three years, it was maintained the dividend distribution policy, the provided rate amounting to (85%)</p> <p>The company distributes dividends in compliance with the provisions of the Government Ordinance no. 64/2001 regarding the allocation of profit at the national societies, national companies and trade companies where the State holds integral or majority stake herein, further amendments, as well as with the provisions of the Revenues and Expenditure Budget.</p>
D.3. A company should adopted a policy with respect to forecasts, whether they are disclosed or not. Forecasts refer to the quantified conclusions of studies aimed at determining the total impact of a list of factors related to a future period (so called assumptions): by nature, such a task is based upon a high level of uncertainty, with results sometimes significantly differing from forecasts initially presented. The policy should provide for the frequency, period envisaged, and content of forecasts. Forecasts, if published, may only be part of annual, semi-annual or quarterly reports. The forecast policy should be published on the corporate website.	YES		<p>The forecasts are presented in the Administration Plan published on the company website.</p> <p>Annually the company uploads on the internet webpage the revenues and expenditure budget for the current year and estimates for the following two years.</p>
D.4. The rules of general meetings of shareholders should not restrict the participation of shareholders in general meetings and the exercising of their rights. Amendments of the rules should take effect, at the earliest, as of the next general meeting of shareholders.	YES		
D.5. The external auditors should attend the shareholders' meetings when their reports are presented there.	YES		
D.6. The Board should present to the annual general meeting of shareholders a brief assessment of the internal controls and significant risk management system, as well as opinions on issues subject to resolution at the general meeting.	YES		
D.7. Any professional, consultant, expert or financial analyst may participate in the shareholders' meeting upon prior invitation from the Chairman of the Board. Accredited journalists may also participate in the general meeting of shareholders, unless the Chairman of the Board decides otherwise.	YES		
D.8. The quarterly and semi-annual financial reports should include information, in both Romanian and English, regarding the key drivers influencing the change in sales, operating profit, net profit and other relevant financial indicators, both on quarter-on-quarter and year-on-year terms.	YES		
D.9. A company should organize at least two meetings/conference calls with analysts and	YES		

investors each year. The information presented on these occasions should be published in the IR section of the company website at the time of the meetings/conference calls.			
D.10. If a company supports various forms of artistic and cultural expression, sport activities, educational or scientific activities, and considers the resulting impact on the innovativeness and competitiveness of the company is part of its business mission and development strategy, it should publish the policy guiding its activity in this area.	YES		

### *Actions for further improvement of CONPET corporate governance*

With its listing at BSE, CONPET has undertaken the application of the Corporate Governance Code of Bucharest Stock Exchange and, therefore, of the highest corporate governance standards currently existing in Romania.

One of the goals of the company CONPET S.A. is to increase the transparency and visibility of the company on the stock market and to ensure greater openness to shareholders and investors in order to increase the credibility of the company.

### *Transparency, information and communication*

As a company listed in the Premium category of Bucharest Stock Exchange, CONPET fully complies with the obligations of reporting to the investors and the market in general, drafting and submitting the periodic and current reports required by the regulations of the Exchange. The company has also implemented a strategy of communication to other stakeholders (authorities and local communities, media, etc.).

As a company operating in a competitive environment of special significance for the economy in general, CONPET seeks to achieve the appropriate balance between the information of a confidential nature and that of public interest. Internal regulations have been adopted for the dissemination of information and compliance with confidentiality.

In accordance with the principles of corporate governance, CONPET has announced the timetable for meetings with analysts and investors. In 2017, telephone conferences and meetings with financial analysts from the capital market have been organized, for the analysis of the periodic reports of the company. The presentation materials prepared on the occasion of the events mentioned above have been published on the company's website.

In April 2017, Bucharest Stock Exchange and AGERPRES, the main provider of news concerning Romanian and international actuality, have launched InvestingRomania.com, the first information aggregator that puts companies in touch with investors and analysts. For a company to be selected in the project, Bucharest Stock Exchange has taken into account a number of criteria such as reporting through the new IRIS system, both in Romanian and in English, good corporate governance and coverage by at least two financial analysts. As of 22.06.2017, CONPET SA is part of the InvestingRomania.com project, where investors have access to AGERPRES news, reports of the analysts on the company, current and periodic reports submitted to the Exchange and may

use in their analysis the comparator, an instrument that allows them to compare both based on the trading indicators and the financial indicators.

Furthermore, particular importance has been given to the relationship with shareholders and investors, by showing increased transparency. The company's representatives have responded positively to all the requests made by the participants in the capital market, participating in a series of meetings with about 30 investors. In 2017, CONPET has taken part in numerous events organized within the capital market, showing openness towards both institutional investors and individual investors.

In May 2017, Bucharest Stock Exchange has published the second edition of the White Charter of Listed Companies Communication, the result of an internal study conducted to assess the information supplied by the companies listed on the Regulated Market of B.S.E. through their own websites. Following the assessment carried out by the specialists of Bucharest Stock Exchange in the period April 10<sup>th</sup> - May 4<sup>th</sup> 2017, CONPET SA has obtained one of the highest scores, namely 9.50 out of 10.

Subsequently, on October 9<sup>th</sup>, 2017, Bucharest Stock Exchange has launched the third edition of the White Charter of Listed Companies Communication. CONPET has scored 9.75 out of 10, with a positive evolution.

The company has also provided a contact number and an email address ([infoinvestitori@CONPET.ro](mailto:infoinvestitori@CONPET.ro)), through which investors can clarify certain aspects or can ask various questions, thus getting in direct contact with the investor relationship team of the company. Bucharest Stock Exchange has tested the promptitude of response and approach by e-mail and the accuracy and quality of the information provided, sending a few questions from a random email address, the rating received following this unannounced check being "excellent".

The evolution of CONPET S.A. share is monitored by the research departments of the major financial investment services companies from the Romanian capital market. The entity that manages the relationship with the investors maintains a permanent connection with all financial analysts in the capital market.

An evidence of transparency and openness to investors is the nomination of CONPET SA, on the short list, in the category "Best IR Dept. of a listed company", within the Central and Eastern Europe Capital Markets Awards Gala. Short-listed selection has been made out of more than 200 registered companies.

At the level of CONPET, the corporate governance structures are:

- The General Meeting of shareholders;
- The Board of Administration and Advisory Committees;
- The Director General.

## General Meeting of Shareholders

On the reference date 31.12.2017, the total number of shares was 8,657,528, owned by 12,437 shareholders. Shareholding structure, corresponding to the consolidated synthetic structure of the shareholders on the same date, was as follows:

- The Romanian State, represented by the Ministry of Energy (the ministry in charge or its successors, according to the law)
  - Number of shares: 5,083,372
  - Value of contribution to the share capital (lei): 16,775,128
  - Share on profit and loss (%): 58.7162
- Legal persons (86 shareholders)
  - Number of shares: 2,572,156
  - Value of contribution to the share capital (lei): 8,488,115
  - Share on profit and loss (%): 29.7101
- Natural persons (12.350 shareholders)
  - Number of shares: 1,002,000
  - Value of contribution to the share capital (lei): 3,306,600
  - Share on profit and loss (%): 11.5737

The majority shareholder of CONPET is the Romanian State. The rights and duties of the Romanian State, as majority shareholder, shall be exercised in the General Meetings of Shareholders, by the Ministry of Energy, under whose authority is placed the company, through specific regulatory acts, through specifically designated representatives, in accordance with the legal provisions.

Shareholders exercise their rights at the General Meeting of Shareholders ("GMS"), which is the highest decision-making body of the company. The powers of approval of the General Meeting of Shareholders, the organization and validity conditions of these meetings are set out in the Articles of Incorporation of the company, in accordance with the applicable regulations, and are supplemented with the incident legal provisions. Both the Articles of Incorporation of the company and shareholders' rights are posted on the company's website at the following addresses:

<http://www.CONPET.ro/relatia-cu-investitorii/info-actionari/>

<http://www.CONPET.ro/wp-content/uploads/2015/11/Act-Constitutiv-29.11.2016.pdf>

According to the law, each subscribed and paid share gives the holder the right to one vote in the General Meeting of Shareholders, the right to elect and to be elected to the governing bodies, the right to participate in the distribution of dividends according to the provisions of the Articles of Incorporation and of the laws, as well as other rights provided for by them.

Shareholders are entitled to a fair and complete information in the General Meeting of Shareholders on the company's situation. In the case of issuance of new shares, existing shareholders have a right of preference to underwriting, according to the law.

General Meetings are ordinary and extraordinary.

The General Meeting of Shareholders is convened by the Board of Administration, whenever necessary. The convocation of the General Meeting of Shareholders shall comply with the legal provisions regarding the companies, the capital market regulations and the provisions of the Articles of Incorporation. The meeting time limit cannot be shorter than 30 days after the publication of the call in the Official Gazette of Romania, part IV.

In order to provide equal treatment and full and fair exercise of all shareholders' rights, the CONPET makes available to them all relevant information regarding the GMS and adopted decisions, according to the law, both by mass-communication means and in the special section open on the company's website.

CONPET pays all diligence, in compliance with the requirements of the legislation in the area, to ease the participation of the shareholders in the sessions of the General Meetings, as well as for the full exercise of the rights thereof. The shareholders may take part and vote, in person, in the General Meeting of Shareholders, but also have the possibility to exercise the vote by representation or by correspondence.

The General Meeting of Shareholders is opened and presided by the Chairman of the Board of Administration or, in his absence, by another administrator appointed by the Chairman of the Board of Administration.

During the General Meetings of Shareholders, the dialogue between the shareholders and the members of the Board of Administration and/or the Director General is allowed and encouraged. Each shareholder may address questions to the administrators regarding the company activity, according to the legal provisions.

The decisions made by the General Meetings of Shareholders within the limits of the law and of the Articles of Incorporation are mandatory even for the shareholders who did not take part in the meeting or voted against.

The decisions of the General Meeting of Shareholders which are contrary to the law or the Articles of Incorporation can be challenged in court, according to the law.

The Ordinary General Meeting of Shareholders has the following main responsibilities:

- It discusses, approves or modifies the annual financial statements, based on the administrators' report and the financial auditor's report;
- Elects and revokes the administrators according to the law;
- Approves the administration plan prepared and presented by the Board of Administration, as well as the revision thereof;
- Appoints or revokes the financial auditor and sets forth the minimum duration of the financial audit contract;
- 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;
- Approves the Regulation for the Organization and Functioning of the Board of Administration and sets out the competencies thereof;

- Approves the Income and Expenditure Budget (I.E.B.) and the investment programs for the next financial year, as well as the I.E.B. rectification;
- Approves the profit distribution according to the provisions of the normative acts in force and dividend setting;
- Passes judgments over the administrators' management and the means to recover the losses they have caused to the company;
- Decides upon the pledging, leasing or dissolution of one or several units of the company.

The Extraordinary General Meeting of Shareholders has the following main responsibilities:

- Changing the legal form of the company;
- Changing the location of the company's headquarters;
- Changing the company's line of business;
- Establishment or disestablishment of subsidiaries;
- Extending the company's life;
- Share capital increase;
- Reduction of the share capital or replenishment thereof by issuing new shares;
- Merger with other companies or division of the company;
- Anticipated dissolution of the company;
- Conversion of the shares from one category into another;
- Conversion of a category of bonds into another category or into shares;
- Bond issuance;
- Changing the nominal value and number of shares;
- It decides upon the contracting of medium- and long-term bank loans, including external ones; establishes the competencies and level for contracting the current bank loans, trade loans, as well as the level of the guarantees;
- Decides upon the participation, according to the law, in the establishment of new legal persons or in the association with other legal or natural persons in the country or abroad;
- May delegate the execution of the responsibilities specified in Art. 15 para. (4) letters b), c) and f) to the Board of Administration. The delegation of the duty in Art. 15 para. (4) letter c) cannot concern the main business area and the core business of the company.
- Decides on what market the securities issued by the company are to be traded and chooses the authorized independent registrar that manages the registers of the shares issued by the company.
- Any other amendment of the Articles of Incorporation or any other decision for which the approval of the Extraordinary General Meeting of Shareholders is asked.

### ***The Board of Administration***

At the company's level there is no formal policy with respect to the diversity of the administrative bodies, however the general principles are applied. Thus, until 27.11.2017, the Company has been administered by a Board of Administration made of 7 administrators chosen by the Ordinary General Meeting of Shareholders for a period of 4 years. The selection of the administrators has been made in compliance with GEO no. 109/2011 *on corporate governance of public enterprises*.

From 28.11.2017, the new Board of Administration includes 7 provisional administrators whose mandate has a duration of 4 months, i.e. until 28.03.2018 or until the completion of the selection

procedure referred to in GEO no. 109/2011 on corporate governance of public enterprises, as approved with amendments and completions by Law no. 111/2016, if it will take place sooner than 4 months after the appointment of the provisional administrators. On 05.03.2018, the General Meeting of Shareholders has approved the extension of the administrators in function with a period of 2 months, namely until 28.05.2018.

The structure of the Board of Administration is diverse in both men and women of different professions (engineers, lawyers and economists) with professional experience in energy, banking, investment, consulting fields, etc.).

Administrators may have the status of shareholders.

The composition of the Board of Administration during the period *January 1<sup>st</sup>, 2017 – November 28<sup>th</sup>, 2017* was the following:

- Weiler Dan - Chairman, non-executive independent administrator;
- Chiriac Cristiana - non-executive independent administrator;
- Bugica Radu - non-executive independent administrator;
- Gheorghe Roxana-Elena - non-executive independent administrator;
- Mesca Darius Dumitru - non-executive independent administrator;
- Lefter Stefan Razvan - non-executive independent administrator;
- Ilasi Liviu – Director General, executive administrator.

The composition of the Board of Administration during the period *November 28<sup>th</sup>, 2017 – December 31<sup>st</sup>, 2017* was the following:

- Vaduva Constantin - Chairman, provisional non-executive independent administrator;
- Stan-Olteanu Manuela-Petronela - provisional non-executive independent administrator;
- Iacob Constantin-Ciprian - provisional non-executive independent administrator;
- Spinu Antonio-Adrian - provisional non-executive independent administrator;
- Popa Claudiu-Aurelian - provisional non-executive independent administrator;
- Bugica Radu - provisional non-executive independent administrator;
- Lefter Stefan Razvan - provisional non-executive independent administrator.

The CVs of the members of the Board of Administration of CONPET SA are available on the company's website, at the following address [www.conpet.ro/Guvernanta corporativă/Consiliul de Administrație](http://www.conpet.ro/Guvernanta_corporativa/Consiliul_de_Administratie).

Mr. Weiler Dan holds a number of 120 shares issued by the company, Mr. Ilasi Liviu holds a number of 40 shares issued by the company, the other administrators not having holdings in the share capital of CONPET S.A.

### ***Responsibilities of the Board of Administration***

The Board of Administration has the following responsibilities:

- It convenes the general meetings of the company's shareholders and sets the agenda, while endorsing the meeting documentation;
- 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, in compliance with the reporting requests set pursuant to C.N.V.M. / A.S.F. regulations regarding the capital market and other applicable regulations;
- Concludes legal acts in the name and on behalf of the company in order to acquire goods for the company or to dispose, lease, change or enter a lien over the goods in the company's patrimony, whose value exceeds half of the book value of the company's assets at the conclusion of the legal act, subject to the approval of the Extraordinary General Meeting of Shareholders;
- Submits for the approval of the Ordinary General Meeting of Shareholders the company's Income and Expenditure Budget (I.E.B.) and the investment program for the following financial year and I.E.B. rectification; approves the revision of the investment program within the same values; approves the current repair program and its revision;
- Approves the organizational structure and the related personnel structure, the regulation for the organization and functioning and the internal regulations of the company;
- Drafts the administration plan and submits it for approval to the Ordinary General Meeting of Shareholders, within 90 days from the appointment of the administrators under the conditions set out in the Government Emergency Ordinance no. 109/ 2011;
- Appoints and revokes the Director General of the company and sets the remuneration thereof; the general limits of the remuneration are set by the Ordinary General Meeting of Shareholders; sets the objectives and performance criteria for the Director General and regularly notes the progress of the fulfilment thereof; approves the global degree of fulfilment of the objectives and performance criteria of the Director General for the previous year, correlated with the financial statements of financial year in question;
- Sets the main business directions and approves the development strategies and policies of the company;
- Sets the accounting policies and the financial control system and approves the financial planning;
- Proposes the shareholders on what market the securities issued by the company are to be traded and chooses the authorized independent registrar holding evidence of the shares issued by the company;
- Performs all the papers necessary and relevant for the achievement of the company's business object, except for those set apart by law for the General Meeting of Shareholders;
- Approves the proposals regarding the global strategy for development, reengineering, modernization, economic and financial restructuring of the company;
- Approves the management plan drafted and presented by the Director General.

### ***Consultative Committees***

During the period *January 1<sup>st</sup>, 2017 – November 27<sup>th</sup>, 2017*, at the level of the Board of Administration there were the following consultative committees:

- The Audit Committee;
- The Nomination and Remuneration Committee;

- The Financial and Investor Relations Committee;
- The Regulatory and Energy Authorities Relations Committee;
- The Development Committee.

After November 28, 2017 at The Board of Administration Level have been established the following Consultative Committees: The Nomination and Remuneration Committee, The Audit Committee, The Financial and Investor Relations Committee, The Development and Relation with Authorities Committee.

The composition of the consultative committees may be consulted at the following address:

<http://www.CONPET.ro/guvernanta-corporativa/consiliul-de-administratie/comitete-consultative/>.

**The tasks and duties of the consultative committees set up on the level of the Board of Administration are the following:**

CONSULTATIVE COMMITTEE	MENTIONS	TASKS AND DUTIES
<b>AUDIT COMMITTEE</b>	<p><b>Period 28.11.2013-27.11.2017</b> Committee constituted by the Decision of the Board of Administration no. 16/ 28.11.2013;</p> <p><b>Committee Members - independent non-executive administrators:</b> Gheorghe Roxana – Elena - president Meșca Darius - Dumitru - member Bugică Radu - member</p> <p><b>After 28.11.2017</b> Committee having the constituency constituted by the Decision of the Board of Administration no. 18/ 28.11.2017</p> <p><b>Committee Members - independent non-executive administrators:</b> Bugică Radu – president Văduva Constantin – member Popa Claudiu – Aurelian - member</p>	<ul style="list-style-type: none"> <li>• it formulates recommendations addressed to the Board of Administration regarding the company's strategy and policy in the field of internal control, internal audit and financial audit;</li> <li>• it monitors the financial reporting process, being informed by the external auditor about the significant internal control deficiencies in this area;</li> <li>• it submits to the Board of Administration proposals for the selection, appointment, recall, revocation of the external financial auditor, and the terms and conditions for remuneration thereof, following the BoA nominations validated by the Board of Administration to be subject to the approval of the General Meeting of Shareholders;</li> <li>• it monitors the effectiveness of internal control systems, internal audit, as appropriate, and risk management within the company;</li> </ul>

CONSULTATIVE COMMITTEE	MENTIONS	TASKS AND DUTIES
		<ul style="list-style-type: none"> <li>• it discusses and approves the multiannual and annual plan for the internal public audit activity;</li> <li>• it approves the Internal Public Audit Charter;</li> <li>• it supervises the work of internal auditors and financial auditors;</li> <li>• it analyses and issues an opinion on the recommendations forwarded by internal auditors;</li> <li>• it verifies and monitors the independence of the external auditor;</li> <li>• it examines with the financial auditors the draft of financial statements, as well as the conditions for their preparation by the company (relevance of accounting principles, methods and standards, as well as internal procedures for collecting information);</li> <li>• it ensures the quality of the audit and internal control and makes sure that the necessary measures are taken to address the identified weaknesses in the control and compliance activity as well as other issues identified by the auditors;</li> <li>• it receives the audit reports, analyses and periodically approves the findings and recommendations of the internal audit, as well as the plans for their implementation;</li> <li>• it analyses and approves the normative documents elaborated by the Internal Audit Service before being submitted for approval;</li> </ul>

CONSULTATIVE COMMITTEE	MENTIONS	TASKS AND DUTIES
		<ul style="list-style-type: none"> <li>• it examines the complaints about non-compliance with the Code of Ethics of the Internal Auditor and proposes to the Director General of the Company / Board of Administration the necessary measures;</li> <li>• it checks the compliance of the audit reports developed with the approved audit plan on the company level;</li> <li>• it analyses and approves the Annual Report of the public internal audit activity;</li> <li>• it approves the cooperation agreements with other public institutions regarding the performance of the public internal audit activity;</li> <li>• it verifies the statements included in the declaration of compliance / non-compliance with the provisions of R.G.C. on internal managerial control and risk management system;</li> <li>• it holds meetings with internal and external auditors at least once a year and discusses issues related to audit processes, and in particular any deficiencies in internal control procedures;</li> <li>• it assists the Board of Administration in classifying company-specific risks and implementing a risk management system so that the risks faced by the company as well as potential risks are properly predicted, identified, managed and disseminated to the Board of Administration;</li> <li>• it regularly examines the effectiveness of financial reporting, internal control and risk management system adopted by the company;</li> </ul>

CONSULTATIVE COMMITTEE	MENTIONS	TASKS AND DUTIES
		<ul style="list-style-type: none"> <li>• it evaluates the effectiveness of the risk management system from the perspective of ensuring that the main risks (including those related to fraud and compliance with the legislation and the afferent regulations) are correctly identified, managed and reported in accordance with the audit plan.</li> </ul>
<b>NOMINATION AND REMUNERATION COMMITTEE</b>	<p><b>Period 28.11.2013-27.11.2017</b> Committee constituted by the Decision of the Board of Administration no. 16/ 28.11.2013 with the constituency modified by the Decision of the Board of Administration no. 13/16.10.2015 ;</p> <p><b>Committee Members - independent non-executive administrators:</b> Weiler Dan - president Chiriac Cristiana - member Lefter Răzvan Ștefan - member</p> <p><b>After 28.11.2017</b> Committee with settled and completed by the Decisions of the Board of Administration no. 18/ 28.11.2017 and No. 19/04.12.2017</p> <p><b>Committee Members - independent non-executive administrators:</b>  Văduva Constantin - president Lefter Razvan Stefan – member Spinu Antonio-Adrian – member Stan- Olteanu Manuela- Petronela - member</p>	<ul style="list-style-type: none"> <li>• it coordinates the process of selection / election of the members of the Board of Administration;</li> <li>• it recommends the Board of Administration to nominate candidates for the position of administrator and / or to fill vacant positions on the Board of Administration;</li> <li>• it proposes to the Board of Administration the selection procedure of candidates for the position of Director General and recommends the appointment of the Director General;</li> <li>• it evaluates the set of professional skills, knowledge and experience on the Board level;</li> <li>• it establishes the requirements for a certain position in the executive management of the company;</li> <li>• it continuously update the professional competencies of the members of the Board of Administration, coordinating the improvement of their knowledge in order to apply best practices of corporate governance;</li> <li>• it formulates proposals regarding the policy of remuneration of administrators</li> </ul>

CONSULTATIVE COMMITTEE	MENTIONS	TASKS AND DUTIES
		<p>and of the Director General as regards the amount and conditions for the granting of fixed and variable remunerations due to members of the Board of Administration and the general limits of the remuneration of the Director General for the current mandate period, their approval by the Board of Administration and the submission to the approval of the General Meeting of Shareholders;</p> <ul style="list-style-type: none"> <li>• In determining the remuneration of the administrators, the Nomination and Remuneration Committee will respect the principle of proportionality of this remuneration with the responsibility and the time allocated to the exercise of their position within the Consultative Committees set up on the level of the Board of Administration;</li> <li>• It identifies the criteria and objectives regarding any performance-based remuneration schemes (other financial benefits), being authorised by the Board of Administration to request any item of information it deems necessary for the performance of its duties;</li> <li>• it analyses, evaluates and proposes to the Board of Administration any payment or compensation commitment to be provided in the Administrators' Management Contract or in the Mandate Contract of the Director General;</li> </ul>

CONSULTATIVE COMMITTEE	MENTIONS	TASKS AND DUTIES
		<ul style="list-style-type: none"> <li>• it supervises the application of the principles of the policy of remuneration of the administrators and of the Director General and informs the Board of Administration about this, ensuring that the monthly remuneration is granted with proper justification proportionally with the degree of fulfilment of specific tasks and duties;</li> <li>• it presents OGMS, which approves the annual financial statements, an annual report on the remuneration and other advantages granted to the administrators and the Director General during the previous financial year, report structured according to O.U.G. no. 109/2011 on Corporate Governance of Public Enterprises.</li> </ul>
<b>COMMITTEE FOR FINANCES AND INVESTOR RELATIONS</b>	<p><b>Period 28.11.2013-27.11.2017</b> Committee constituted by the Decision of the Board of Administration no. 17/ 06.12.2013;</p> <p><b>Committee Members - independent non-executive administrators:</b> Bugică Radu - president Gheorghe Roxana Elena - member</p> <p><b>Members - executive administrators</b> Ilași Liviu - member</p> <p><b>After 28.11.2017</b> Committee having established constituency by the Decision of the Board of Administration no. 18/ 28.11.2017;</p> <p><b>Committee Members - independent non-executive administrators:</b> Iacob Constantin- Ciprian - president Bugică Radu - member Lefter Razvan Stefan - member</p>	<ul style="list-style-type: none"> <li>• it monitors the economic and financial situation of the company;</li> <li>• it enhances transparency and increases predictability of financial reporting;</li> <li>• it recommends the funding structure and the manner of mobilising resources efficiently and in accordance with the management plan;</li> <li>• it promotes and enhances the visibility of the company within the capital market;</li> <li>• it periodically presents the economic and financial reports, respectively, of the findings and sanctions applied by the authorities with the right of financial and fiscal control over the company;</li> <li>• it examines, at least once a year, the situation regarding the movement of capital and</li> </ul>

CONSULTATIVE COMMITTEE	MENTIONS	TASKS AND DUTIES
		<p>the evolution of the cash-flow of the company;</p> <ul style="list-style-type: none"> <li>• it decides, organises and participates in events that have the goal of promoting and increasing the company's visibility within the capital market;</li> <li>• it advises the members of the Board of Administration and the Director General on matters relating to the management and preparation of the revenue and expenditure budget, the annual financial statements and the six-month accounting reporting, as well as the multi-annual financial planning;</li> <li>• it assists and makes recommendations to the Board of Administration in terms of financial reporting and relevance to various stakeholders including the capital market;</li> <li>• it informs the Board of Administration about the financial implications regarding the management and administration of the company;</li> <li>• it analyses the presentation materials of the company in the external environment;</li> <li>• it makes proposals about the strategy and directions for approaching investor relations;</li> <li>• it monitors the company meetings with analysts and investors.</li> <li>• it asks the external advisors, external or internal auditors, specialists or other persons for advice or assistance in reaching their goals;</li> </ul>

CONSULTATIVE COMMITTEE	MENTIONS	TASKS AND DUTIES
		<ul style="list-style-type: none"> <li>• it asks for any information that is required from employees, or from third parties involved;</li> <li>• it organises meetings with company managers, internal and external auditors or their external advisors, depending on the situation.</li> </ul>
<b>COMMITTEE FOR DEVELOPMENT AND RELATION WITH AUTHORITIES</b>	<p><b>Period 28.11.2013-27.11.2017</b> The Committee for the Relations with the Regulation and Energy Authorities was established by the Decision of the Board of Administration no. 17/ 06.12.2013;</p> <p><b>Committee Members - independent non-executive administrators:</b> Chiriac Cristiana - president Meşca Darius-Dumitru - member Gheorghe Roxana Elena - member Weiler Dan - member Lefter Razvan Stefan - member</p> <p><b>Committee Members - independent non-executive administrators</b> Ilaşi Liviu – member</p> <p>The Development Committee was established by The Board of Administration Decision No. 17/06.12.2013, with reshaped constituency as per The Decision of The Board of Administration No. 13/16.10.2015;</p> <p>Ilasi Liviu – president Weiler Dan – member Gheorghe Roxana-Elena – member Mesca Darius-Dumitru – member Lefter Razvan Stefan - member</p> <p><b>After 28.11.2017</b> The two Committees mentioned hereabove have met by Decision of the Board of Administration No. 18/ 28.11.2017, under the name of Committee of Development and for the Relation with the Authorities, the constituency thereof being set out by BoA Decision No. 19/04.12.2017;</p>	<ul style="list-style-type: none"> <li>• it monitors the company's approaches to regulatory and energy authorities on technical, legislative issues, etc. of its activity;</li> <li>• it monitors the fulfilment of the obligations stipulated by the regulations related to the activity carried out by the company;</li> <li>• it analyses proposals for the regulatory framework and submits them to the Board of Administration;</li> <li>• it monitors the collaboration relations with public authorities and assists the Board of Administration in managing the collaboration policy;</li> <li>• it periodically analyses the list of critical infrastructure objectives of CONPET and the established security measures;</li> <li>• it ensure the necessary conditions for the implementation of measures to protect all critical infrastructure objectives from the company's patrimony or operator;</li> <li>• it monitors its own programs for preventing and combating terrorism through optimal physical and organizational protection measures, with recommendations to the Board of Administration;</li> </ul>

CONSULTATIVE COMMITTEE	MENTIONS	TASKS AND DUTIES
	<p><b>Committee Members - independent non-executive administrators:</b></p> <p>Popa Claudiu Aurelian – president</p> <p>Stan- Olteanu Manuela- Petronela – member</p> <p>Spînu Antonio-Adrian - member</p>	<ul style="list-style-type: none"> <li>• it may represent the company in the relation with the regulatory and energy authorities.</li> </ul>
		<ul style="list-style-type: none"> <li>• tasks and duties:</li> <li>• it assists the Board of Administration in fulfilling the responsibilities in the field of development and updating of the company development strategy;</li> <li>• it develops proposals on the strategy and directions of development of the company for the medium and long term;</li> <li>• it identifies the major development directions in the field on the national and international level and makes recommendations for major themes to be considered with strategic impact in the company's development;</li> <li>• it develops proposals for the enhancement of company development activity;</li> <li>• it analyses the opportunities identified regarding the development of the company;</li> <li>• it analyses the fulfilment of the strategic programs of the company;</li> <li>• it informs the Board of Administration about the effectiveness of strategic programs;</li> <li>• it periodically analyses the stage of the implementation of the investment programs, RK and RC carried out by the company</li> </ul> <p>and proposes measures to</p>

CONSULTATIVE COMMITTEE	MENTIONS	TASKS AND DUTIES
		<p>improve the activity in order to meet the deadlines for completing the proposed objectives and work;</p> <ul style="list-style-type: none"> <li>• it monitors the assurance of the maintenance and modernisation of the national transport system as well as the observance of the technical norms for the exploitation and maintenance of the production capacities;</li> <li>• it periodically analyses the compliance with the annual program of acquisitions undertaken by the company.</li> </ul>

The Terms of Reference of the Board and of the Board committees may be consulted at the internet addresses: [www.CONPET.ro/guvernanta\\_corporativa/ROF](http://www.CONPET.ro/guvernanta_corporativa/ROF) of the Board de Administration, and [www.CONPET.ro/guvernanta\\_corporativa/RIOF](http://www.CONPET.ro/guvernanta_corporativa/RIOF) respectively, Consultative Committees constituted on the level of the Board of Administration.

The Audit Committee and the Nomination and Remuneration Committee are mandatory, in accordance with the legal provisions in force.

The Consultative Committees meet whenever necessary at the convening of the Chairman, and the proposals / recommendations made to the Board of Administration (to substantiate its decision-making) are adopted by a majority of the votes cast. The duties and responsibilities of the Consultative Committees shall be determined by the Board of Administration.

The Board of Administration may also, by decision, constitute other consultative committees in various fields of activity, depending on the needs and the management strategy of the company. At least one member of each Consultative Committee should be an independent non-executive administrator. The Audit and Remuneration Committee consists only of non-executive administrators. At least one member of the audit committee must have experience in applying accounting principles or financial audit.

The number of the Board meetings and of the Board committees meetings, attendance and summary of activities in the period *January 2017 - 27 November 2017* are presented below,

Administrator	BoA	Audit Committee	Nomination and Remuneration Committee	Committee for Finances and Relation with Investors	Committee for the Relations with regulation and Energy Authorities	Development Committee

Number of meetings	17	15	19	15	11	15
Weiler Dan	17 of which 3 by repres.	-	19	-	11	15
Chiriac Cristiana	16 of which 4 by repres.	-	19	-	11	-
Bugică Radu	16 of which 4 by repres.	15	-	15	-	-
Gheorghe Roxana-Elena	17 of which 3 by repres.	15	-	15	-	15
Meșca Darius Dumitru	17 of which 4 by repres.	15	-	-	11	15
Ilași Liviu	17	-	-	15	11	15
Lefter Ștefan Răzvan	17 of which 4 by repres.	-	19	-	-	15

Table 29 Number of the BoA meetings and of the consultative committees meetings 01.01-27.11.2017

The number of Board meetings and of the consultative committees meetings, attendance and summary of activities in the period 28 November 2017 - 31 December 2017 are presented below:

Administrator	BoA	Audit Committee	Nomination and Remuneration Committee	Committee for Finances and Relation with Investors	Committee for the Development and Relation Authorities
<b>Number of meetings</b>	<b>5</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>
Văduva Constantin	5	-	2	-	-
Stan – Olteanu Manuela-Petronela	5 of which 3 by repres	-	2	-	-
Bugică Radu	5	-	-	-	-
Spînu Antonio - Adrian	5	-	2	-	-
Iacob Constantin - Ciprian	5	-	-	-	-
Popa Claudiu - Aurelian	5	-	-	-	-
Lefter Ștefan Răzvan	5	-	2	-	-

Table 30 Number of the BoA meetings and of the Consultative Committees Meetings 28.11.2017-31.12.2017

### Summary of activities

The meetings of the Board of Administration are held according to the agenda submitted to the

administrators, the main decisions taken as follows:

- approval of the Preliminary Report on the economic and financial activity of the company on 31.12.2016
- approval of REB (REVENUES AND EXPENDITURE BUDGET) for 2017 - Annex 1 and its substantiation note to OGMS (REB also includes estimates for the years 2018 and 2019);
- approval of Annexes no. 2 - 5 of B.V.E. for 2017;
- approval of the Investment Program for 2017 (with a breakdown in the structure of the investment objectives and the list of independent endowments and equipment) - Annex no. 1 and the approval of Annexes no. 2 and 3 of the Investment Program for 2017 and its substantiation note (the Investment Program also includes estimates for the years 2018 and 2019)
- delegation of powers to the Director General for the periodic review of the Investment Program within the limits delegated by the Board of Administration
- periodical monitoring of the physical and value achievement of the Investment Program of 2017
- approval of the Annual Procurement Program for 2017 and its final form and delegation of competencies to the Director General for its periodic review within the limits delegated by the Board of Administration.
- periodical monitoring of the stage of acquisitions in progress whose value exceeds 100,000 lei, of the situation of concluded / finalised contracts worth more than 100,000 lei, the situation of concluded contracts worth more than 100,000 lei, the situation of the utility contracts in progress year 2017
- approval of the transfer to the company's costs and recognition in the accounting as of 31.12.2016 of the obligation representing the outstanding amounts, increases and default interest, of the Tax Imposition Decision no. F-BZ-436 / 31.10.2016 and the ANAF Decision regarding the payment obligations of accessories no. 109 / 07.12.2016, after obtaining the fiscal facilities provided by O.U.G. no. 44/2015 (regarding the granting of fiscal facilities for receivables administered by the central fiscal body)
- approval of the Monthly Reports of the Consultative Committees
- approval of GMS's Convocation Documents and approval of materials related to their agenda
- periodical information on the stage of meeting the measures ordered by the Board of Administration decisions and on the current activity of the company and the issue of the technical-economic, legal and other aspects
- approval of the annual financial statements for the financial year ended on 31.12.2016, accompanied by the list of contracts with value higher than 500,000 euros / acquisition (for goods and works) and higher than 100,000 Euro / purchase (for services)
- approval of the Report of the Nomination and Remuneration Committee on the proposal to conclude an addendum to the management / mandate contracts of the non-executive administrators / executive administrator, regarding the objectives and performance indicators for the administrators during the management / mandate contract and for 2017
- approval of the result of the 2016 annual inventory of the assets belonging to the company and approval
- result of the annual inventory of the assets belonging to the public domain of the state
- approval of the removal from operation and the valorisation by auction sale of assets belonging to the company's patrimony;
- periodic monitoring of the degree of fulfilment of the performance indicators for the non-executive administrators and executive administrator
- approval of the representation of the company in various internal and international events,

establishment of the delegations composition and approval of the travel reports

- periodical monitoring of the liquidity situation and bank placements, as well as of the interests registered, the establishment of the banks with which the company collaborates
- endorsement of the annual financial statements prepared for the financial year ending on 31.12.2016.
- approval of the Annual Report of the administrators to the Ordinary General Meeting of Shareholders for the financial year ending on 31.12.2016, in compliance with the capital market regulations, accompanied by annexes.- endorsement of proposals to OGMS regarding the distribution of the net profit for the financial year 2016, the fixing of the gross dividend per share and the date of payment of the dividends to the shareholders, submission for approval to the Ordinary General Meeting of Shareholders of the proposal to distribute a special dividend to the shareholders of the company
- approval of the Annual Report of the Nomination and Remuneration Committee to the Ordinary General Meeting of Shareholders regarding the remuneration and other advantages granted to the non-executive directors and the Director General - Executive Administrator, during the financial year 2016, the manner of fulfilment on 31.12.2016 of the criteria and the performance objectives set out in the Management Contracts / Mandate Contract
- approval of the Report of the Nomination and Remuneration Committee to the General Assembly of Shareholders on the proposal to conclude an Addendum to the Management Contracts / Mandate Contract of Non-Executive Administrators / Executive Administrator, having as object the subcomponent 2 of the variable component of their remuneration for the year 2017
- approval of the Activity Report of the Director General for the year 2016, drawn up in accordance with art. 54 of O.U.G. no. 109/2011 on Corporate Governance of Public Enterprises
- approving sponsorship requests and periodic monitoring of the running of the sponsorship contracts concluded by the company
- approval of the proposals regarding the membership in CONPET within employer / professional bodies, non-governmental associations and the payment of related membership fees for 2017
- approval of a new organizational structure of CONPET and of the modification of the Organization and Operation Regulation of CONPET and of the list of positions, in correlation with the new organisational structure
- monitoring of the implementation stage of the measures ordered by the Prahova Chamber of Accounts
- approval of the Report of the Director General on the activity of CONPET for the first quarter of 2017 (period 01.01.2017 - 31.03.2017), elaborated in accordance with the provisions of art. 54 of the Government Emergency Ordinance OUG no. 109/2011 on Corporate Governance of Public Enterprises.
- approval of the quarterly report on the economic and financial activity of CONPET for the period ending on 31.03.2017 / 30.09.2017, accompanied by the simplified interim financial statements on the date and for the period of 3/9 months ended on 31.03.2017 / 30.09.2017
- approval of the transfer to costs of certain fines set by GNM.
- approval of the criteria, award levels and calculation modalities for the amounts of employee participation to the profit for 2016
- approval of the half-yearly report on the economic and financial activity of CONPET for the first half of 2017 (concluded on 30.06.2017) and the simplified financial statements on the date and for the six-month period ending on 30.06.2017

- approval of the Report of the Director General for the first half-year of 2017 (concluded on 30.06.2017) on CONPET's activity.
- approval of the conclusion of the Addendums to the Collective Labour Agreement of CONPET.
- approval of the CONPET Accounting Policy Manual
- approval of the Report of the Board of Administration to the Ordinary General Meeting of Shareholders on the management activity for the period 1 January - 30 June 2017, prepared in accordance with art. 55 of Government Emergency Ordinance 109/2011 on Corporate Governance of Public Enterprises.
- approval of the Substantiation Note on the company's proposal to EGMS regarding the sale by open auction of the Strejnic sports grounds asset, consisting in of buildings in surface of 1,987.3 m<sup>2</sup>, located in Strejnic village, Târgșoru Vechi, Prahova county, with the auction starting price of 2,554,103 lei (556,837) euros), book value remained on 30.06.2017
- approval of the Information to EGMS regarding the Decision no. 2170/651 / 14.06.2017 issued by the Court of Accounts of Romania - Prahova Chamber of Accounts, which extended until 31.03.2018 the deadline for carrying out the measures no. I. 1, II. 2 - 3 of the Decision no. 28 / 29.03.2013 of the Prahova Chamber of Accounts
- endorsement of the Substantiation Report on the proposal to OGMS approving the distribution of the amount of 85,000,000 lei in the form of dividends, to the shareholders of the company, following the request of the Ministry of Energy
- endorsement of the Strategic Project Service Information on specialized consultancy services in order to elaborate a study on the strategy of medium and long term development of the company. On 10.07.2017, CONPET S.A. concluded with Deloitte Consultancy S.R.L. a contract on "Specialized consultancy services on the analysis and evaluation of sustainable development solutions of CONPET S.A. between 2017 and 2030, in relation to the market context and the place and role of the company in the energy field."

The Consultative Committees established at the level of the Board of Administration analysed the materials presented in the Board meetings and made proposals, recommendations, approved, as appropriate, in accordance with the specific tasks and responsibilities, while monitoring the reports requested by the Board of Administration. The Nomination and Remuneration Committee recommended to the Board of Administration the appointment of the persons proposed by the Director General to fill the offices of Director of Transport Operations Division, Director of the of Commercial and Regulated Activities Division, Director of Maintenance Development Division and Head of Corporate Governance, Strategy and Management Systems Department. The Audit Committee approved the Internal Audit Charter for 2017.

### ***The Director General***

Mr. Liviu Ilasi was appointed Director General by the Decision of the Board of Administration no. 17 / 06.12.2013 and acted in this office until the expiration of the mandate contract on

05.12.2017.

Starting with 06.12.2017, Mr. Dan-Silviu Baciuc was appointed Director General through the Decision of the Board of Administration no. 20 / 05.12.2017 as General Manager.

The Director General of the company has the attributions stipulated in the Articles of Incorporation, supplemented by the applicable legal provisions. The Director General provides the Board of Administration on a regular and comprehensive basis with detailed information on all important aspects of the company's business. In addition, any event of major importance is immediately communicated to the Board of Administration.

Also, any member of the Board of Administration may request information the Director General information regarding the company's operational management.

The governing bodies and the management bodies are active, have the independence to adopt the decisions they deem appropriate, they understand their role, and are permanently capable to defend their decisions before the management structures or other stakeholders who have the right to obtain such information.

The Director General of the company has the following main attributions, duties and tasks:

- he/she ensures the leadership and management of the business company and is responsible for the performance of its business both for the direct attributions and for those entrusted to the executive directors;
- he/she draws up the draft of the annual report, the draft of the revenue and expenditure budget and the work program and presents them to the Board of Administration;
- he/she complies with the reporting obligations established by the current capital market regulations and the Government Emergency Ordinance O.U.G. no. 109/2011 on the corporate governance of public enterprises, as well as with the other applicable legal provisions;
- he/she elaborates the company's development and marketing strategies and policies and submits them for approval to the Board of Administration; he/she applies the company's strategy, development and marketing policies set by the Board of Administration;
- he/she draws up projects and business plans and submits them to the Board of Administration for approval;
- he/she elaborates the organisation and operation regulations of the company, the organisational structure and staff structure of the company and presents them to the Board of Administration for approval;
- he/she hires / appoints / lays off / promotes / suspends / dismisses, as the case may be, according to the law, the company's personnel and establishes their rights and obligations; he/she negotiates the individual employees' labour contracts;
- he/she negotiates and concludes for and on behalf of the Company the Collective Labour Contract in the form approved by the Board of Administration;
- he/she concludes juridical acts in the name and on behalf of CONPET S.A., under the terms of the law and in accordance with the provisions of the mandate contract and the powers granted through the decision of the Board of Administration;

## ***The Remuneration Policy***

*a) For the members of the **Board of Administration** who had a mandate until **November 28<sup>th</sup>, 2017**, elected by the Decision of the General Meeting of Shareholders no. 6 / of November 28<sup>th</sup> 2013 for a four-year term and to the Executive Administrator – **Director General**, with a mandate until **December 5<sup>th</sup> 2017**.*

In compliance with the provisions of Article 37 paragr. (1) and (2) and respectively of Art. 38, paragr. (2) of the Emergency Government Ordinance no. 109/2011 regarding the corporate governance of the public enterprises, further amendments and additions, the administrators and director general receive a monthly fixed gross allowance and a variable allowance for the activity performed.

The monthly fixed allowance is set according to the monthly average salary communicated by the NIS in the branch the company is performing its activity.

The monthly fixed allowance for the nonexecutive administrators of the Board of Administration has been capped in compliance with the provisions of Art. 37 paragr. (3) of the Emergency Government Ordinance no. 109/2011 and it cannot exceed the 12 months average of the average monthly gross earnings in the branch the company is performing its activity, communicated by the National Institute of Statistics (Rom. INS) prior to the appointment.

The monthly fixed allowance for the executive administrators of the Board of Administration has been capped in compliance with the provisions of Art. 37 paragr. (4) of the Emergency Government Ordinance no. 109/2011 and it cannot exceed 6 times the last 12 months average of the average monthly gross earnings in the branch the company is performing its activity, communicated by the National Institute of Statistics (Rom. INS) prior to the appointment.

The variable allowance, granted to the non-executive and executive members, has two sub-components:

- the first subcomponent is being determined quarterly, at the level of the quarter fixed allowance and is being granted in relation to the global degree of fulfilment of the performance criteria and indicators contained in the administration contracts/contracts of mandate, minimum level 100%;
- second subcomponent is being granted annually and represents 0.416% ( for every non-executive member), respectively 2.5% ( for every executive member) of the increase in the net profit achieved as compared to the net profit provided in the Revenues and Expenditure Budget for the financial year ended and is being limited at the value of the fixed allowance granted for the entire financial year.

During 2017, the fixed gross allowance paid amounted to 556,680 RON, out of which: 275,880 RON for the non-executive members and 280,800 RON for the executive member (Director General). In what concerns the paid gross variable allowance, this one amounted to 1,042,118 RON, out of which: 519,906 RON for the non-executive members and 522,212 RON for the Director General.

The performance indicators and objectives for the administrators during January – December 2017 are exposed in annex 4).

The financial statements for the year 2017 include the provision for the variable allowance variable subcomponent 1 (for the IV quarter 2017) and the variable subcomponent 2 for the non-executive directors who were in office until November 28<sup>th</sup> 2017 and for the director general in office until December 05<sup>th</sup> 2017.

Administrators	Gross amounts (RON)		Related Contributions (RON)	(lei)
	Variable Subcompon. 1	Variable Subcompon. 2		Total provision established 2017(RON)
Board of Administration	47,434	114,005	3,632	165,071
Director General	54,390	116,760	3,851	175,001
<b>Total</b>	<b>101,824</b>	<b>230,765</b>	<b>7,483</b>	<b>340,072</b>

*Tabel 31 Variable Subcomponent 2017- provision*

*b) For the members of the Board of Administration with mandate after the date of November 28<sup>th</sup> 2017, and for the Director General, with a mandate starting with December 6<sup>th</sup> 2017.*

Members of the Board of Administration with mandate after the date of November 28<sup>th</sup> 2017 have fixed gross monthly allowance equal to twice the average for the last 12 months of the monthly gross average earnings for the activity carried out according to the main core business of activity registered by the company at the class level as per the classification of activities in the national economy, communicated by the National Institute of Statistics prior to the appointment (INS address no 34977 / September 09<sup>th</sup> 2017).

The total fixed gross allowance paid during November 28<sup>th</sup> 2017 and December 31<sup>st</sup> 2017 to the members of the Board of Administration was of 71,470 RON.

By Decision no. 22/of December 15<sup>th</sup> 2017, the Board of Administration established the monthly gross fixed allowance of the Director General for the execution of the grant mandate, starting December 2017, in the amount of 6 times the average of the gross average earnings for the last 12 months for the activity carried out according to the main core business of activity registered by the company at the class level as per the classification of activities in the national economy, communicated by the National Institute of Statistics prior to the appointment (the average for the period December 2016 - November 2017 for the NACE group rev.2 group "495 – transport through pipelines", according to the letter registered under No. 36135 / November 27<sup>th</sup> 2017), respectively in the amount of 30,762 lei, though 6 times the amount of 5,127 RON.

The fixed gross remuneration of the Director General of CONPET S.A. for December 2017 is of 27,344 RON.

### *Management of the conflicts of interests*

During the year 2017, no conflicts of interests were recorded on the level of the company CONPET SA, as it results from the declarations of interests submitted by the senior management and BoA members, in application of Law 176/2010 on integrity in the exercise of public office and dignities, for the amending and completion of Law 144/2007 regarding the establishment, organisation and functioning of the National Integrity Agency, as well as for the modification and completion of other normative acts

In order to adhere to the National Anticorruption Strategy 2016 - 2020, the Director General of CONPET S.A. formulated on November 24<sup>th</sup> 2016 the Declaration of Adhesion, document by which one expresses the adhesion of the company's employees to the values, principles, objectives, measures and deadlines provided by the National Anticorruption Strategy (NAS);

In order to implement the National Anticorruption Strategy 2016 - 2020, on 08.02.2017, by the Decision of the Director General no. 38, the Integrity Plan was approved, updated by Decision no. 649 / 15.09.2017 - detailing in particular the measures applicable to CONPET S.A., subsumed to the general and specific objectives set out in the SNA, in order to identify specific risks, vulnerabilities and specific intervention needs;

On 12.06.2017, within the Integrity and Control Department, the Integrity Bureau was set up, which has responsibilities at the level of CONPET SA both related to the activity of the National Integrity Agency as well as to the organisation, guidance and control of the implementation of the National Anticorruption Strategy 2016-2020;

Subsequent to the tasks of education and awareness enhancement of CONPET S.A. personnel in the issues of integrity and anticorruption - expressly regarding the provisions of the National Anticorruption Strategy 2016 - 2020 and the Integrity Plan adopted on the level of society - The Integrity Bureau initiated, starting with the second semester of 2017, a series of presentations, and for this purpose it produced an informative material (brochure), whose content was disseminated to all employees of CONPET SA.

The administrator or the director general who has interests in a particular operation, directly or indirectly, contrary to the interests of the company, must notify the other administrator and the internal auditor thereof and must not take part in any deliberations concerning this operation. The same is the duty of the administrator or the director general if, in a particular operation, he/she knows that the spouse, relatives or affiliates up to the fourth degree inclusively are interested.

The members of the Board of Administration keep the confidentiality of any facts, data or information they have acquired in the course of exercising their responsibilities and understand that they have no right to use or disclose them during or after the activity.

In order to avoid the occurrence of conflicts of interest, the company has established a number of ethical rules that have to be respected both by the members of the Board of Administration and by the Director General and the employees of the company, in correlation with the applicable legal provisions.

Both in the Organisation and Operation Regulations of the Board of Administration of CONPET and in the Corporate Governance Regulation, there are provisions regarding the management of conflicts of interest and transactions with the persons involved. In practice, the Board members shall inform the Board of any conflicts of interest that have arisen or may arise and shall refrain

from attending the discussion and voting for the adoption of a ruling on the matter giving rise to the conflict of interest concerned.

In the year 2017, the CONPET shareholding situation did not undergo any changes in terms of reaching, exceeding or decreasing below the percentage thresholds of the total voting rights provided by the current legislation.

Within the Program for the development of the internal / managerial control system elaborated in accordance with OSGG 400/2015, with the subsequent modifications and completions, and having regard to the need to build an integrity culture within CONPET, the following main steps have been taken since 2011 for the development of Corporate Governance:

- *Compliance and ethics analysis on the company level*

This step involved analysing the structure and categories of operations undertaken by the company to determine the applicable regulatory framework (National and European, including the directly applicable Community acquis) as well as relevant standards and good practices.

- *Identification and assuming of the company values*

It means the organisation and facilitation of the process of defining the mission - the vision - the values of the company, in relation with the identified needs of compliance and ethics and in relation to the economic and financial priorities of the company.

- *The Code of Ethics*

The Code of Ethics (Rules of Conduct and Integrity) of the company, drafted on April 27, 2012, and revised in January 2016 by the working group / commission set up for the implementation and development of the internal / managerial control system is implemented. The Ethics Cabinet entity was established within the Human Resources Service, where the Ethics Advisor was reconfirmed by the Decision of the Director General no. 238 / 09.05.2016.

- *Dissemination and promotion of the Code of Ethics*

This represents the final component of the program, which involves the periodical training of all the employees about the institutional strategy of the company, the expectations in the matter of conduct in relation with the code of ethics, as well as the rights and obligations of staff in terms of ethics and compliance.

The organisation of the training program starts from the premise that if a company ensures the effective operation of the behaviour promotion, triggering attitudinal change among its staff, then this system can limit internal conflicts, the thefts of company assets and frauds, the use of company resources in other purposes than those for which they were meant, the use of its image for the personal benefit of employees or the sabotage of the company's interests through inappropriate conduct of employees vis-à-vis business customers or partners, and corruption respectively. All this is measured in money. The operation of such a system contributes to the strengthening of the internal integrity system and the employee's sense of security, to the identification with the values of society, thus to higher performance, which can eventually translate into larger profits.

## **Social and Corporate Responsibility**

The Corporate Social Responsibility is the permanent commitment of CONPET to ethical behaviour that includes social and environmental concerns in its business and contacts with other parties and contributes to economic development by improving the quality of life for both its own human resources and for the community it belongs to.

The Corporate Social Responsibility is an inherent part of the CONPET strategy. Respect for people, responsibility for the environment and involvement in community life are essential values and major priorities for CONPET.

The Corporate Social Responsibility acts as an integrated policy in the activity of the company and also influences the day-to-day decisions as well as the actions of the organisation on all levels.

The company has assumed commitments related to environmental protection by optimising its performances in environmental protection, pollution prevention, efficient use of energy, natural resources, raw materials, information and awareness of its own staff and those working on behalf of society on the importance and necessity of complying with regulations and recommendations aimed at protecting the environment, the community and the employees.

Consistent with the principles of sustainable development, CONPET uses the specific tools of a modern economy offered by the continuous preservation and improvement of the Integrated Quality, Environment, Occupational Safety and Health Management System, the Railway Safety Management System, and the maintenance and improvement of the Energy Management System and the standards contained in the Code of Internal / Managerial Control.

As an expression of the adherence to the fundamental values, principles, objectives and monitoring mechanisms of the National Anticorruption Strategy, on the level of CONPET one adopted the Declaration on adherence to the National Anticorruption Strategy 2016 - 2020 and the support of the anti-corruption fight, the promotion of integrity, the priority of the public and company interest as well as transparency of the decision-making process.

Also, through the Decision of the Director General of CONPET one approved the "Integrity Plan" and the "Inventory of institutional transparency and corruption prevention measures" elaborated on the CONPET level, in order to implement the National Anticorruption Strategy in the period 2016 - 2020.

In the medium term, it is proposed to create a corporate social responsibility policy that defines the areas within which CONPET can intervene on the local community level, as well as to monitor and communicate the company's performance in this respect, disseminating information via various channels of communication.

The company has committed to maintaining the highest standards in all aspects of its work and continually exerting a positive impact on all communities in which it operates. Particular attention is paid to education, sports and cultural activities and the humanitarian spirit. This engagement involves not only providing financial support to certain institutions but also

involves working together for each employee, partner, collaborator or shareholder to be treated with dignity and respect.

In this respect, CONPET has developed its own Code of Ethics, based on clear principles of observance of the legal frame and internal rules, focusing on quality, confidentiality, avoiding conflicts of interest, respect and trust, responsibility towards the local community, responsibility towards the environment, transparency and loyalty.

At the same time, one of CONPET's long-term strategic objectives is to participate in the professional development of employees through the continuous improvement of knowledge and skills.

The human resources policy of the company aims at the training and improvement of the existing personnel, in new or traditional domains, one of the most important competitive advantages of CONPET being the body united and experienced by staff.

Since the training of a petroleum specialist involves a long period of professional training and qualification, the company has chosen to work with Petroleum and Gas University of Ploiesti to select the best students of the faculties. Even before they become employees of the company, the youth with high performances are offered the opportunity to deploy a practical stage internship in the company.

Every year, on the occasion of the Company Day and Petroleum Specialist Day, and on various other occasions, CONPET organizes actions meant to promote the image of the company: symposiums, lectures, conferences. The employees of the company are engaged in competitions and internal manifestations specific to the organisational culture (Soccer Cup, Bowling Cup, Childhood Workshops - on June 1<sup>st</sup>, etc.)

The company is also involved in volunteer activities (e.g. education, social, environmental protection) as well as demonstrative actions - antiterrorist intervention drills, in collaboration with the county institutions that constitute the National System for Preventing and Combating Terrorism (SNPCT).

## **Sponsorship**

The statement of the sponsorship is disseminated to the public by the publishing of an annual report of the sponsorship awarded by CONPET S.A. on the company website, [www.conpet.ro](http://www.conpet.ro).

The sponsorship activity developed at S.C. CONPET S.A. level is being carried out in compliance with the provisions of Law no. 32/1994 regarding sponsorship, further amendments and additions, of Order no. 994/1994 regarding the approval of the instructions for the enforcement of Law no. 32/1994 regarding sponsorship, the provisions of EGO no. 127/1999, approved by Law no. 576/2001, the provisions of Law no. 227/2015 dated September 8, 2015, regarding the Fiscal Code, the Order no. 2634/2015 dated November 5, 2015 regarding the financial accounting documents, with the provisions of The Emergency Government Ordinance no. 2/2015 for the amendment and completion of the certain normative acts and other measures, as well as with the operational internal procedure PO-10-04 edition 3, revision 2 on sponsorship”.

The sponsorship actions are being performed following the approval of the Revenues and Expenditure Budget as per the law, falling within the sponsorship expenses broken down by areas of interest.

For 2017, the statement of the achievement of the sponsorship related expenses as compared to the Revenues and Expenditure Budget is as follows (thousand RON):

• Expenses related to Sponsorship granted for education, social and sports activities	269.97
• Expenses related to Sponsorship granted for medical and health causes	224.50
• Sponsorship expenses related to other actions and activities	90.00
<b>Total</b>	<b>584.47</b>

#### 4.4.3 THE EXECUTIVE MANAGEMENT

During 01.01.2017 – 11.06.2017, CONPET executive management had the following composition:

ILAȘI Liviu	Director General
IONESCU Gheorghe	Director, the Operations Direction
TOADER Sanda	Director, the Economic Direction
NIȚĂ Aurel Mircea	Director, the Corporate Governance, Human Resources and Communication Direction
BUZATU Dan	Director, Maintenance Development Direction
DUMITRACHE Anamaria	Head of Legal and Regulated Activities Department

During 12.06.2017-31.12.2017 CONPET executive management had the following composition:

ILAȘI Liviu	Director General (until 05.12.2017, expiry date of the mandate contract)
BACIU Dan - Silviu	Director General (starting with 06.12.2017, according to the BOA Decision no. 20/05.12.2017; Director Maintenance Development Direction (until 05.12.2017)
IONESCU Gheorghe	Director, Transport Operations Direction
TOADER Sanda	Director, Economic Directions
DUMITRACHE Anamaria	Director, Commercial and Regulated Activities Direction

Ilași Liviu, Director General (06.12.2013 - 06.12.2017) holds a participation of 40 shares in the share capital of the company.

Dan Buzatu, Director, Maintenance Development Direction holds a participation of 40 shares in the share capital of the company.

Baciu Dan - Silviu, Director General holds a participation of 120 shares in the share capital of the company.

## **NON-FINANCIAL STATEMENT FOR 2017**

### **Non-financial statement for 2017**

Non-financial statement presents information through which the company's management wishes to communicate transparently to the business partners, employees, investors, the community in general and any other interested parties the actions taken and the progress achieved by CONPET SA in terms of assurance and continuous improvement of quality of the services provided, environmental protection, occupational health and safety, aspects related to staff and social field, prevention of abuses in human rights matters, ethics and integrity in business and corruption prevention and combating.

### **Company's profile**

CONPET SA is the operator of the National Transport System for crude oil, rich gas, condensate and ethane (NTS). As presented at large in the Report of the Administrators (Chap. VII, section 7.1) CONPET SA provides transport services to its customers through both the National Transport System, leased based on the Oil Concession Agreement and by rails, from the loading ramps to refineries.

The operation of the system is achieved through the local dispatchers coordinated by the central dispatcher of the company. The National Transport System consists of the following components:

- Import Crude Oil Transport System
- Domestic Transport System, which in turn includes:
  - The crude oil and condensate transport subsystem
  - The rich gas transport subsystem
  - The ethane transport subsystem

According to the organizational structure outlined in the Report of the Administrators (Chap. VI, section 6.3), the management is performed based on efficiency and professional responsibility criteria.

The duties of each compartment are laid down through the Regulation for the Organization and Functioning of the company.

### **Quality, Environment, Occupational Health and Safety Policy**

In accordance with the strategic development direction of COPET SA, the Quality, Environment, Occupational Health and Safety Policy aims at satisfying the requirements of the customers and of other relevant stakeholders, complying with the legal requirements concerning the transport of crude oil, rich gas, ethane and condensate and ensuring a healthy and safe work environment for the entire staff.

The company's management pursues consistently the performance concerning quality, environment, occupational health and safety through the implementation, maintenance and continuous improvement of an Integrated Management System for quality-environment-occupational health and safety in accordance with the provisions of SR EN ISO 9001:2015, SR EN ISO 14001:2015 and SR OHSAS 18001:2008 standards.

The Integrated Management System for quality-environment-occupational health and safety is certified by the company DNV-GL Business Assurance Romania. As a result of the surveillance audit of 2017, CONPET SA certifications are maintained according to SR EN ISO 9001:2008, SR EN ISO 14001:2004 and SR OHSAS 18001:2007 standards, valid until September 15<sup>th</sup>, 2018 (for the quality and environment management systems) and September 30<sup>th</sup>, 2019 (for the occupational health and safety management system).

In 2018, there will be an external audit of transition to the requirements of SR EN ISO 9001:2015 and SR EN ISO 14001:2015 standards.

#### *The quality of transport services*

CONPET aims at fully satisfying customers' requirements and expectations, fulfilling the obligations undertaken under the Oil Concession Agreement and complying with the regulations and legal provisions at all times.

The main goals pursued by the company in order to ensure an adequate level of quality of the transport services are:

- Ongoing strengthening and development of the National Transport System by implementing the best technologies for the rehabilitation and modernization of the oil transport infrastructure, so as to ensure the present and future conditions of continuity and quality of the transport services;
- Increased safety in operation and reduced technological consumptions.
- Continuous improvement of the operational processes to ensure the high level of customer satisfaction through prompt, timely and cost-effective execution of the transport services.
- Maintenance of the Integrated Management System certifications according to the reference standards;

The main directions of action relating to service quality are the following:

- Ensuring the availability and timeliness of the transport services;
- Efficient solving of interventions on the transport installations without affecting customers and other stakeholders' interests;
- Optimization of technological consumptions of transported product.

The potential risks identified in this regard are as follows:

- The degradation of the National Transport System, reduced transport capacity, delays in delivery, decreased customer satisfaction, complaints,

- Identification of major non-conformities following the certification or surveillance audits and suspension / cancellation of certificates, which could have a negative impact on the image of the organization.

As a result of the measures taken by the company, the risks mentioned have been maintained at a low impact level. Effective control of risks has materialized through:

- Documentation, implementation and procedure compliance measures;
- Management reviews and internal audits of the integrated management system;
- Planning and execution of investment and repair works to the National Transport System;
- Ensuring human resources with skills appropriate for conducting the main processes.

No major non-conformities have been identified as a result of the external audits for the surveillance of the integrated management system.

The indicators corresponding to the general quality goals, which refer to the increase of customer satisfaction and responsiveness in providing the transport service are:

- Optimization of technological consumptions of crude oil, rich gas and condensate transport;
- The number of justified customer complaints in relation to the number of justified customer complaints in the previous period, with target value to zero;
- The number of cases of non-compliance with the requirements of the product delivered, due to CONPET SA, with target value to zero;
- The number of cases of pumping interruption due to technical failures and leading to the exceeding of the handing over – taking over deadlines for the quantities given for transport, with the target value to zero.

In 2017, the indicators have reached the target values laid down as follows:

- Technological consumptions have fallen in the contractual limits;
- There have been no complaints from customers;
- There have been no cases of non-compliance with the requirements of the product delivered due to CONPET SA;
- There have been no cases of pumping interruption due to technical failures and leading to the exceeding of the handing over – taking over deadlines for the quantities given for transport.

### *Environment*

In the field of environmental protection, CONPET company management has adopted an environment policy specific to the company's activity, size and environmental impact, meant to provide a framework for establishing and analyzing the general and specific environmental goals.

As a result, the company's management has formulated guidelines which represent the framework for determining the environmental goals and targets:

- Compliance with the legal requirements and other applicable requirements relating to the environmental aspects and the risks arising from them;
- Continuous improvement of performance in environmental protection activity, in particular by adopting prevention measures for pollution, technological risks and accidents which can have negative repercussions on the environment;

- Awareness of the company's staff and of the staff working on behalf of the organization and improvement of communication in order to ensure active participation in the achievement of the goals;
- Permanent assessment of the risks / opportunities posed in the context the organization evolves in and of the risks / opportunities related to the processes and determining the actions for their treatment;

Environmental protection is an essential component in the process of management of the company, representing a moral, social and legal obligation, the Environmental Management System, integrated in the general management of the company, having the following main elements:

- Identification and control of the significant environmental aspects associated with the processes conducted to perform the crude oil, rich gas and condensate transport service;
- Development of annual / multiannual priority programs for the environment and water management (Environmental Management Program, Action Plan for the fulfilment of the environmental goals, Annual Program for the monitoring of the environment factors – water, air, soil, noise, Annual Program for training in environmental protection, Inspection Program for compliance with the legal requirements or other applicable environmental requirements, Phase-out Programs / Conformity Programs – components of the water management permits / environmental permits);
- Periodic review of the system and operational procedures in the field of waste management, water management, the management of emissions and emissions into the atmosphere, emergency preparedness and response capacity, control of environmental non-conformities and emergencies, preventive and corrective actions;
- Staff training concerning the adoption of a preventive behavior in terms of environmental pollution by complying with the environmental legislation, the procedures and responsibilities laid down by them;
- Permanent collaboration with the competent environmental authorities: The National Agency for Environmental Protection, the Territorial Environmental Protection Agencies, the National Environmental Guard, the County Commissaries, the Romanian Waters National Administration and its subunits, the Water Basin Administrations / Water Management Systems, the Risk Secretariats within the Environmental Protection Agencies;
- A continuous analysis of the environmental non-conformities, the risks associated with the environmental aspects and the obligations of environmental compliance;

CONPET SA implements a program for the transition to the new requirements included in the 2015 edition of SR EN ISO 14001 standard – Environmental Management Systems. The identification of the risks associated with the environmental aspects and impacts generated by the organization will be completed in 2018.

The organization has established the methodology for the identification, analysis and management of risks relating to the achievement of the general goals of the organization and of the specific goals at the level of all CONPET entities, and of the risks associated to process goals, organization context, significant environmental aspects and environmental compliance obligations. The methodology is subject to system procedure "Risk Management", an instrument that facilitates the management of risks, in a controlled, efficient and effective manner, in order to achieve the goals. The methodology also describes how the control measures aimed at preventing the occurrence of risks are established and implemented.

In terms of environmental protection, the highest risks are those that may affect the soil and/or the quality of surface waters or groundwater. Crude oil transport is carried out in a closed system and, as a result, the pollution occurs only accidentally, due to technical failures (corrosion), breakage of the pipes for product stealing or natural disasters (floods, earthquakes, landslides, etc.), all of them representing a risk hard to predict and to prevent in its entirety.

In the event of such situations, in accordance with the “polluter pays” principle, ecological restoration works for the land affected and the depollutions of water courses are carried out, taking into account that depollution technologies adopted should ensure:

- Bringing pollutant concentrations below the alert threshold values;
- Bringing the site to its original, natural state, in the case of soil pollution;
- The quality of surface waters (realization of specific parameters corresponding to the quality classes for surface waters), in the case of surface water course pollution;
- Groundwater quality – in the case of groundwater contamination.

As a result of the implementation of the Project for the Rehabilitation of the Crude Oil National Transport System by pipelines, CONPET SA has eliminated most of the pollution sources, obtaining a global effect of reducing the environmental impact and related expenses. In 2017, the expenses with the depollution of affected areas amounted to about RON 370,000.

With the goal of minimizing the risk in the transport by pipelines and mitigating the impact on the environment, CONPET SA has performed in 2017 the inner smart pig inspection of the pipes undercrossing the Danube, i.e. the transport route Constanta – Ploiesti – Pitesti.

An important project in terms of environmental protection, included in the investment program of the company, is represented by the implementation of a leakage detection and location system for the main lines. This project will allow the detection and rapid intervention in the event of product leaks caused by accidental or inflicted technical damage and thus will limit the losses of crude oil and the environmental pollution effects and greening costs. The project, designed to be performed in two stages, consists in implementing a pilot project on the pipeline sector Poiana Lacului – Siliste – Ploiesti, followed by the installation of the system on the rest of the operational pipelines of the National Transport System. In 2017, the work for the pilot system has been started, with a value of RON 4.2 million and the term of completion no later than the third quarter of 2019. For the period 2020-2025, CONPET SA plans to allocate about RON 12.6 million for further works on a number of 21 sections.

### *Occupational Health and Safety*

The company's concerns for creating a safe and healthy working environment have grown along with the intensification of the effort of economic and social development of company and, certainly, due to the growing level of the OSH requirements, imposed by the legislation in force.

The main action directions of CONPET SA policy concerning operational health and safety are as follows:

- Prevention and reduction of risks of occupational illness and injury at work;
- Consultation of employees regarding any aspect of occupational health and safety;
- Ensuring the organizational framework appropriate for setting the goals of the integrated management system quality-environment-operational health and safety;

By means of the company's policy in this area, the company permanently assumes the legal obligations incumbent on it in order to:

- Ensure the safety and health of the workers in every aspect related to work;
- Prevent occupational risks;
- Inform and train the workers;
- Ensure the organizational framework and the means necessary for the occupational health and safety.

From the perspective of the obligations and responsibilities arising from the Law no. 319/2006 on safety and health at work and GD no. 1425/2006 approving the Methodological norms for the application of the provisions of the Law on safety and health at work no. 319/2006, the conditions for health and safety at work and occupational accident and diseases prevention are ensured:

- Prevention and protection activities are organized internally through the Prevention and Protection Office:
  - Hazards are identified and risks are assessed / reassessed for each component of the work system, i.e., execution person, work load, work means / equipment and work environment by jobs / work stations;
  - Based on the risk assessment, the Prevention and Protection Plan is drafted and OHSAS programs are prepared for each job;
  - In-house instructions (IHI-OHSs) are developed, updated and disseminated for supplementing and/or implementing the regulations on safety and health at work, taking account of the particularities of the activities, of the company and of the jobs / work stations;
  - The duties and responsibilities for safety and health at work are set out, incumbent upon the workers, corresponding to the functions exercised, which are specified in the job description;
  - The appropriation and application by all workers is checked in respect of the measures provided for in the prevention and protection plan, the in-house OSH instructions, as well as the incumbent duties and responsibilities in the field of safety and health at work, as determined by the job description;
  - Conditions are provided to ensure that each worker receives sufficient and appropriate training in the field of safety and health at work, in particular in the form of information and work instructions specific to the job / work station;
  - Action plans are drawn up for the cases of serious and imminent danger and all workers are trained for their application;
  - High and specific risk areas are set out and a record thereof is kept;
  - The areas requiring occupational safety and health signaling and the necessary signaling type according to GD no. 971/2006 concerning the minimum requirements for the provision of safety and/or health signaling at work are determined;
  - Measures are taken to ensure equipment tracking, proper zoning, assuring / monitoring that checks and/or periodic tests of the work equipment are carried out on time and by competent persons, or other required activities according to the provisions of the Governmental Decision no. 1058/2006 concerning the minimum requirements for improving the safety and health protection of workers potentially at risk from explosive atmospheres;
  - Occupational health and safety clauses are established upon the conclusion of the service contracts with other employers, including those concluded with foreign employers;

- Authorization is organized for the exercise of trades and professions provided for by the specific legislation;
- Personal protective equipment is provided in accordance with the internal regulation for the provision thereof;
- Protective food is ensured;
- Hygienic and sanitary materials are provided;
- The health of the workers is monitored through in-house medical practices and by contracting occupational medicine services;
- Equipment not posing any danger to the safety and health of workers is provided.

In 2017, following the control visits carried out by the labor inspectors, no serious misconduct possibly generating injury and/or occupational illness for the workers has been found; the non-conformities found have been corrected by performing the corrective measures ordered, at no additional cost.

The company has conducted a risk assessment for each job / work station and prepared the Prevention and Protection Plan, including OHSAS programs for each job. By implementing the related technical, organizational and hygienic-sanitary measures, the risk level of the company is 2.94%, the maximum allowable limit being 3.5%.

In terms of obligations and responsibilities arising from the legislation in the field of fire defense and civil protection, with implications for the occupational health and safety of the workers, preventive measures are ensured through the fulfilment / compliance with the applicable legal requirements, and fire defense and fire is organized at the level of the company:

- The Emergency Office is set up, a structure with responsibilities in fire defense, specialized in the prevention of risks of emergency situations through guidance and control activities;
- The documents of authority are developed, updated and disseminated;
- The specific documents and records relating to fire defense are developed, updated and disseminated;
- Fire protection is organized for all workplaces;
- The Private Service for Emergencies is set up in accordance with the legislation in force;
- Technical means of fire defense are established, provided and duly maintained / checked;
- The specific risk factors generating hazardous events are identified, monitored and assessed;
- The Cell for Emergency Situations is set up.

In terms of obligations and responsibilities arising from the Law no. 59/2016 on the control of major accidents hazards involving dangerous substances, the preventive measures are ensured for fulfilling / complying with the applicable legal requirements. As such, measures are laid down and provided to prevent major accidents involving dangerous substances and to limit the consequences thereof for human health and the environment:

- "Safety reports" and "Internal Emergency Plans" for each location of the company classified as "higher level site" and "Prevention Policy" for the locations classified as "lower level site" are developed;
- The employees working in these locations are trained regularly on the relevant parts of this documentation;
- The safety management officer has been designed for each location by decision of the Director General.

For the maintenance and continuous improvement of the occupational safety and health of the workers in every aspect related to work, CONPET SA has drafted the short-, medium- and long-term plan, which stipulates:

1. Implementing all OHS measures contained in the Prevention and Protection Plan and in the Measures Programs resulting from checks / internal and external audits.
2. Ongoing compliance with the OSH legislation and other requirements / normative documents the company subscribes to, by implementing the news in this area.
3. Creation of a culture in the OSH field, through training and raising the awareness of the employees with regard to the need to comply with the rules for safety and health at work, by:
  - The use of interactive training methods, accompanied by practical demonstrations;
  - Accountability of all personnel in the identification, reporting and elimination / mitigation of occupational accident and disease hazards;
  - Supporting and promoting preventive thinking and behavior;
  - Involving all staff in the adoption of measures for the continuous improvement of the working environment.
4. Continuous improvement of the occupational safety and health condition, by:
  - Continuous elimination / mitigation of the risks of occupational accidents and illness;
  - Integration of new employees in all prevention and protection actions specific to the workplace;
  - Implementation of programs to educate employees regarding labor hygiene and adoption of a healthy lifestyle;
  - Improved communication and internal consultation relating to occupational safety and health aspects;
  - Development of thematic information programs relating to OSH risks, using modern, efficient and effective training methods.

## Energy Policy

Energy policy of CONPET SA promotes the goals of continuous improvement of energy performance by the energy management system, by ensuring compliance with the legal provisions and other applicable requirements regarding energy consumption and energy efficiency, minimizing the loss of electricity and fuel to produce heat, reducing the costs related to energy and by the acquisition and use of energy-effective products and services.

The company carries out actions to raise staff awareness and improve communication in order to ensure active participation in the achievement of the energy goals and targets. In order to achieve the goals of this policy, the company is fully committed to maintaining and improving the energy management system in accordance with the provisions of the SR EN ISO 50001:2011 standard. As such, it has implemented the energy management system aimed at continuously improving the energy performance of the organization and complying with the legal requirements regarding energy efficiency, a system certificated by the company DNV-GL Business Assurance Romania. As a result of the surveillance audit in 2017, CONPET SA certification according to the SR EN ISO 50001:2011 standard is maintained.

A Plan of Actions for achieving the energy goals and targets has been developed at the level of the organization in June 2017. The effectiveness of the implementation of the actions set forth can be checked one year after their implementation.

### **Railway Safety Policy**

Starting in 2010, CONPET SA has also integrated in its management system the Railway Safety Management System, in accordance with the requirements of Directive 2004/49/EC, transposed in Romania by Law no. 55/2006 on railway safety. The scope of this system includes the railway ramps where CONPET performs railway shunting operations.

Through the railway safety policy, CONPET SA has undertaken to act in order to achieve the common safety goals and the compliance with the safety requirements set out in the technical specifications for interoperability and the safety regulations of the European Union. The main directions for action are:

- Compliance with the legal requirements in the performance of the railway shunting operations;
- Hazard identification, evaluation and assessment of the risks associated with railway operations;
- Determination of the safety measures appropriate to prevent accidents and incidents by rail;
- Assuming the coordination of the safety management system activities at the level of the management and delegation of responsibilities within the organization;
- Programs for staff training and skills maintaining for both the staff with management, training and control duties and the staff with responsibilities in railway safety.

Through this policy, the company declares its will and firm commitment to maintain and improve a railway safety management system in accordance with the requirements laid down by the national regulations and the European Union regulations.

For the railway ramps, the Romanian Railway Authority (AFER) has granted the company the License for performing railway transport services (railway shunting) and the Safety certificate part A.

For railway ramps where CONPET SA carries out railway shunting for third parties or on its own account, on an industrial track not owned by the company, AFER granted Safety certificates part B, as follows:

- Safety certificate part B for Salonta railway ramp
- Safety certificate part B for Suplacu de Barcau railway ramp

### **Social and Personnel Policy**

The company's management develops and implements internal regulations used to establish the organization of the activity within the company by which the necessary resources are allocated effectively. The risks associated with the social and staff field are identified and their potential adverse effects are kept to an acceptable level through appropriate measures for cancellation or mitigation.

The legal requirements in the HR and OSH areas at the level of the company are also complied with by the implementation and certification according to SR EN ISO 9001, SR EN ISO 14001 and SR OHSAS 18001. In addition, certain requirements are included in the Internal Regulations and the Code of Ethics.

Competent, motivated and honest employees represent the essential element for the successful completion of the company's goals, being the most important resource for the proper conduct of the business.

The main actions taken with respect to these issues are materialized by:

- The provision of optimal conditions of work;
- Transparent processes for recruitment based on professional competence and experience;
- Promotion of employees that behave ethically and have demonstrated integrity;
- Assessment of professional performance based on professional and personal skills criteria;
- Allocation of sufficient resources for the training and continuous improvement of the staff;
- Health care (regular medical checks and assessments, monitoring the health status of the employees, insurance contracts for medical services for the benefit of the employees);
- Voluntary health insurance premiums borne by the company;
- Social facilities (meal vouchers, covering part of the cost of tickets for rest and treatment, facilities for the practice of physical activities in the sports base of the company, financial support to the employees and, in exceptional circumstances, to the members of their families (husband, wife, children supported by them), who have special medical problems, as well as to the employees who suffered significant damage from earthquakes, landslides or floods or other natural phenomena, fires, etc.);
- Supporting trade union activity, communication and ongoing consultation with the trade union organization;

The main potential risks in the social and staff field relate to:

- High personnel fluctuation, decreased rate of retention of newly hired personnel or occupying key positions;
- Insufficient financial resources allocated for maintaining and improving working conditions or for preventive medical actions and measures;
- Insufficient programs and conditions for training and professional improvement;
- Improperly managed communication;
- Lack of qualified personnel in order to ensure the continuity of certain activities (e.g. staff with responsibilities in traffic safety) in the case of departures from the system.

The effects of these potential risks may consist in the increase of the medical leave expenses incurred by the company, increased absenteeism, decreased quality of the transport services, decreased efficiency, increased recruitment costs, demotivation of the employees or trade union conflicts. The company has managed, through the measures taken, to maintain the social and staff risks at a low level.

To manage the risks in this field, the company has taken the necessary measures to ensure the security and protection of the employees' health, to prevent occupational risks, to inform and train the of employees and to ensure the organizational framework and the necessary means for occupational health and safety, including for specific risk-sensitive groups.

Therefore, in-house instructions have been developed for the application of the regulations concerning the safety and health at work, taking account of the particularities of the activities and of the jobs in the company. Furthermore, labor protection measures have been taken, specific for certain occupations or activities.

In drawing up the measures for the safety and health at work, the company's management advises with the Trade Union or, as appropriate, with the representatives of the employees and with the Occupational Health and Safety Committee.

The staff is informed and trained about the risks to the safety and health of the employees and to the protection and prevention measures specific to the workplace.

In terms of gender equality, each employee of the company is free to develop their own skills and to express their choices without being influenced by the peculiarities of their gender.

The different behaviors, aspirations and needs of women and men enjoy equal appreciation and promotion within CONPET SA.

The Internal Regulations of the company include provision for the prohibition of all forms of discrimination.

Female employees represent a share of 35.16% of the total personnel with higher education and 28.43% of the total personnel with managerial and coordination functions, percentages showing the participation of women in the decision-making and management process at all levels and in important areas of activity of the company.

Thus, according to the organization chart in force on 31.12.2017, out of a total of four directorates and five departments that are in the subordination of the Director General, the management of five of them belongs to women. At the same time, other 27 female employees occupy management and/or coordination positions in other entities.

Through the elimination of all forms of discrimination within the company, women are free in the choice of their occupation upon their employment on any vacant job and at all levels of the professional hierarchy. This creates non-discriminatory conditions for career advancement, for work remuneration in relation to the professional skills and the quality of the work carried out and for the participation in professional qualification / re-qualification, improvement and specialization programs.

The company guarantees for all employees, regardless of gender, the application of the payroll equality principle and of the right to other benefits paid by the employer to the employees, directly or indirectly, in cash or in kind, in accordance with their job.

The Conventions of the International Labor Organization (ILO), considered as fundamental labor principles and rights, relate to trade union freedom and trade union right protection, the effective recognition of the right of collective organization and bargaining, the elimination of all forms of forced or compulsory labor, the abolition of child labor and the elimination of discrimination in respect of employment and occupation, and represent guidelines and useful tools for the preparation of the internal policies of the company concerning employment, work, social dialogue, etc.

The company informs employees consistently and permanently on the provisions of the Collective Labor Agreement, the Code of Ethics and the Internal Regulations, a document containing special

chapters on the rights they have in connection with the compliance with the equality of opportunities and treatment between men and women in labor relations.

Trade union freedom and collective bargaining ensures a good cooperation and consultation between the workers and the employer, leading to a decrease in the number of labor conflicts and a higher social stability.

The employees of CONPET SA receive adequate protection against any discriminatory acts that might infringe trade union freedom.

The practice of collective bargaining in CONPET SA guarantees that the worker and the employer have an equal share in the negotiations and that the decisions made will be fair and equitable. Starting from the premise that social dialogue is an important factor for socio-economic progress, considered as one of the pillars of the European social model, essential for: the promotion of decent working conditions, transparent regulations regarding working rules, respect for employees and performance, productivity and profit for employers, collective bargaining has allowed the social partners to negotiate a fair employment relationship and to prevent labor disputes.

The activities and actions for entertainment and networking for employees have been conducted between the trade union and employees, between the employees and family members; activities in partnership with public educational institutions, culture, various events at which personalities have been invited, etc.

CONPET SA promotes a transparent business climate, communication and cooperation with all the parties involved in the conduct of its business, with respect for the community and the environment. The company has supported, through sponsorship actions, projects with tradition or having an important and lasting impact on the community, but also small-scale requests aimed at individual ideas, actions or performance.

CONPET SA is engaged actively in the life of the local communities, supporting actions and activities in various fields: education, tuition, social, sports, medical, cultural, artistic, historical, etc.

CONPET SA has intended that the sponsorships meant to support projects and events conducted by non-profit organizations to be as effective as possible in social terms, and the financial aid granted to represent a decisive support for people.

Sponsorship actions are carried out in accordance with the annual Income and Expenditure Budget, with the inclusion of sponsorship expenditure broken down by areas of interest.

In 2017, 46 sponsorship contracts have been concluded amounting to about RON 585,000, for education, tuition, social and sports fields (RON 270,000), medical and health areas (RON 225,000) and other activities (RON 90,000).

In recent years, the company has advocated the organization and performance of certain well-known artistic and cultural – The National Contest of Musical Interpretation and Creation “Paul Constantinescu”, the National Theatre Festival “Toma Caragiu”, national health campaigns, school Olympiads and competitions, as well as sports activities carried out within the framework of the specialized clubs.

### **Ethics and Integrity in Business, fighting corruption**

CONPET SA promotes fair business relationships and pursues legal compliance in all commercial transactions and activities carried out, acting for the deterrence, prevention and combating of corruption deeds.

By the Code of Ethics, the company has established the rules of conduct governing corporate values, responsibilities, obligations and business conduct, binding rules applicable to all employees, from all the organizational structures of CONPET SA.

The Code of Ethics defines honest conduct and behavior, prohibits participation of employees in decision-making in situations where there is a conflict of interest, imposes restrictions in terms of offering / accepting gifts, favors or services, establishes the obligations of the employees with regard to the protection of the company's assets and resources, specifies how to relate with the authorities based on the principles of fairness, transparency and good collaboration and mentions the rules of conduct during national and international trips. Clear rules are also laid down in respect of the relationships with the shareholders concerning equal treatment and privileged information and the use of honest and legal practices in the relationships with the business partners.

For the purpose of joining the National Anti-Corruption Strategy (NAS) 2016-2020, the Director General of CONPET SA has formulated, in November 2016, the Statement of Accession, which expresses the adhesion of the company's employees to the values, principles, goals, measures and timelines provided for by NAS.

The Integrity Plan has been approved in February 2017, in order to implement the NAS, by Decision of the Director General, which has been updated in September 2017. This document details in a customized manner the measures applicable to CONPET, coming under the general and specific goals specified in the NAS in order to identify the risks, vulnerabilities and specific intervention needs.

In June 2017, the Integrity Office has been set up at the level of CONPET SA, with responsibilities both in terms of National Integrity Agency's activity and in term of organization, guidance and supervision of the implementation of the National Anti-Corruption Strategy 2016 – 2020;

All employees of the company have been informed through various means of communication (electronic mail, posting on the company's website, presentation sessions conducted by the Integrity Office, direct communication from the workplace heads) on the implementation of NAS, particularly with regard to the Declaration of Accession to NAS and the provisions of the Integrity Plan.

The entire staff has been trained on the operational procedure concerning the management of the risks and vulnerabilities specific to corruption, in force since December 2017.

Anti-corruption education activities have been carried out, involving so far 64% of the Conpet S.A. employees. In this regard, the Integrity Office has developed and disseminated about 500 booklets containing details of the adoption of the Declaration of Accession and the Integrity Plan assumed at the level of CONPET and issues related to NAS, including information on the forms of manifestation and corruption prevention methods.

No cases of conflicts of interest or integrity alerts have been recorded in 2017.

#### **Issues related to the Diversity Policy in terms of Administrative and Managerial Bodies**

CONPET SA is a company listed on Bucharest Stock Exchange and, according to the capital market legislation, the decision for the appointment of the members of the Board of Administration belongs to the shareholders. For this reason, the company is not in the situation where it can influence the aspects of diversity and could not adopt a policy on diversity in terms of administrative and managerial bodies.

However, the proposals for candidates and the result of the vote in elections have been provided each time an appropriate degree of diversity in terms of profile of administrators, coverage of professional expertise areas, gender or age thereof.

The composition of the Board of Administration which concluded its mandate in November 2017 reflects an appropriate situation, both in terms of gender diversity (two women and five men) and responsibility areas, the members of the Board of Administration having specializations in economics, finance, engineering, law and business administration.

The current Board of Administration includes a woman and six men with professional experience in economics, finance, engineering and law.

## **6. PROPOSAL OF THE BOARD OF ADMINISTRATION**

- 6.1. Approval of the financial statements concluded at 31.12.2017;**
- 6.2. Approval of the allocation of the net profit related to 2017 financial year and of certain amounts from the retained earnings.**

**Board of Administration  
CONPET S.A.  
by The Chairman  
Manuela-Petronela STAN-OLTEANU**

## **ANNEXES**

- 1) The Articles of Incorporation in force, updated at the date of 05.12.2017;
- 2) List of the important contracts concluded by the company in 2017;
- 3) C.V.- s of the current administrators;
- 4) Performance objectives and indicators for the administrators achieved in 2017;
- 5) Report on the internal/managerial control system at 31.12.2017 ;
- 6) List of the litigations at 31.12.2017.

**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 EGO 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 Administration. 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 molluscs,  
1031 Processing and preserving of potatoes,  
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  
3513 Distribution of electricity  
3530 Steam and air conditioning supply  
3600 Water collection, treatment and supply  
3700 Sewerage  
3811 Collection of non-hazardous waste  
3821 Treatment and disposal of non-hazardous waste  
3900 Remediation activities and other waste management services  
4321 Electrical installation  
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  
 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  
 5610 Restaurants  
 5629 Other food service activities  
 5829 Other software publishing  
 6110 Wired telecommunications activities  
 6120 Wireless telecommunications activities  
 6203 Computer facilities management activities  
 6209 Other information technology and computer service activities  
 6311 Data processing, 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 trucks  
 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 education n.e.c.  
 8610 Hospital assistance activities  
 8690 Other human health activities  
 9311 Operation of sports facilities  
 9329 Other leisure and fun activities.

### 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, in compliance with the consolidated synthetic shareholding structure at reference date 22.01.2015, is the following:

The Romanian State, by the Ministry of Energy, Small and Medium-sized Enterprises and Business Environment (line ministry or successors thereof, as per the Law)

Number of shares: 5,083,372

Contribution value to the share capital: 16,775,127.60 Lei

Share on benefit and loss: 58.7162%

#### SHAREHOLDERS LEGAL PERSONS

Number of shares: 2,920,264

Contribution value to the share capital: 9,636,871.20 Lei

Share on benefit and loss: 33.7309%

#### SHAREHOLDERS NATURAL PERSONS

Number of shares: 653,892

Contribution value to the share capital: 2,157,843.60 Lei

Share on benefit and loss: 7.5529%

#### 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 Administration, 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) Acquisition 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 Administration 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 Administration 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 and comprise all the elements stipulated by law. The nominal value of one share is 3.3 Lei. 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, "CONPET" S.A. has concluded a contract with.
- (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) The "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 law regarding the securities and stock exchange.
- (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 as per the law;
  - c) Approves the administration plan issued and presented by the Board of Administration, 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 Administration 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) Fulfills 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, as per the law, at the establishment of new legal persons or at the association with other legal or natural persons from the country or abroad;
- p) May delegate to the Board of Administration 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 Administration, 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 Administration 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 Administration 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 Administration, 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 administration, 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 administration, 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 administration 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 Administration 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 administration 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 administration, 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 administration board 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 administration 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 administration.
- (17) If the resolution is challenged by all members of the board of administration, 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.

## **CHAPTER V**

### **ABOUT THE COMPANY ADMINISTRATION**

#### **Art. 19 Organization**

- (1) The company is administered by a board of administration made of 7 administrators, elected by the ordinary general meeting of shareholders for a period of 4 years, with possibility to be re-elected for new periods of 4 years. The administrators may be acting as shareholders. So that the nomination of an administrator be legally valid, the person nominated must expressly accept it.
- (2) The surname, forename, place and date of birth, domicile and citizenship of the administrators are included in Annex 1 to this Articles of Incorporation.
- (3) 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 capacity of Chairman of the Board of Administration is still the attribute of the Board of Administration. The resolution regarding the nomination or revocation thereof is being made by the vote of the majority of the Board of Administration members.
- (4) In case of vacancy of one or several administrator positions, the Board of Administration proceeds to the nomination of some provisional administrators, up to the reunion of the ordinary general meeting of shareholders.

- (5) At the Board of Administration level is being constituted the Audit Committee and the Nomination and Remuneration Committee, binding, as per the legal provisions in force. The Board of Administration 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 Administration (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 Administration.
- (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, peculation, 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 Administration of the company may not also be Director General thereof.
- (8) The Board of Administration usually meets at the company headquarters, any other company work site or at any other place communicated by way of call. May be organized operational meetings of the Board of Administration by means of remote communication that meet the technical conditions necessary to identify the participants, the effective participation thereof to the Board of Administration meetings and forwarding of the deliberations on ongoing basis (via e-mail, telephone, video-call or any other communication equipment), whenever necessary, but at least once at 3 months, at the Chairman's call or at the substantiated request of 2 of the members of the Board or of the Director General. The Board is being presided by the Chairman. In case the Chairman is temporarily incapable of exercising his duties, all along that period, the Board of Administration can charge another administrator with the fulfillment of the Chairman capacity. The Board is also convened, at the substantiated request of at least two administrators or the Director General. In this case, the Agenda is being set by the authors of the request. The Chairman is bound to respond to such a request.
- (9) The Board of Administration 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 Administration performs its activity based on its own regulation and the legal regulations in force.
- (12) 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.
- (13) 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.
- (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 set by the Chairman. The call, the meeting Agenda and documentation shall be submitted to the administrators in due time prior to the meeting, the deadline is to be set by way of the own regulation of the Board of Administration. The minutes of the meeting shall be comprised in a Journal of the Meetings and BoA Deliberations, by courtesy of the Chairman of the Board. The Protocol shall comprise the name of the participants, the order of the deliberations, the resolutions made, the number of votes cast and separate opinions. This will be signed by the Chairman of the Board of Administration and by the BoA Secretariate, and the one recorded in the Journal of the Meetings and BoA Deliberations shall be signed by the other administrators too. The BoA Secretariate is off the Board of Administration, the activity thereof being performed by the personnel within the BoA and GMS Secretariat Bureau.
- (16) In exceptional circumstances, motivated by the emergency of the situation and 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. This procedure cannot be followed in case of the resolutions regarding the annual financial statements or authorized capital.
- (17) At the meetings will participate the Chairman and the members of the Board of Administration. As the case may be, when he considers necessary, for additional information, the Chairman of the Board of Administration may invite to 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.
- (18) The Board of Administration shall delegate the management of „CONPET” S.A. to the Director General. The Director General of „CONPET” S.A. is acting as company representative in third party relations.
- (19) The Board of Administration 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 BoA 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 Administration may be revoked by the resolution of the general meeting of shareholders and the Director General based on the Board of Administration Resolution.
- (26) The Board of Administration members shall conclude professional liability insurance, the exchange value thereof being borne by „CONPET” S.A., under the Law.
- (27) The administrators would not disclose the data and information they have access to, related to the company and the activity thereof. This liability is being accounted for also after the termination of the mandate, for a period of 5 years. Moreover, they must also comply with the information regime of the inside information stipulated in Law no. 297/2004 regarding the capital market and the contingent regulations.

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

- (1) The Board of Administration's 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 presented 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 way of observing the reporting requests set pursuant to CNVM/ASF regulations regarding the capital market and other contingent 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;
  - (f) Recommends for approval to the ordinary general meeting of shareholders the company's Income and Expenditure Budget (Rom. BVC) and the investment program for the following financial year, as well as the BVC rectification; approves the revision of the investment program within the same values; approves the current repairs program and revision thereof;
  - (g) Approves the Collective Labour Agreement at company level;

- (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 EGO no. 109/2011.
- (j) Delegates to the Director General the company's management powers and, under the contract of mandate and based on the Board of Administration Resolutions, sets the rights, liabilities, competencies, duties, responsibilities of the Director General; if the Director General is in the impossibility to exercise his duties (annual leave, sick leave, other situations), the board of administration will delegate the company management to one of their executive directors.
- (k) Oversees the activity of the Director General in what concerns the company management, here-included the carry-out of the company business;
- (l) Appoints and revokes the Director General of the company and sets the remuneration thereof; the general limits of the remuneration are set by the ordinary general meeting of shareholders. Sets the objectives and performance criteria for the Director General and notes, recurrently, the progress of the fulfilment thereof; approves the global degree of fulfilment of the objectives and performance criteria of the Director General 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;
- (o) Approves the annual procurement program; approves/endorsees the protocols regarding the results of the goods inventory out of the company's Assets/the State's public property; approves/endorsees the proposals to decommission the fixed assets, end life of the materials such as inventory objects in use, downgrade and discard of 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 /endorsees the means to capitalize these goods and upset prices for the goods proposed to be capitalized by auction; may delegate the Director General with signing the protocols to decommission the fixed assets/end life of the inventory objects in use, downgrade the material goods; approve the requests for sponsorship and inclusion, in the company expenses, of certain amounts representing penalties, delay penalties, fines etc.;
- (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 taken 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.
  - (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 EGO no. 109/2011 regarding the corporate governance of the public enterprises.
  - (x) Submits biyearly, within the ordinary general meeting of shareholders, a report on the administration activity, also including information regarding the execution of the contract of mandate of the Director General, details regarding the operational activities, to the company's financial performance and the biyearly accounting reports of the company.
  - (y) Presents to the ordinary general meeting of shareholders approving the annual financial statements, 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 Director General during the previous financial year, a report structured according to the provisions of EGO no. 109/2011 regarding the corporate governance of the public enterprises.
  - (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 Director General may, on their own behalf, alienate, namely acquire goods to or from the company with a value exceeding 10% of the value of the company net assets, only after having obtained the approval of the extraordinary meeting of shareholders, under the conditions stipulated by the Companies Law no. 31/1990.
  - (3) Cannot be delegated to the Director General duties received by the Board of Administration from the general meeting of shareholders, in compliance with Art. 15 paragraph. (4) letter (p) to this Articles of Incorporation.
  - (4) The Board of Administration keeps the company representation capacity in the relations with the Director General.

**CHAPTER VI**  
**THE DIRECTOR GENERAL**

**Art. 21 Duties and Rights of the Director General**

- (1) The Director General of "CONPET" S.A. is appointed by the Board of Administration, from among the members of the Board or off the Board of Administration;
- (2) The Director General of the company has the following main duties:
  - (a) Provides the management and running of the company business and is liable for the execution thereof in relation to both direct duties, as well as the ones instructed to the executive management;
  - (b) Prepares the annual draft report, the draft income and expenditure budget and the planned works programme and submits them to the Board of Administration;
  - (c) Observes the reporting liabilities set by the regulations in force regarding the capital market and the provisions of EGO 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 Administration; applies the strategy, the company development and marketing strategies and policies set by the Board of Administration;
  - (e) Prepares projects and business plans and submits them to the Board of Administration 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 Administration for approval;
  - (g) Organizes, coordinates and makes all necessary diligence to enforce the strategies and policies approved by the Board of Administration; approves the documents of normative nature and the Rules regulating the activity of the company;
  - (h) 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) Negotiates the individual labor agreement of the employees;
  - (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) Oversees the fulfilment of the company income and expenditure budget provisions;
  - (m) Sets the performance criteria and objectives for the executive directors, monitors the degree of achievement thereof and assesses the activity of the executive directors in terms of fulfilment of the duties contained in the job description;
  - (n) Is bound not to disclose data and information he has access to regarding the company and activity thereof. This liability is bound to him also following the termination of his mandate, for a period of 5 years. Moreover, they must also comply with the regime of the side information stipulated in Law no. 297/2004 regarding the capital market and in the contingent regulations.
  - (o) Asks the executive directors, to provide to him, on a monthly basis or whenever necessary, activity reports that are to be presented to the Board of Administration;
  - (p) Has right of signature and specimen signature in bank (signature I) and decides upon the company expenditure and revenues; these duties may be delegated, in case of impossibility

to exercise them, to other persons within the company, by the resolution of the Board of Administration, this one nominating the persons with signature powers type I and II and substitutes thereof;

- (q) Notifies the Board of Administration on all irregularities found during the fulfilment of his duties;
  - (r) Negotiates and concludes the Collective Labour Agreement, in the name and on behalf of the company, in the form approved by the Board of Administration;
  - (s) Acts as representative of the company in relation to third parties;
  - (t) 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 of the empowerments granted based on the resolution of the Board of Administration;
  - (u) Concludes sales and procurement of goods contracts, under the law and in compliance with the provisions of the contract of mandate and of the empowerments granted based on the resolution of the Board of Administration;
  - (v) May empower the executive directors or any other employee, to exercise any kind of duties falling within his competence, in terms of both company activity, as well as regarding his representation in relation to other authorities, public institutions, natural or legal persons, in justice, etc. as the case may be;
  - (w) Signs the reports for the shutdown of the fixed assets/ end of life of the inventory objects, downgrade of the material goods, where this competence is being delegated to him by the Board of Administration;
  - (x) Endorses the materials on the Agenda of the Board of Administration meetings;
  - (y) Organizes and leads a Steering Committee formed of the executive directors. The Director General may call at the meetings employees holding management positions or operating personnel within the company and, as the case may be, when being debated professional, economic, social issues, may also invite the President of the Union.
  - (z) Any of the administrators may require to the Director General information regarding the operative management of the company. The Director General is bound to inform the Board of Administration, regularly and in a comprehensive manner, on the operations made and the envisaged ones.
- (3) The Director General of the company has the following rights:
- (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 take the annual leave corresponding to every calendar year;
  - (e) To be provided a work place in compliance with his qualification, as well as other rights as per 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 Director General are the ones stipulated in the contract of mandate concluded between the company represented by the Board of Administration by way of a member thereof and the

Director General. Through the Contract of mandate concluded with the company, the Director General may be also granted other additional rights besides those stipulated in paragraph (3).

#### **Art. 22 Duties of the Executive Directors**

- (1) The executive directors are hired/nominated/dismissed/promoted/suspended/fired by the Director General. The Executive Directors are under the subordination of the Director General, are company employees, are exercising the attributions set by the Director General and, as the case may be, by the Board of Administration, as well as by the Organizational and Operational Rules and Regulations governing "CONPET" S.A. and the job description.
- (2) The executive directors are liable against the company in case they fail to fulfil their duties and in case of non-compliance with the applicable legislation.

### **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 Administration, 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 Administration 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 Administration, 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 Administration 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 Administration 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 BoA 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 EGO 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 was updated on 05.12.2017 following the amendments approved pursuant to the Board of Administration Decision no. 20/ 05.12.2017, grounded on the Articles of Incorporation updated at 28.11.2017 and was concluded and signed in 3 (three) original counterparts.

**CHAIRMAN OF THE BOARD OF ADMINISTRATION**  
VĂDUVA CONSTANTIN

The Legal Service  
Cornel Bănică

GMS Secretariate  
Adina Modoran  
Andreea Rusu

## **ANNEX 1**

### **To the Articles of Incorporation of "CONPET" S.A.**

Regarding the Board of Administration, the Director General and the Financial Auditor

A. The Board of Administration of "CONPET" S.A. has the following composition:

**1. VĂDUVA CONSTANTIN**

Capacity: Non – Executive Administrator

Powers: Chairman of the Board of Administration

Address:

Appointment Date: 28.11.2017

Mandate Expiry Date: 28.03.2018

Date and place of birth:

PIN:

Identity Document:

Citizenship: Romanian

**2. IACOB CONSTANTIN – CIPRIAN**

Capacity: Non – Executive Administrator

Powers: Board of Administration Member

Address:

Appointment Date: 28.11.2017

Mandate Expiry Date: 28.03.2018

Date and place of birth:

PIN:

Identity Document:

Citizenship: Romanian

**3. SPÎNU ANTONIO – ADRIAN**

Capacity: Non - Executive Administrator

Powers: Board of Administration Member

Address:

Appointment Date: 28.11.2017

Mandate Expiry Date: 28.03.2018

Date and place of birth:

PIN:

Identity Document:

Citizenship: Romanian

**4. STAN – OLTEANU MANUELA – PETRONELA**

Capacity: Non - Executive Administrator

Powers: Board of Administration Member

Address:

Appointment Date: 28.11.2017

Mandate Expiry Date: 28.03.2018

Date and place of birth:

PIN:

Identity Document:

Citizenship: Romanian

**5. POPA CLAUDIU - AURELIAN**

Capacity: Non - Executive Administrator  
Powers: Board of Administration Member  
Address:  
Appointment Date: 28.11.2017  
Mandate Expiry Date: 28.03.2018  
Date and place of birth:  
PIN:  
Identity Document:  
Citizenship: Romanian

**6. BUGICĂ RADU**

Capacity: Non - Executive Administrator  
Powers: Board of Administration Member  
Address:  
Appointment Date: 28.11.2017  
Mandate Expiry Date: 28.03.2018  
Date and place of birth:  
PIN:  
Identity Document:  
Citizenship: Romanian

**7. LEFTER RĂZVAN ȘTEFAN**

Capacity: Non - Executive Administrator  
Powers: Board of Administration Member  
Address:  
Appointment Date: 28.11.2017  
Mandate Expiry Date: 28.03.2018  
Date and place of birth:  
PIN:  
Identity Document:  
Citizenship: Romanian

**8. Baci Dan – Silviu**

Capacity: Director General  
Powers: Director General  
Address:  
Appointment Date: 06.12.2017  
Mandate Expiry Date: 06.04.2018  
Date and place of birth:  
PIN:  
Identity Document:  
Citizenship: Romanian

## **B. THE FINANCIAL AUDITOR**

**BDO AUDIT S.R.L.**

**Trade Registration Number: J40/22485/1994**

**T.I.N. RO 6546223**

**Capacity: Financial Auditor**

**Headquarters: Bucuresti, No. 24, Învingătorilor Street, 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> floor, district 3, Bucharest**

**Represented by: Bulată Vasile - Audit Manager**

**Address: Bucuresti, No. 1, Aleea Tohani, Blk. 30, Entrance 1, appt. 28, District 4**

**Date and Place of Birth: 25.11.1972, Craiova Municipality, Dolj County**

**ID Document: Identity Card, RT Series, no. 462061, issued by SPCEP District 4, Office no. 1, on 29.01.2007.**

**Contract Validity: 3 years**

**CHAIRMAN OF THE BOARD OF ADMINISTRATION**

**VĂDUVA CONSTANTIN**

The Legal Service

Cornel Bănică

GMS Secretariate

Adina Modoran

Andreea Rusu

**ANNEX 2**  
**TO THE ARTICLES OF INCORPORATION of CONPET S.A.**  
**comprising the secondary establishments (work sites)**

1. CONSTANTA NORD CRUDE OIL PUMPING STATION, address Constanta City, Constanta County, in the precinct of S.C. OIL TERMINAL S.A. Constanta, S.P. NORD I.
2. CONSTANTA HEADQUARTERS, address Constanta City, Constanta County;
3. CONSTANTA SUD CRUDE OIL PUMPING STATION, address Constanta City, Constanta County;
4. CRUDE OIL DELIVERY SITE IN PETROMIDIA REFINERY, address Constanta City, County Road 226, km. 23, Constanta County;
5. PERMANENT STATION POARTA ALBA, address Poarta Alba LOCALITY, Permanent Station Nisipari, Constanta County, Romania;
6. MIRCEA VODA CRUDE OIL PUMPING STATION, address Mircea Voda locality, Constanta County,
7. PERMANENT STATION WORKSITE C1, address Cernavoda locality, Constanta County;
8. BARAGANU WAREHOUSE AND CRUDE OIL PUMPING STATION, address Borcea Commune, Calarasi County,
9. DRAGOS VODA CRUDE OIL PUMPING STATION, address Dragos Voda Commune, Calarasi County;
10. PERMANENT STATION WORKSITE C3, address Stelnica Commune, Ialomita County,
11. PERMANENT STATION WORKSITE C4, address Fetesti City, Ialomita County;
12. MARTINESTI CRUDE OIL PUMPING STATION, address Tataranu Commune, Martinesti locality, Vrancea County;
13. CALARETI CRUDE OIL WAREHOUSE AND PUMPING STATION, address Tamadau Mare Commune, Calarasi County;
14. MAVRODIN CRUDE OIL PUMPING STATION, address Mavrodin locality, Dambovit County;
15. CRUDE OIL DELIVERY SITE IN PETROTEL REFINERY, address Ploiesti City, Mihai Bravu Str., no. 235, Prahova County - section 6 of S.C. PETROTEL – LUKOIL S.A.;
16. URLATI CRUDE OIL PUMPING STATION, address Urlati locality, no. 29, 30 Decembrie str. Prahova County;
17. URZICENI WAREHOUSE AND CRUDE OIL PUMPING STATION, address Urziceni City, Ialomita County - OMV PETROM Station precincts;
18. BERCA CRUDE OIL LOADING RAMP, address Berca Commune, Satuc Locality, Buzau County;
19. CIRESU WAREHOUSE AND CRUDE OIL LOADING RAMP, address Ciresu Commune, Braila County;

20. INDEPENDENTA CRUDE OIL LOADING RAMP, address Independenta Commune, Galati County;
21. BAICOI WAREHOUSE AND CRUDE OIL PUMPING STATION, address Baicoi City, Prahova County;
22. MISLEA WAREHOUSE AND CRUDE OIL PUMPING STATION, address Scorteni commune, Mislea Village, Prahova County;
23. MORENI WAREHOUSE AND CRUDE OIL PUMPING STATION, address Moreni City, Dambovit County;
24. OCHIURI PUMPING STATION, address Gura Ocniței Commune, Ochiuri Locality, Dambovit County;
25. TEIS PUMPING STATION, address Sotanga Commune, Teis Locality, Dambovit County;
26. GORGOTENI PUMPING STATION, address Gura Ocniței Commune, Gorgoteni Locality, Dambovit County;
27. LUCACEȘTI CRUDE OIL PUMPING STATION, address: Moinești City, Bacău County - in Petrom Pumping station precincts;
28. MOINEȘTI HEADQUARTERS, address Moinești City, Bacău County;
29. VERMEȘTI PERMANENT STATION, address Darmanesti Commune, Bacău County;
30. IMECI CRUDE OIL WAREHOUSE AND LOADING RAMP, address Catalina Commune, Imeni locality, Covasna County;
31. POIANA LACULUI WAREHOUSE AND PUMPING STATION, address Poiana Lacului Commune, Argeș County;
32. DELIVERY/RECEPTION SITE CRUDE OIL, RICH GAS AND ETHANE IN ARPECHIM REFINERY, address: Pitești City, Argeș County - in Arpechim Refinery precincts;
33. ICOANA CRUDE OIL PUMPING STATION, address Icoana Commune, Olt County, Romania;
34. SILISTEA CRUDE OIL WAREHOUSE AND PUMPING STATION, address Lucieni Commune, Silistea locality, Dambovit County;
35. CARTOJANI CRUDE OIL WAREHOUSE AND PUMPING STATION, address Roata de Jos Commune, Giurgiu County;
36. VIDELE WAREHOUSE AND CRUDE OIL PUMPING STATION, address Mirsa locality, Giurgiu County;
37. ORLEȘTI WAREHOUSE AND CRUDE OIL PUMPING STATION, address Orlești Commune, Orlești de Sus locality, Valcea County;
38. OTEȘTI WAREHOUSE AND CRUDE OIL PUMPING STATION, address Cungrea Commune, Olt County;
39. GHERCEȘTI WAREHOUSE AND CRUDE OIL PUMPING STATION, address Ghercești Commune, no. 34, Craiovei str., Dolj County, in Petrom pumping Station precincts;

40. VARTEJU CRUDE OIL PUMPING STATION, address: Talpas Commune, Talpas Village, Dolj County;
41. BARBATESTI WAREHOUSE, PUMPING STATION, CRUDE OIL AND RICH GAS RAMP, address Barbatesti Commune, Gorj County;
42. TICLENI CRUDE OIL PUMPING STATION, address: Ticleni locality, Gorj County;
43. TURBUREA RICH GAS AND ETHANE PUMPING STATION, address: Turburea Commune, Gorj County – in OMV Petrom precincts;
44. BILED CRUDE OIL AND RICH GAS WAREHOUSE AND LOADING RAMP, address Biled Commune, no. 2001, Timis County;
45. VALCANI CRUDE OIL WAREHOUSE AND LOADING RAMP, address Duestii Vechi Commune, Valcani locality, Timis County;
46. PECICA CRUDE OIL WAREHOUSE AND LOADING RAMP, address Pecica Commune, Arad County;
47. SALONTA CRUDE OIL WAREHOUSE AND LOADING RAMP, address Salonta City, Bihor county;
48. MARGHITA CRUDE OIL AND RICH GAS WAREHOUSE AND LOADING RAMP, address Marghita City, Bihor County;
49. SUPLACUL DE BARCAU CRUDE OIL WAREHOUSE, address Suplacu de Barcau Commune, Bihor County;
50. STREJNICU SPORTS FACILITY, address Targoru Vechi Commune, Strejnicu Village, Prahova County;
51. VOINTA PLOIESTI SPORTS FACILITY, address Ploiesti City, no. 46, Curcubeului Street, Prahova County;
52. OPRISANESTI ACTIVITY BUREAU, address Oprisanesti, Block O2, Braila County;
53. PLOIESTI CANTEENS STORAGE BUREAUS, address Ploiesti City, no. 8 Rezervoarelor Street, Prahova County;
54. INOTESTI MATERIALS WAREHOUSE, address: Inotesti Village, Prahova County;
55. C2 PERMANENT STATION (surveillance site, major pipelines under-crossing the Danube), address: Stelnica Locality, Ialomita County;
56. BUCSANI CRUDE OIL PUMPING STATION, address: Bucsanii Locality, Dambovit County.

**CHAIRMAN OF THE BOARD OF ADMINISTRATION  
VĂDUVA CONSTANTIN**

The Legal Service  
Cornel Bănică

GMS Secretariate  
Adina Modoran  
Andreea Rusu

**MINISTRY OF JUSTICE - NATIONAL TRADE REGISTER OFFICE  
TRADE REGISTER OFFICE ATTACHED TO THE PRAHOVA COURT**

Tax Registration Number 1350020  
Running number at the Trade Registry J29/6/1991  
European Unique Identifier  
ROONRC.J29/6/1991

Copy no.: 1

**MENTIONS  
REGISTRATION CERTIFICATE**

The mention no. 116383 dated 06.12.2017 regarding the registration of the amendment brought to the Articles of Incorporation of **CONPET SA**, included in the Board of Administration Decision no. 20/05.12.2017, is registered at the Trade Registry on 07.12.2017 based on the Resolution no. 22112 dated 07.12.2017.

**Director,**  
**Ilinca SIMIONESCU**  
*[Illegible Signature and Stamp]*

**Issue date:** 08.12.2017

**Annexes:** Resolution

code 11-10-136

J29/6/1991  
EUID - ROONRC.J29/6/1991  
Tax Registration Number- 1350020

**ROMANIA**  
**MINISTRY OF JUSTICE**  
**NATIONAL TRADE REGISTER OFFICE**  
**Trade Register Office attached to the Prahova Court**  
**FILE NO. 116383/06.12.2017**  
**RESOLUTION no. 22112/07.12.2017**  
**Pronounced in the meeting of: 07.12.2017**

ZAHARIA MAGDALENA - DESIGNATED PERSON according to the Emergency Government Ordinance no. 116/2009, approved with amendments and additions by Law no. 84/2010, further amendments and completions, pursuant to Decision no. 477/ 26.06.2017 of the Director General of the National Trade Register Office

Pending the settlement of the registration request no. 116383 dated 06.12.2017 brought forward by CONPET S.A., tax registration number: 1350020, running number at the Trade Registry: J29/6/1991, European Unique identifier: ROONRC. J29/6/1991

**DESIGNATED PERSON**

On this request:

By the request registered under no. 116383 dated 06.12.2017 some changes were asked to be registered in the Trade Registry regarding: other mentions; appointment, revocation of the empowered persons.

To support the request, the documents mentioned in the registration request were submitted.

Examining the mentioned documents, the DESIGNATED PERSON, finding the observance of the legal requirements, according to art. 1, 2 and 6 of the Government Emergency Ordinance 116/2009, approved with amendments and additions by Law no. 84/2010, further amendments, of the Law 31/1990 republished, with subsequent amendments and additions, of the Law no. 26/1990 republished, with subsequent amendments and additions, as well as of the Law 359/2004 with subsequent amendments and additions, is going to admit to this request regarding the registration of the requested changes in the Trade Registry.

**FOR THESE REASONS**  
**AS PER THE LAW**  
**RULES:**

Accepts the registration request as formulated and rules on the registration, in the Trade Registry, of the mentions regarding: other mentions; appointment, revocation of the empowered persons, according to the data provided in: the Board of Administration's Resolution no. 20/05.12.2017; submission of the updated Articles of Incorporation.

Orders the publication in the Official Gazette of Romania, Part IV, of the following documents: the Board of Administration's Resolution no. 20/05.12.2017 and the notification on the submission of the updated Articles of Incorporation to the Trade Registry.

Enforceable as of right.

Subject to the right of complaint within 15 days at the Prahova Court, under the conditions of art. 6 paragraphs (3) - (5) et seq. of the Government Emergency Ordinance 116/2009, approved with amendments and additions by Law no. 84/2010, further amendments.

Pronounced in the meeting held on: 07.12.2017

**DESIGNATED PERSON**  
**ZAHARIA MAGDALENA**  
*[Illegible Signature and Stamp]*



**CONPET S.A., Romania**  
 1-3 Anul 1848 Street, Ploiești 100559, Prahova  
 Tel: +40-244-401360; fax: +40-244-516451  
 TIN: RO 1350020; NACE Code 4950; CRN J29/6/22.01.1991  
 Subscribed and paid-up share capital 28 569 842.40 RON

**List of the procurement contracts concluded by the company in 2017 (with values higher than 100,000 RON)**

Annex no.

Crt. No.	Contract No.	Contract Date	Partner	Contract Scope	Contract Value (RON,VAT excluded)
1	2017/S-CA 687	22-SEPT-17	ABB SRL ROMANIA	Optimization of SCADA system and hardware and Software upgrade of the Data Transmission and Automation System used by CONPET S.A.	16,900,000.00
2	2017/L-CA 750	01-NOV-17	ARGENTA SRL CONSTANTA	Execution of decommissioning works on Calareti R3 crude oil tank, 31500 cubic meters capacity and construction of a new tank with 31500 cubic meters capacity, Calareti pumping Station	14,039,368.23
3	2017/L-CA 479	29-JUNE-17	ELCAS PRODIMPEX SRL	Modernization and monitoring of cathodic protection system at central and sectoral level related to import and domestic crude oil transport pipelines	6,947,362.02
4	2017/L-CA 498	11-JULY-17	INSPET S.A.	Replacement of crude oil transport pipeline 14" Constanta-Baraganu, in area Castelu-Cuza Voda-Mircea Voda, jud. Constanta, l=12580 m, BATCH 2	5,301,349.04
5	2017/L-CA 615	28-AUG-17	ATMOS INTERNATIONAL LIMITED	Achievement of a pilot installation for detection and location of product leak from the pipeline system Poiana Lacului - Siliste-Ploiesti	3,958,392.00
6	2017/L-CA 723	17-OCT-17	ARGENTA SRL CONSTANTA	Execution of decommissioning works on the crude oil R9 tank (2889 cubic meters) and construction of new crude oil tank (2500 cubic meters) - Cartojani pumping Station	3,802,838.15

<b>Crt. No.</b>	<b>Contract No.</b>	<b>Contract Date</b>	<b>Partner</b>	<b>Contract Scope</b>	<b>Contract Value (RON,VAT excluded)</b>
7	2017/L-CA 537	27-JULY-17	PRODREP MG S.R.L.	Modernization of the crude oil pumping systems from the pumping stations, Madulari - Valcea County, Moreni - Dambovita County and Oprisenesti - Braila County	3,766,494.30
8	2017/L-CA 695	20-SEPT-17	CONSTR FERROVIARE DRUMURI SI PODURI	Safety disposal works for Arges river crossing, Cateasca area Arges County, stage 2	3,757,106.65
9	2017/L-CA 413	07-JUNE-17	TALPAC SRL	Design and execution works for replacement of the crude oil pipeline 14" Baraganu-Calareti, resulted following the in-line inspection with smart pig on a length of 7.5 km	3,511,019.81
10	2017/L-CA 499	11-JULY-17	INSPET S.A.	Replacement of crude oil transport pipelines 10 3/4" Poiana Lacului -Siliste in the area overcrossing the irrigation canal, Bucsani locality and National Road 720A Adanca Bucsani, Dambovita County, on a length of about 2300 m on each line and in the area of Park 14 Cobia, Blidari locality, Dambovita County, 570 m, BATCH 3	2,559,981.44
11	2017/P-CA 835	28-DEC-17	TINMAR ENERGY SA	Power supply BATCH 1	2,231,864.41
12	2017/P-CA 270	31-MAR-17	PREMIER ENERGY SRL	Natural Gas Supply	2,163,701.03
13	2017/S-CA 812	08-DEC-17	ENVIROTECH SRL	Subsequent contract I to the Frame Agreement S-CA 794 dated 24.11.2017 - recovery services related to the geological environment and polluted water courses, takeover of contaminated land, immediate intervention for preventing the spreading of contamination - CONPET objectives - 1 year duration	1,433,616.80
14	2017/S-CA 630	04-SEPT-17	ROSEN EUROPE BV OLDENZAAL, OLANDA	Inline inspection services -appraisal of the crude oil transport pipeline 20 Constanta-Calareti and issue of inspection related reports	1,386,120.00
15	2017/P-CA 722	17-OCT-17	CORAL 33 ALL PROD SRL PLOIESTI	Supply of antistatic overalls 4507 pieces	1,216,152.00
16	2017/S-CA 409	07-JUNE-17	CAMELEON SECURITY SYSTEMS SRL	Providing security, protection, intervention services in relation to CONPET SA objectives and assets	1,016,374.90

<b>Crt. No.</b>	<b>Contract No.</b>	<b>Contract Date</b>	<b>Partner</b>	<b>Contract Scope</b>	<b>Contract Value (RON, VAT excluded)</b>
17	2017/P-CA 813	08-DEC-17	MOL ROMANIA PETROLEUM PRODUCTS SRL	Bulk Supply of approx. 252000 litres Euro Diesel 5 for CONPET locomotives; the total value is estimated for a 24 months period; unit price 4.0041 RON/litre	1,009,033.20
18	2017/L-CA 327	03-MAI-17	TALPAC SRL	Execuție lucrări de înlocuire conductă de transport țitei 12" și 14" Cartojani-Ploiesti, zona sat Sf.Gheorghe cca 1100 m, comună Crevedia Mare, jud. Giurgiu	1,002,879.62
19	2017/S-CA 617	29-AUG-17	PRIME TELECOM SRL	Maintenance/installation of optical fiber cable wit within the Telecommunication System of CONPET S.A.	1,000,000.00
20	2017/L-CA 520	24-JULY-17	GAZPET INSTAL SRL PLOIESTI	Execution works for objective BATCH 1 - safe disposal of 6 5/8" Uralți-Ploiesti and 4" optic fiber pile at Teleajen river overcrossing, Stage 2 - hydrotechnical works for pipelines protection at Teleajen river crossing	997,711.08
21	2017/L-CA 326	03-MAY-17	TALPAC SRL	Execution of replacement works related to the crude oil pipeline 6 5/8 and 8 5/8 Oprisenesti-Ciresu, in Perișoru area, approx. 3550 m in length	957,080.39
22	2017/L-CA 484	04-JULY-17	BALTUR SIB SRL SIBIU	Modernization of central heating and heating system - Marghita crude oil loading ramp	928,368.59
23	2017/P-CA 731	20-OCT-17	TIAB SA Bucuresti	Supply, installation and commissioning of certain technical security systems at Independenta Ramp, Independenta warehouse and Baicoi Station	899,000.00
24	2017/L-CA 719	13-OCT-17	ERICSSON TELECOMMUNICATION ROMANIA SRL	Increasing transmission throughput microwave radiorelay on Baraganu-Constanta section and relocation of Constanta North worksite+ Software Upgrade - microwave radiorelay system	799,550.00
25	2017/L-CA 789	21-NOV-17	CONSTRUCTII FEROVIARE DRUMURI SI PODURI	Hydrotechnical works related to the safe disposal of Prahova river aerial crossing by the crude oil pipeline - urgent intervention works for safe disposals of the metal piles, Stejaru area, Brazi commune, Stage I	760,000.00

<b>Crt. No.</b>	<b>Contract No.</b>	<b>Contract Date</b>	<b>Partner</b>	<b>Contract Scope</b>	<b>Contract Value (RON, VAT excluded)</b>
26	2017/S-CA 806	06-DEC-17	SYSTEMS OF ECOLOGICAL SRL	Services for removing the slurry from the crude oil tanks, decanters, ditches, cleaning related operations, transport of the related slurry, recovery/removal; (average price 227 lei / cubic meter of slurry); the total value is estimated according to the volume of slurry	749,213.50
27	2017/L-CA 699	28-SEPT-17	PRODREP MG S.R.L.	Modernization works on the tanks farm located in Băicoi pumping station, Prahova County	744,632.46
28	2017/P-CA 837	28-DEC-17	TINMAR ENERGY SA	Power supply BATCH 3	735,458.65
29	2017/P-CA 576	10-AUG-17	CORAL 33 ALL PROD SRL PLOIESTI	Supply of fireproof antistatic padded jackets 2717 pieces	722,722.00
30	2017/L-CA 583	17-AUG-17	DACELECTRIC SRL	Modernization of exterior lighting instalation, exterior Poiana Lacului station BATCH 5	696,881.00
31	2017/S-CA 792	23-NOV-17	CON METAL CF SRL	Overhaul, current maintenance and repair of industrial rail lines	639,966.89
32	2017/P-CA 744	30-OCT-17	ACMES PROD COM SRL BUC	Supply of device/integrated system for lifting and equipment handling in the pump house, Bărbătești ramp	623,500.00
33	2017/P-CA 768	07-NOV-17	CYBERNET SRL	Back-up solution to replicate data from the central storage of the IT infrastructure from CONPET S.A.	615,685.00
34	2017/L-CA 579	16-AUG-17	SWISO ELECTRIC SRL	Modernization of exterior lighting installation, Cartojani station, BATCH 6	581,533.94
35	2017/P-CA 559	08-AUG-17	TIAB SA Bucuresti	Supply, installation and commissioning of the security technical system in Marghita ramp	549,206.22
36	2017/S-CA 667	14-SEPT-17	ELLIS 92 SRL	Design - rehabilitation of 5 crude oil loading ramps: Cireșu, Berca, Imeci, Marghita, Suplac	549,000.00
37	2017/S-CA 737	25-OCT-17	ROMFLEX SISTEM SRL	Maintenance services and technical support for the Integrated IT System (SII)	534,000.00
38	2017/L-CA 582	17-AUG-17	DACELECTRIC SRL	Modernization of exterior lighting installation, Cireșu ramp BATCH 3	528,278.38
39	2017/P-CA 836	28-DEC-17	TINMAR ENERGY SA	Electrical power supply BATCH 2	523,154.37

Crt. No.	Contract No.	Contract Date	Partner	Contract Scope	Contract Value (RON, VAT excluded)
40	2017/S-CA 495	10-JULY-17	DELOITTE CONSULTANTA SRL	Consultancy consisting in analysis and assessment of sustainable development solutions for CONPET S.A. during 2017-2030	495,000.00
41	2017/L-CA 500	11-JULY-17	INSPET S.A.	Ø 10¾" crude oil pipeline Ghercesti-Icoana: station exit-undercrossing County Road D.J.Craiova-Ghercesti-Ghercesti swimming pool section = 370 m, Teslui creek left bank-former creek bed section= 200 m, Valea Draghiei area section = 250 m, in total 820 m	480,718.24
42	2017/L-CA 513	17-JULY-17	SWISO ELECTRIC SRL	Upgrade of the exterior lighting installations, by using LED technology sources, West and Import Divisions - Călăreți, BATCH 6	479,500.64
43	2017/L-CA 508	13-JULY-17	GAZPET INSTAL SRL PLOIESTI	Replacement of crude oil transport pipelines 12" and 14" Cartojeni-Ploiesti, in Ghimpați locality area - Colentina river crossing, 500 m in length, Ghimpați commune, Dâmbovița county (BATCH 1)	467,948.62
44	2017/P-CA 555	03-AUG-17	INDUSTRIAL COMPUTER GROUP SRL	Redundancy multiplexor management system ECI Lightsoft	447,452.00
45	2017/L-CA 145	27-FEB-17	MOBIL INDUSTRIAL AG SRL	Modernization of the vibration and temperature system for Bărbătești, Ticleni and Lucăcești station	444,940.00
46	2017/S-CA 486	05-JULY-17	SNIF PROIECT SA	Preparation of a solution study on the Danube and Borcea undercrossing of the crude oil transported through the Constanta - Baraganu 14", 20", 24" pipelines.	435,000.00
47	2017/L-CA 502	12-JULY-17	DACELECTRIC SRL	Modernization of the exterior lighting installation by the use of LED technology sources in the import and west divisions - Bărăganu Station, BATCH 7	431,008.51
48	2017/L-CA 180	22-MAR-17	PETROSTAR S.A.	Execution of the tanks farm modernization works in Băicoi, Prahova County - Catholic protection and grounding at the crude oil tank R1, R2, R3 and R4	425,888.53
49	2017/P-CA 777	10-NOV-17	APIMUNT SRL	Supply of stationery, office supplies	420,228.10
50	2017/L-CA 802	29-NOV-17	R.C.A. RETELE DE COMUNICATII AVANSATE SRL	Interconnection of the worksite Cota 2000 Sinaia within CONPET telecommunication system	371,972.00

Crt. No.	Contract No.	Contract Date	Partner	Contract Scope	Contract Value (RON,VAT excluded)
51	2017/L-CA-CD 800	28-NOV-17	TALPAC SRL	Replacement of a pipeline section of approximately 1000 m of the Ø85/8 pipeline Boldesti-Ploiesti, between the Teleajen River left bank valve and Gravel Pit exploitation	365,944.71
52	2017/P-CA 691	25-SEPT-17	FORNAX GROUP SRL Constanta	Supply of antistatic protection boots, 3937 pairs	362,204.00
53	2017/L-CA 501	12-JULY-17	DACELECTRIC SRL	Modernization of exterior lighting installation by the use of LED technology sources from Import and West divisions - Biled Ramp, BATCH 1	358,326.47
54	2017/L-CA 510	17-JULY-17	SWISO ELECTRIC SRL	Modernization of exterior lighting installation by the use of LED technology sources from Import and West divisions - Orlești Station, BATCH 3	357,884.72
55	2017/P-CA 540	31-JULY-17	SOCIETATEA COOPERATIVA MESTESUGAREASCA	Supply of 858 pieces suits and 2141 pieces rain blouson	333,795.00
56	2017/S-CA 834	28-DEC-17	ALLIANZ TIRIAC ASIGURARI S.A.	Voluntary health insurance services for CONPET SA employees	331,553.15
57	2017/P-CA 683	20-SEPT-17	ENERGOBIT SRL	Transformers supply, BATCH 1 - 5 power transformers 1000 KVA - 6/0,4KV	322,405.00
58	2017/L-CA 578	16-AUG-17	SWISO ELECTRIC SRL	Modernization of exterior lighting installation Moreni station BATCH 4	320,832.25
59	2017/L-CA 509	17-JULY-17	SWISO ELECTRIC SRL	Modernization of exterior lighting installation by the use of LED technology sources from Import and West divisions- Pecica ramp, batch 2	304,003.66
60	2017/S-CA 46	26-JAN-17	OMNIASIG VIENNA INSURANCE GROUP SA	CASCO facultative insurance services for the motor vehicles belonging to CONPET SA	284,066.21
61	2017/P-CA 684	20-SEPT-17	Q-EAST SOFTWARE SRL	Supply of SIEM Solution (Security Information & Event Management)	267,305.32
62	2017/P-CA 521	24-JULY-17	RENANIA TRADE SRL	Supply of 5567 pieces water-mud protection boots	264,599.51
63	2017/S-CA 503	12-JULY-17	MULTIMODAL SERVICE SRL	Planned servicing and remedy of accidental defects at the locomotives type LDH 450,700 and 1250 horse power	263,652.92

<b>Crt. No.</b>	<b>Contract No.</b>	<b>Contract Date</b>	<b>Partner</b>	<b>Contract Scope</b>	<b>Contract Value (RON, VAT excluded)</b>
64	2017/S-CA 838	28-DEC-17	EXPERT SERV SRL	Design services for the work "Replacement of the 14 inch crude oil pipeline Calareti-Pitești resulted following the smart pigging on a length of 2.1 km (Calareti-Mavrodin) and 4,1 km (Mavrodin-Pitești)"	249,440.00
65	2017/S-CA 541	31-JULY-17	GBC EXIM SRL	Upgrade of conference call system software	248,490.71
66	2017/L-CA-CD 830	21-DEC-17	ANDEX IMPORT EXPORT	Execution of slurry cleaning works and operation works related to the cleaning, slurry transport and dismantling of the floating roof of R1 Bărăganu tank in the precinct of Bărăganu station	243,200.00
67	2017/S-CA 564	09-AUG-17	EUROSTING AAW INDUSTRY SRL	Verification, maintenance, loading and repair of the extinguishers existing in the workites belonging to CONPET SA	234,000.00
68	2017/S-CA 629	01-SEPT-17	REVAG SRL	Rail tanks maintenance and repair services	197,730.60
69	2017/L-CA 756	03-NOV-17	DRILLING SWISS SRL	Execution of additional works necessary to finalize the objective: modernization of the premises of CONPET - Cota 2000 Sinaia worksite, Prahova county	192,431.70
70	2017/S-CA 732	23-OCT-17	GEO-STING SRL	Servicing and repair at the fire prevention instalation	192,070.00
71	2017/P-CA 663	04-SEPT-17	PHOENIX IT SRL	Equipment supply and implementation of a solution to enhance IT security	189,000.00
72	2017/L-CA-CD 604	23-AUG-17	INVEST GENERAL CONSTRUCT SRL	Safe disposal works related to 10 3/4" F1 Barbatesti-Orlești pipeline, by replacement in the area: Orlești locality, Orlești commune, Vâlcea county	186,411.18
73	2017/L-CA 339	08-MAY-17	GAZPET INSTAL SRL PLOIESTI	Execution of replacement works related to the crude oil pipeline 10 3/4 Icoana-Cartojani, in Valea Burzii area, Mirosi commune, Argeș county, about 350 m	166,558.46
74	2017/P-CA 696	26-SEPT-17	ASIO IMPEX COM SRL Bucuresti	Supply of synthetic concentrate foam sollution	153,520.00
75	2017/L-CA 471	22-IUN-17	INSPET S.A.	Works execution replated to the replacement of crude oil pipeline 4 1/2 Grindu-Urziceni in the area of Grindu irrigation canal, Ialomița county, about 1100 m	151,028.19

<b>Crt. No.</b>	<b>Contract No.</b>	<b>Contract Date</b>	<b>Partner</b>	<b>Contract Scope</b>	<b>Contract Value (RON, VAT excluded)</b>
76	2017/P-CA 662	11-SEPT-17	RENAULT COMMERCIAL ROUMANIE SRL	Supply of 10 all terrain vehicles	151,000.00
77	2017/S-CA 746	31-OCT-17	SNIF PROIECT SA	Design for "Replacement of the Ø10" F2 crude oil pipeline Poiana Lacului, L=7510m, in the overcrossing areas of Teleorman river, with safety disposal (Mares locality, former SMA), Parvu Rosu, izlaz Oarja, Cateasca Leordeni, Cobiuta, Cobia, Siliste)"	150,000.00
78	2017/S-CA 831	21-DEC-17	MAGUAY COMPUTERS SRL	Technical support services for Vmware virtualization system from the software producer	150,000.00
79	2017/S-CA 536	27-JULY-17	RIA ENGINEERING CONSULTING SRL	Preparation of a technical project for the following objectives: modernization of crude oil pumping system Potlogi pumping station, DB and modernization of Ochiuri pumping system, DB	142,838.00
80	2017/L-CA 17	19-JAN-17	COMREP PLOIESTI	Execution of safe disposal works related to the 6 5/8 Uriatii-Ploiesti pipeline and 4" optical fiber support pipeline at the undercrossing of Teleajen river -Stage I	140,000.00
81	2017/S-CA 692	25-SEP-17	BAU STARK SRL	Services regarding the draft of technical appraisal and evaluation of the possibilities to achieve one new floor (transformation of the existing building Semi-basement+ground floor + first floor into Semi-basement+ground floor + floor 1 and 2), drafting documentation for obtaining Town Planning Certificate and documentation for issue of permits, authorizations, issue of Town Planning Certificate, draft of technical documentation for CONPET headquarters located in no. 7, Independentei Blvd. Ploiesti, draft of technical documentation for issue of building permit and the issue of building permit	137,925.40

Crt. No.	Contract No.	Contract Date	Partner	Contract Scope	Contract Value (RON, VAT excluded)
82	2017/S-CA 716	12-OCT-17	RIA ENGINEERING CONSULTING SRL	Design services for modernization works in Moreni crude oil pumping station, Dâmbovița county	134,900.00
83	2017/P-CA 334	08-MAY-17	SITAN GRUP SRL	Supply of 3 decantation pumps and 1 densimeter pump	134,500.00
84	2017/P-CA 370	19-MAY-17	SCHRADER MEDIAS SRL Medias	Supply of specialised motorvehicle discharge vehicle transport of hazardous goods	134,500.00
85	2017/P-CA 793	23-NOV-17	PRAGMA COMPUTERS SRL	Extension of printing solution based on procurement of multifunction printers and licences	131,392.00
86	2017/S-CA 22	26-JAN-17	PROFESSIONAL MANAGEMENT SOLUTIONS	Feasibility Study - Patrimonial Geographic Information System (GIS)	130,500.00
87	2017/S-CA-CD 703	03-OCT-17	EXIMTUR SRL	Tourism services - supply of plane tickets, issue of medical insurances, bookings, contracting of hotel accommodation for travelling abroad on business of CONPET delegates	130,000.00
88	2017/L-CA 584	17-AUG-17	DACELECTRIC SRL	Modernization of exterior lighting installation from East and South divisions for batch 2 - Modernization of exterior lighting installation by the use of LED technology sources - Berca ramp	127,927.00
89	2017/L-CA 577	16-AUG-17	SWISO ELECTRIC SRL	Modernization of exterior lighting installation Urlați station BATCH 1	124,424.47
90	2017/S-CA 632	01-SEPT-17	CARMENSIMI GRUP	Accidental repair of the railway tanks - traffic safety elements	119,665.28
91	2017/S-CA 315	26-APR-17	EAST WEST	Services for maintenance and repair of equipment and accessories related to the ventilation and air-conditioning within the Central Dispatch	115,200.00
92	2017/S-CA 489	05-JULY-17	PAULUS SRL	Maintenance services for air conditioning devices in the workites belonging to CONPET SA	113,050.00
93	2017/L-CA 282	12-APR-17	COMREP PLOIESTI	Execution of safe disposal works related to the crude oil transport pipelines 10 3/4 Ticleni-Ploiesti, Pesceana right river bank, Livezi locality, Vâlcea county	108,864.00

<b>Crt. No.</b>	<b>Contract No.</b>	<b>Contract Date</b>	<b>Partner</b>	<b>Contract Scope</b>	<b>Contract Value (RON, VAT excluded)</b>
94	2017/L-CA 512	17-JULY-17	SWISO ELECTRIC SRL	Modernization of exterior lighting installation by the use of LED technology sources from west and import divisions-Constanta station, batch 5	107,239.66
95	2017/P-CA 567	10-AUG-17	RUSSI SCIENTIFIC INSTRUMENTS SRL	Supply of infrared Spectrometer with Fourier transform (FT-IR) - batch 1	107,000.00
96	2017/S-CA 827	20-DEC-17	OMNIASIG VIENNA INSURANCE GROUP SA	Vehicle liability insurance services (RCA) 2018	106,706.00

**Important revenues contracts concluded in 2017**

<b>Crt. No.</b>	<b>Contract No.</b>	<b>Contract Date</b>	<b>Partner</b>	<b>Contract Scope</b>	<b>Contract Value (RON, VAT excluded)</b>
1	2017/BC 48	27-Jan-17	SC OMV PETROM SA	Crude oil and import transport	294,721,420.75
2	2017/BC 810	07-DEC-17	SC PETROTEL LUKOIL SA	Import crude oil transport - LUKOIL	69,120,000.00
3	2017/CVC 6799	22-DEC-17	TARGSORU VECHI COMMUNE - prin Consiliul Local Târgsoru Vechi SC OMV PETROM SA	Sale of building sports annex, covered gallery	2,554,103.00
4	2017/BC 811	07-DEC-17	RAFINARE CONSTANTA	Import crude oil transport - PETROMIDIA	640,000.00

**DIRECTOR, TRADE, ENVIRONMENT AND ADMINISTRATIVE DIRECTION**

**HEAD OF CONTRACTS TRACKING SERVICE  
ENG. RADU ALBU**

## Curriculum vitae

*Stan – Olteanu Manuela Petronela*

Nationality: Romanian

### **Work experience**

January – present

Counsellor of the Minister

Ministry of Energy

Administration of companies privatization

January – July 2017

Special administrator

Electrocentrale Bucuresti SA

May 2015 – January 2017

Legal advisor

Societatea Nationala a Sarii S.A.

Legal Department

November 2013 – March 2014

Director of the State-Secretary Cabinet

Ministry of Economy

Management of the cabinet-specific activity, counselling the dignitary on problems specific to the ministry activity

April 2013 – November 2013

March 2014 – November 2016

Director/General Director, Legal General Directorate/Department

Authority for State Assets Recovery, 50 Căpitan Av. Alex Șerbănescu Blvd., Sector 1, Bucharest, Romania

Legal Department: management and recovery of state assets and receivables, forced executions, insolvency, special laws.

June 2010 – April 2013

Counsellor, Body of Counsellors

Authority for State Assets Recovery, 50 Căpitan Av. Alex Șerbănescu Blvd., Sector 1, Bucharest, Romania

Management and recovery of state assets and receivables, legal counselling

January 2007 – June 2010

Expert jurist, General Directorate for Control

Authority for State Assets Recovery, 50 Căpitan Av. Alex Șerbănescu Blvd., Sector 1, Bucharest, Romania

Management and recovery of state assets and receivables, legal, control

September 2006 – January 2007

Legal counsellor, Legal General Directorate

Authority for State Assets Recovery, 50 Căpitan Av. Alex Șerbănescu Blvd., Sector 1, Bucharest, Romania

August 2006 – September 2006

Control body of the minister, Head of service

Ministry of Transport, Constructions and Tourism, 38 Dinicu Golescu Blvd., Sector 1,  
Bucharest, Romania

Transport, constructions and tourism control

May 2006 – July 2006

Agency Director, Legal Counsellor

SC Perfect-Tour SRL, Sevastopol Street, Sector 1, Bucharest

April 2004 – Mai 2006

Legal counsellor / Legal Department / Deputy Director

National Authority for Tourism, 38 Dinicu Golescu Blvd., Sector 1, Bucharest

Tourism, legal consultancy, control

July 2003 – April 2004

Legal counsellor

Ministry of Transport, Constructions and Tourism, 38 Dinicu Golescu Blvd., Sector 1,  
Bucharest

Legal, administration – privatization of the commercial companies in the portfolio

February 2001 – July 2003

Legal counsellor

Ministry of Tourism, 17 Apolodor Street, Sector 5, Bucharest

Legal, administration – privatization of the commercial companies in the portfolio

2012

Mediator

Foundation for Democratic Changes

Project manager

Leadership in business – initiation course

Entrepreneurship for a sustainable development

Management of diversity

2009 – 2010

Master studies – Advanced civil law and civil procedural law

Titu Maiorescu University – Faculty of Law

2004 – 2005

Postgraduate education on security and defence problems

National Defence College

2001 – 2002

Tourism manager

National Centre for Tourism Education

1995 – 1999

Bachelor's Degree in law – University of Bucharest

1991 -1995

Baccalaureate Degree

English language

## Europass Curriculum Vitae



### Personal information

Surname / First name

**CONSTANTIN VĂDUVA**

Address

Telephone

Fax

E-mail

Nationality

Date of birth

### Work Experience

Period (from – to)	November 2017 – to date
Occupation or position held	Member and Chairman of the Board of Administration
Main activities and responsibilities	Coordination of the board and supervision of the good conduct of the activity of the company
Name and address of the employer	<b>CONPET S.A.</b>
Type of activity and sector	Administration and supervision
Period (from – to)	November 2012 – September 2017
Occupation or position held	<b>Member of the Managing Board</b>
Main activities and responsibilities	Management of the executive and administrative activity
Name and address of the employer	<b>CNTEE "Transelectrica" S.A.</b>
Type of activity and sector	Executive management
Period (from – to)	August 2013 – April 2014
Occupation or position held	<b>Member and Chairman of the Board of Administration</b>

Main activities and responsibilities	Coordination of the board activity and supervision of the good Company operation
Name and address of the employer	<b>S.C. "Smart" S.A.</b>
Type of activity and sector	Coordination and supervision
Period (from – to)	April 2013 – June 2015
Occupation or position held	<b>Representative of Transelectrica in the General Meeting of Shareholders of S.C. "Teletrans" S.A.</b>
Main activities and responsibilities	Representing the shareholder based on the awarded mandate
Name and address of the employer	<b>S.C. "Teletrans" S.A.</b>
Type of activity and sector	
Period (from – to)	May 2012 – to date
Occupation or position held	<b>General Secretary</b>
Main activities and responsibilities	Management of the executive and administrative activity
Name and address of the employer	<b>Chamber of Tax Advisors in Romania</b>
Type of activity and sector	Fiscal consultancy activity
Period (from – to)	September 2012 – to date
Occupation or position held	<b>Director General – administrator, Chairman of the Board of Administration</b>
Main activities and responsibilities	Management of the executive and administrative activity
Name and address of the employer	<b>S.N. "Plafar" S.A.</b>
Type of activity and sector	Executive management
Period (from – to)	May 2009 – April 2012
Occupation or position held	<b>Chief Financial Officer</b>
Main activities and responsibilities	Management and coordination of the activities regarding the company financial management
Name and address of the employer	<b>S.C. "M&amp;C Strategy Development" SRL</b>
Type of activity and sector	Financial management
Period (from – to)	September 2006 – 2009
Occupation or position held	<b>Chief Financial Officer</b>

Main activities and responsibilities	Management and coordination of the financial and accounting activities, creating the projections regarding the short and long term business plan
Name and address of the employer	<b>S.N. "Radiocomunicatii" S.A.</b>
Type of activity and sector	Financial management
Period (from – to)	December 2005 – 2006
Occupation or position held	<b>Counsellor</b>
Main activities and responsibilities	Counselling on financial and accounting activities, creating the projections regarding the short and long term business plan
Name and address of the employer	<b>S.N. "Radiocomunicatii" S.A.</b>
Type of activity and sector	Strategy, Planning and Counselling Department
Period (from – to)	September 2001 – 2005
Occupation or position held	<b>Administrator and Director General</b>
Main activities and responsibilities	Management and administration of the company activity
Name and address of the employer	<b>SC "Contaudit01" SRL</b>
Type of activity and sector	Administrative/Financial Management – Accounting
Period (from – to)	1982 – September 2001
Occupation or position held	After graduating faculty, I held various operating and management positions within the Slobozia Chemical Plant, Campina Refinery, Pipera Agro-Industrial Enterprise, Ministry of Youth and Sports and the Romanian Olympic Committee
Main activities and responsibilities	
Name and address of the employer	
Type of activity and sector	

## Education and Training

Period	September 2006 – July 2007
Qualification / diploma awarded	Master's Degree
Main studied disciplines / achieved professional skills	Public Management
Name and type of the education institution / training provider	University of Economic Studies in Bucharest – Faculty of Management
Period	September 1978 – July 1982

Qualification / diploma awarded	Bachelor's Degree
Main studied disciplines / achieved professional skills	Finances - Accounting
Name and type of the education institution / training provider	University of Economic Studies in Bucharest – Faculty of Finances and Accounting
Classification level of the training / education	University studies
Period	October 2006
Qualification / diploma awarded	Specialized courses
Main studied disciplines / achieved professional skills	"Management of Change"
Name and type of the education institution / training provider	Boston College
Period	October 2006
Qualification / diploma awarded	Specialized courses
Main studied disciplines / achieved professional skills	"E-Government"
Name and type of the education institution / training provider	Georgetown University Washington
Period	February 2006
Qualification / diploma awarded	Specialized courses
Main studied disciplines / achieved professional skills	"Emerging Issues in Management"
Name and type of the education institution / training provider	Dubai University College
Period	May – June 2017
Qualification / diploma awarded	Specialized courses
Main studied disciplines / achieved professional skills	"Security and good governance"

Name and type of the  
education institution /  
training provider

National Defence College

## Personal skills and abilities

Native language

Foreign language known

Self-assessment

European level (\*)

**English**

**French**

**Romanian**

Understanding				Speaking				Writing	
Listening		Reading		Spoken interaction		Spoken production		Writing	
C 2	Expert user	C 2	Expert user	C 2	Expert user	C 2	Expert user	C 2	Expert user
B 1	Independent user	B 1	Independent user	B 1	Independent user	B 1	Independent user	B 1	Independent user

*(\*) Common European Framework of Reference for Languages*

Social abilities and skills

- Team spirit, creativity, initiative, rigour, analytical thinking;
- Patience and professionalism in educating and developing the young;
- Excellent skills of communication, leadership and negotiation;
- Devotion for the carried out work;

Organizational abilities and skills

- Abilities to organize and lead large teams;
- Good experience of project or team management;
- Able to create and implement high moral standards within the organisation;
- Able to implement changes in a short amount of time;

Computer abilities and skills

- Microsoft Office: Word, Excel, Visio
- Accounting/ERP Programs: Sap, Wizcount, Ciel

**Other skills and abilities**  
**Abilities which were not mentioned previously**

- Tax Advisor – Secretary General of the Chamber of Tax Advisors
- Financial Auditor – member of the Chamber of Financial Auditors of Romania
- Expert Accountant – member of C.E.C.C.A.R (Body of Expert and Licensed Accountants of Romania)

**Driving licence**

B category

Additional information

- Coordinating member of the financial audit team at SC "INTERNATIONAL" S.A. SINAIA – company entered into the first stage of the accounting harmonization program according to Order of the Ministry of Finances no. 94/2001, for the financial years 2000 and 2001;
  - Member of the financial audit team at SC "PALACE" S.A. SINAIA for the financial year 2000;
  - Member of the financial audit team at SC "EMCOM" SRL BUCHAREST, company member of SIMMENS group – Germany, for the financial years 2001 and 2002;
  - Member of the financial audit team at ROMANIAN RADIO BROADCASTING COMPANY, for the financial years 2003 and 2004;
  - Member of the financial audit team at "METROREX" TRANSPORT COMPANY, for the financial years 2003 and 2004;
  - Various financial – accounting and tax consultancy for multiple companies;
  - Book keeping activities;
  - Financial – accounting synthesis activities
- I'am not affiliated or member of a political party.

## Curriculum Vitae

### PERSONAL INFORMATION

SPÎNU ANTONIO ADRIAN

### WORK EXPERIENCE

May 2017 – Present – **NATIONAL ENVIRONMENTAL GUARD – PRAHOVA COUNTY COMMISSARIAT**

Chief commissioner

2007 – May 2007 – **REGIONAL GENERAL DIRECTORATE OF PLOIESTI PUBLIC FINANCES**

**Ploiesti locality, 22 Aurel Vlaicu Street**

Legal Advisor

Legal Department – Endorsement and Contentious Administrative  
Compartment

Legal Assistance and Representation before courts of law or other  
authorities

**2005 – 2007 – S.C. PETROMSERVICE S.A.**

Legal advisor

Business Development Department

Provision of legal consultancy

Attending negotiation of contracts where the company was part of  
and drafting the projects for such contracts.

**2001 – 2005 – Private Commercial Companies**

Legal Advisor

Legal Assistance and representation in court

### EDUCATION AND TRAINING

2006 – POSTGRADUATE COURSE – COMMERCIAL LAW – ***“UNIVERSITY  
OF ECONOMIC STUDIES”*** – BUCHAREST

2003 – TRAINING COURSE FOR RESERVE OFFICERS – COMMISSARIAT  
SPECIALIZATION – ***“SCHOOL OF APPLICATIONS FOR LOGISTICS”*** –  
BUCHAREST

2002 – POSTGRADUATE COURSE – PSYCHOLOGY-PEDAGOGY –  
***“PETROLEUM – GAS UNIVERSITY”*** – PLOIESTI – DEPARTMENT FOR  
TEACHING STAFF TRAINING

2001 – 2002 POSTGRADUATE COURSE – CRIMINAL SCIENCES –  
***“ALEXANDRU IOAN CUZA” POLICE ACADEMY*** – BUCHAREST

2000 – BACHELOR'S DEGREE – ***“ALEXANDRU IOAN CUZA” POLICE***

**ACADEMY – BUCHAREST**

1996 – 2000 “**TITU MAIORESCU**” UNIVERSITY – BUCHAREST –  
FACULTY OF LAW – FULL TIME

1996 – 1996 “**MIHAI I**” TECHNICAL COLLEGE – BUCHAREST

1992 – 1995 “**NICHITA STANESCU**” THEORETICAL HIGH SCHOOL –  
PLOIESTI

MATHEMATICS – PHYSICS PROFILE

**PERSONAL**  
**SKILLS**

**Native** Romanian  
**language**

<b><u>Foreign</u></b> <b><u>languages</u></b>	<b>Understanding</b>		<b>Speaking</b>		<b>Writing</b>
	Listening	Reading	Conversation	Oral speech	
English	C1	C1	C2	C2	C1
French	C1	C1	B2	B2	C1
Spanish	Basic				

**Computer skills** PC use – Advanced Level – Word/Excel/OFFICE, Power Point etc.

**Driving licence** B category – 1996

**Conferences** Attendance at the International Congress “World Crisis”, organized  
by the National Bank of Romania

**Training** KPMG Bucharest 2016 – Training in the field of Fiscal Procedure  
Code

**Affiliations** Member of Sed Lex Union - Prahova

MEMBER OF THE ASSOCIATION OF LEGAL ADVISORS WITHIN THE FINANCIAL  
BANKING SYSTEM

## Curriculum Vitae

### PERSONAL INFORMATION

**Name**                      **Popa Claudiu Aurelian;**

**Address**

**Civil status:**

**Telephone**

**E-mail:**

**Nationality**              **Romanian;**

**Date and place of birth**

### WORK EXPERIENCE

1. **1 August 2015 – MINISTRY OF ENERGY**  
**GENERAL DIRECTORATE FOR PRIVATISATION AND ADMINISTRATION OF**  
**STATE PARTICIPATIONS IN ENERGY**  
**LEGAL ADVISOR**
2. **15 January 2014 – AFC ASTRA GIURGIU** [*\*Football Club Association*]  
**LEGAL ADVISOR**
3. **1 July 2013 – SC RAPID BUCHAREST**  
**GENERAL DIRECTOR**
4. **1 July 2010 – PROFESSIONAL FOOTBALL LEAGUE**  
**DIRECTOR – COMPETITIONS DEPARTMENT AND LEGAL DEPARTMENT**  
**FEDERAL OBSERVER WITHIN THE PROFESSIONAL FOOTBALL LEAGUE**
5. **1 August 2009**  
**Attorney at law – Prahova Bar;**
6. **1 July 2009 – 1 July 2010**  
**PRESIDENT – Commission for the Player's Status – Professional Football**  
**League;**
7. **1 October 2007**  
**Member – Association of Legal Advisors within the Financial Banking**  
**System**
5. **30 July 2007**
  - **AVAS (Authority for State Assets Recovery) – Bucharest;**
  - **Legal General Directorate;**
  - **Special Laws Legal Directorate;**
  - **Director.**
6. **1 March 2007**

- AVAS (Authority for State Assets Recovery) – Bucharest;
- Legal Assistance General Directorate;
- Post-privatisation Contentious Legal Assistance Directorate;
- Director.

**7. 25 January 2007**

- AVAS (Authority for State Assets Recovery) – Bucharest;
- Legal Assistance General Directorate;
- Post-privatisation Contentious Legal Assistance Directorate;
- Expert Jurist – responsibilities in coordinating the post-privatisation legal assistance activity.

**In 2005 – 2006, my activity included the following actions:**

- coordination of the department activity for the segment concerning the monitoring of shares purchase and sale contracts, by over-endorsing the legal advisors who worked within this process;

- endorsing the papers regarding state aids;
- endorsing the papers drawn up by the Personnel Department;
- attending meetings organized by the General Directorate for Privatization in order to clarify some issues regarding the administration of some commercial companies in the portfolio of AVAS and/or in process of privatization;

- attending meetings with the representatives of buyers in order to solve the problems occurred during the period of monitoring the shares purchase and sale contracts;

- special administration of 6 commercial companies in AVAS portfolio, materialized by finalizing the privatization process in case of 5 of them;

**- representative of employees of AVAS Bucharest during 2004 – 2006;**

- special administrator of:
  - S.C. NITROFERTILIZER S.A. Făgăraș;
  - S.C. NITROEXPLOSIVE S.A. Făgăraș;
  - S.C. NITROSERVICE S.A. Făgăraș;
  - S.C. NITROTRANS S.A. Făgăraș;
  - S.C. NITROCONTROL S.A. Făgăraș;
- President of three Privatization Commissions of AVAS;

- Vice-president of the Appeal Commission in the licensing system of the Romanian Football League – **2005 – 2009**

**8. 1 August 2003 – 1 September 2004:**

- A.P.A.P.S. (Authority for Privatization and State Assets Administration) – Bucharest;
- Post-privatization Department;
- Department for Regulation of Contracts and Post-privatization Endorsement;
- Post-privatization Endorsement Service;
- **Head of Service;**

- Coordination of service activity and replacement of the director in case of its unavailability;

**9. 1 July 2002 – 1 August 2003**

- A.P.A.P.S. (Authority for Privatization and State Assets Administration) – Bucharest;
- Legal Department;
- Post-privatization Endorsement Directorate;
- Legal Advisor;

**10.2001 – 2002**

- S.C. Ardrom 001 S.R.L. Bucharest;
- **Administrator;**

**11.1999 – 2001**

- **State Property Agency – Bucharest;**
- Legal Department;
- Legal advisor;
- Interim Director;
- State representative in the General Meeting of the Shareholders - S.C. A.I.A.S.C. Vulpești, Argeș County;
- Member in the Board of Administration of S.C. LEGUMICOLA PECICA S.A. Nădlac, ARAD County;
- **President** – Commission for the analysis of appeals in the privatization process;

**12.1998 – 1999**

- Ministry of Agriculture and Food – Bucharest;
- Legal Department;
- Endorsement Service;
- Legal advisor;
- Member in the Commission for the analysis of appeals in the privatization process;

**13.1997 – 1998**

- Petrotel – Lukoil Ploiești;
- Legal Department – legal advisor;
- GENERAL DIRECTOR – SC GEROM SA Ploiești;

**EDUCATION AND PROFESSIONAL TRAINING**

- **2006 – 2007**  
**MASTER studies – Management of Public Position**
- **1991 – 1995**  
**<<Nicolae Titulescu>> University – Faculty of International Law;**
- Graduated Bachelor studies in the session of 1997 – **University of Bucharest – Faculty of Law;**

**PERSONAL SKILLS AND ABILITIES**

- **Good negotiator, good knower of all law branches.**
- PC use – MS Office (Word, Excel, Windows);
- Interpersonal communication skills;
- Resistance to intellectual and physical effort;
- Responsibility, intuition, perseverance, involvement;
- Capacity of analysis and organization;
- Commercial contracts negotiation;
- Holder of a licence to carry weapon and of a hunting weapon;
- Blue belt – JUDO;
- Served in the military;
- Reserve officer – **Ministry of Interior**;
- Member of the General Association of Hunters and Anglers;

**Native language**

- Romanian

**Foreign languages**

- English – satisfactory;

**Driving licence**

- B category – 1990;

**Date:**

29 August 2017

**Signature:**

*\*illegible signature*

## Europass Curriculum Vitae



### Personal information

Surname(s) / First name(s) **Iacob Constantin Ciprian**

Address(es)

Telephone(s)

Fax(es)

E-mail

Nationality **Romanian**

Date of birth

Gender **Male**

### Work experience

Period **1. 2007 – present; 2. 2005 – 2007**

Occupation or position held **1. Attorney at law – “IACOB CIPRIAN” Solo Law Practice;  
2. Collaborating attorney at law – “PUIU ANDI CONSTANTIN” Solo Law Practice and “CORNEL BOBOACĂ” Solo Law Practice.**

Main activities and responsibilities **Activities: filing actions in court, assistance, representation and pleading in court**

Name and address of the employer **“PUIU ANDI CONSTANTIN” Solo Law Practice and “CORNEL BOBOACĂ” Solo Law Practice**

Type of activity and sector **Civil court, criminal court, labour disputes, commercial court**

**Education and training**

<b>Period</b>	<b>2010 - 2014</b>
Qualification / diploma awarded	Doctor of Management, defended the PhD Thesis "Communication, vector of increasing the performance of management in legal institution"
Main studied disciplines / achieved professional skills	Economic Sciences
Name and type of the education institution / training provider	"Valahia" University in Târgoviște
<b>Period</b>	<b>2012 - 2014</b>
Qualification / diploma awarded	Graduate of the Teaching Staff Training module
Main studied disciplines / achieved professional skills	Psychopedagogy training program Level I and II
Name and type of the education institution / training provider	"Valahia" University in Târgoviște
<b>Period</b>	<b>2006 - 2007</b>
Qualification / diploma awarded	Fully qualified lawyer
Main studied disciplines / achieved professional skills	Legal sciences
Name and type of the education institution / training provider	National Institute for Training and Development of Lawyers
<b>Period</b>	<b>2006</b>
Qualification / diploma awarded	Affiliation to Dâmbovița Bar as trainee lawyer, following examination
Main studied disciplines / achieved professional skills	Legal sciences
Name and type of the education institution / training provider	Dâmbovița Bar
<b>Period</b>	<b>2004 - 2006</b>
Qualification / diploma awarded	Master's Degree/Master's Thesis "Visible and invisible traces discovered at a crime scene"
Main studied disciplines / achieved professional skills	Legal sciences

Name and type of the education institution / training provider	<b>"Gheorghe Cristea" University</b>
<b>Period</b>	<b>2004</b>
Qualification / diploma awarded	"Entrepreneurial training course for young people"
Main studied disciplines / achieved professional skills	Economic sciences
Name and type of the education institution / training provider	Bucharest National Defence University in collaboration with the Central Public Administration and National Agency for Small and Medium Sized Enterprises and Cooperation
<b>Period</b>	<b>2000 – 2004</b>
Qualification / diploma awarded	Jurist
Main studied disciplines / achieved professional skills	Legal sciences
Name and type of the education institution / training provider	"Valahia" University in Târgoviște
<b>Period</b>	<b>October 2011</b>
Qualification / diploma awarded	Environmental system manager
Main studied disciplines / achieved professional skills	Sustainable development policy in EU and Romania. Defining the environmental policy of the organization, Environmental management system. Environmental management standards
Name and type of the education institution / training provider	Teleorman Chamber of Commerce, Industry and Agriculture
<b>Period</b>	<b>August 2011</b>
Qualification / diploma awarded	Trainer
Main studied disciplines / achieved professional skills	Preparing the training, Carrying out the training activities, Assessment of the training participants, Marketing of training, Organizing the training programs and courses
Name and type of the education institution / training provider	SC PRO TRAINING INTENS SRL

Other language(s)  
Self-assessment  
European level (\*)

**English**

**French**

Understanding				Speaking				Writing	
Listening		Reading		Spoken interaction		Spoken production		Writing	
C 2	Expert user	C 2	Expert user	B 2	Advanced user	B 2	Advanced user	C 1	Expert user
B 2	Advanced user	B 2	Advanced user	B 1	Advanced user	B 1	Advanced user	B 2	Advanced user

(\*) Common European Framework of Reference for Languages

Social abilities and skills

Seriousness, dynamism, creativity, team work, motivation and human interaction capacity

Technical abilities and skills

Criminal law, Civil law, Commercial law

Computer abilities and skills

Word, Excel, Power Point, FoxPro, C++, Pascal, Eviews

Driving licence(s)

Yes, B category

Annexes

List of papers

## LIST OR PUBLISHED PAPERS

### BOOKS

1. **Constantin Ciprian Iacob**, Silvia Elena Iacob (2015), "Importanța comunicării economice la nivelul instituțiilor juridice" [*Importance of economic communication at the level of legal institutions*], Bibliotheca Publishing House, Universitaria Economia Collection, ISBN 978-606-772-044-0.

### MAIN AUTHOR

2. **Constantin Ciprian Iacob**, Ana Lucia Ristea (2015), "*ORGANISATIONAL COMMUNICATION AND MANAGEMENT OF RISK SITUATIONS*", published in Valahian Journal of Economic Studies (An International Review of Theories and Applied Studies in Performance Management) ISSN: 2067-9440, pp. 27 – 32, BDI, EBSCO, RePec, DOAJ, Index Copernicus, Cabell's, ProQuest; Vol. 6, Issue 1/2015, <http://www.vies.eu/images/2015/issue1/04.4.vies%20vol.%206%2020%20issue%201%202015%20constantin%20ciorian%20iacob.pdf>

### CO-AUTHOR

1. Constantin Popescu, Maria-Luiza Hrestic, **Constantin Ciprian Iacob (2012)**, "*La durabilite en qualite de nouveau projet civilisateur*", Revue Valaque D'Etude Economiques, Volume 3(17) NO. 2/2012, ISSN 2067-9459, p. 79-86, CNCSIS rated magazine – type B+, BDI, EBSCO, DOAJ, INDEXCOPERNICUS;
2. Marius Petrescu, **Constantin Ciprian Iacob (2012)**, "Importance of Communication and its Implications in the Knowledge-Based Society", Valahian Journal of Economic Studies (An International Review of Theories and Applied Studies in Performance Management), Volume 3(17) Issue 1/2012, ISSN 2067-940, p. 75-82, CNCSIS rated magazine – type B+, BDI, EBSCO, RePec, DOAJ, Index Copernicus, Cabell's, ProQuest, pp. 75 – 82, <http://www.vies.eu/images/2012/issue1/vies%20vol.%203%2017%20issue%201%202012%20-%20marius%20petrescu.pdf>
3. Silvia Elena Iacob, Constanta Popescu, **Constantin Ciprian Iacob (2012)**, "*Network marketing and global communication*" Ovidius University Annals Economic Sciences Series, Volume XII, Issue 1, 2012, Ovidius University Press Publishing House, ISSN 1582-9383, p. 986-990 (RePec, DOAJ indices); <http://ideas.repec.org/a/ovi/oviste/vxiiy2012i12p986-989.html>, [http://econpapers.repec.org/article/ovioviste/v\\_3axii\\_3ay\\_3a2012\\_3ai\\_3a12\\_3ap\\_3a986-989.htm](http://econpapers.repec.org/article/ovioviste/v_3axii_3ay_3a2012_3ai_3a12_3ap_3a986-989.htm);
4. Constantin Popescu, Constanta Popescu, **Constantin Ciprian Iacob (2011)**, "*Stakes and Goals for the Construction of Ecological Governance*", Revue Valaque d'Etude Economiques (un revue internationale de theories et d'etudes appliquees en matiere de gestion de la performance), Vol. 2(16), no. 4/2011, Maison d'edition Bibliotheca, Targoviste, 2011, ISSN 2067-9459, p. 13-20, CNCSIS rated magazine – no. 765 – type B+, <http://www.vies.eu/images/2011/issue4/vies%20vol.%202%2016%20issue%204%202011%20%20constantin%20popescu.pdf>;
5. Diana Andreia Hristache, Claudia Elena Paicu, Silvia Elena Popescu (Iacob), **Constantin Ciprian Iacob**, "*Eco-responsibility and volunteerism. A new approach of sustainable development*", paper defended and published at the Scientific Seminar "*The Economic and ecological dimension of development in the third millennium*", Third Edition, Bucharest, 11 April 2011, No. 121, B+ category, BDI Scopus and EBSCO, on CD format, ISSN 1582-2559; <http://www.srac.ro/calitatea/arhiva/suplimentworkshp ase 2011 cuprins.pdf>;
6. Constanta Popescu, **Constantin Ciprian Iacob (2010)**, "Les structures organisationnelles actuelles" Revue Valaque d'Etude Economiques (un revue internationale de theories et d'etudes appliquees en matiere de gestion de la performance), Vol. 1(15), no. 3/2010, Maison d'edition

#### **PAPERS PRESENTED DURING SCIENTIFIC EVENTS**

1. **Constantin Ciprian Iacob, Ana Lucia Ristea (2014)**, "*ORGANISATIONAL COMMUNICATION AND MANAGEMENT OF RISK SITUATIONS*", paper presented at the International Conference "European Spaces", organized by "Valahia" University in Târgoviște, 17 – 18 October 2014;
2. Constantin Popescu, Maria-Luiza Hrestic, **Constantin Ciprian Iacob (2013)**, "*L'Humanite appartient a la nature. A qui appartient la nature?*", Le 58<sup>eme</sup> Congres de l'AIELF "Le devenir de l'economie mondialisée", Universidad de Valladolid, Spain, 19 – 22 May 2013;
3. Constantin Popescu, Maria-Luiza Hrestic, **Constantin Ciprian Iacob (2011)**, "*La durabilite en qualite de nouveau project civilisateur*", 57<sup>eme</sup> Congres "Refondation financiere, sorties de crise et nouvelles strategies de croissance economique". AIELF – Association Internationale des Economistes de Langue Francaise, Universite de Rijeka, Faculte d'Economie opatija, Croatia, 23 – 25 May 2011;
4. Constantin Popescu, Constanta Popescu, **Constantin Ciprian Iacob (2011)**, "*Stakes and Goals for the Construction of Ecological Governance*" The XI<sup>th</sup> Annual International Conference "The Risk in Contemporary Economy" RCE, 2010, 26 – 27 November 2010, Galati, Romania.
5. Constanta Popescu, **Constantin Ciprian Iacob (2010)**, "*Les structures organisationnelles actuelles*", The International Seminar European Spaces "European Economic Policies" 8 – 9 October 2010, Târgoviște.

## RĂZVAN LEFTER

### Work Experience

June 2014 - to date	Managing Partner RSL Capital Advisors, Romania
November 2015 - to date	Member of the Board of Administration CONPET S.A. Ploiești, Romania
January 2016 - to date	Member of the Board of Administration Mjndus Services AD, Bulgaria
April 2015 - August 2017	Member of the Supervisory Board Eurohold AD, Bulgaria
October 2014 - to date	Member of the Board of Administration Teraplast Bistrita, Romania
May 2016 - February 2017	RSL Capital Advisors Representative in the BoA Cemacon Zalău, Romania
April 2014 - September 2015	Member in the Board of Administration Condmag S.A. Brașov, Romania
November 2011 - June 2014	Sr. Equity Sales Trader Swiss Capital, Romania
July 2012 - April 2013	Member, Supervisory Board SIF Muntenia
January 2007 - November 2011	Equity Sales Trader, Research Analyst EFG Eurobank Securities, Romania
March 2005 - December 2006	Relationship Manager International Clients ING Bank, Romania
September 2004 - March 2005	Analyst ING Bank Global IQ, Netherlands
October 2003 - September 2004	Management Trainee ING Bank, Romania

### Education

2008  
2003

Chartered Financial Analyst (CFA)  
Bucharest, Academy of Economic Studies, Faculty of  
Finance, Banks, Insurance and Stock Exchanges, majoring in  
Finance - Banks

### Training

2006  
2005  
  
2004  
  
2003

ING Transport & Logistics Conference, Amsterdam, Holland  
Basic Selling Skills Training, Trend Consult, Bucharest,  
Romania  
Leadership Skills Training, ING Business School,  
Heemskerk, Holland  
General Banking Skills, ING Group Training Center,  
Amersfoort, Holland

Foreign Languages  
Domicile

English, French  
Bucharest, Romania

Political  
Affiliation

Not applicable/Non-affiliated

In view of fulfilling the provisions of Annex 5 to GD no.583/2016 regarding the approval of the national anticorruption Strategy along 2016-2020.

## Curriculum Vitae

### **RADU BUGICA**

Personal Information  
Contact Details

As of June 2004 →

As of June 2008 →

As of November 2012 →

June 2010 - Nov. 2012

Sept. 1999 - June 2004

Dec. 1997 – Sept. 1999

Sept. 1996 – Dec. 1997

Jan 1995 – Sept 1996

1994 – Dec. 1995

1992-1994

1990 - 1992

### **WORK EXPERIENCE**

SIGMABLEYZER INVESTMENT GROUP LLC

**Director for Romania**

Fund's representative in the Board of Administration of Covalact S.A. and Lactate Harghita S.A., both companies being in the portfolio of SIGMABLEYZER SouthEast Europe Fund IV

TRANSELECTRICA S.A.

**Member of the Supervisory Board**

IMPACT S.A.

**Member of the Supervisory Board**

GLOBAL Valori Mobiliare, subsidiary of Global Securities

**General Director**

GLOBAL Valori Mobiliare, subsidiary of Global Securities

**Manager - Institutional Clients Sales, member of the Steering Committee**

GLOBAL Valori Mobiliare, subsidiary of Global Securities

**Analyst – Research/Analysis Department**

BANCPOST S.A.

**Chief Dealer – the Currency Division**

BANCPOST S.A.

**Analyst Dealer - Currency Division**

BANCPOST S.A.

**Analyst - IT Department**

SIAT S.A.

**Programmer Analyst in Dbase IV, FoxPro programming languages**

### **EDUCATION**

Sept 1991 – June 1997

ACADEMY OF ECONOMIC STUDIES

BUCHAREST

Graduate of the Faculty of Finance, Banks and  
Stock Exchanges

ROMANIA

Sept. 1992 – Sept 1993

1<sup>st</sup> Year Scholarship at "Center for International  
Banking Studies" granted by the Banks  
Association of Turkey under the training  
programmes for young bankers in the EEC  
countries.

ISTANBUL, TURKEY

Sept. 1985 - June 1990

„POLITEHNICA" UNIVERSITY

BUCHAREST,

Graduate of Technology of Machine

ROMANIA

Construction (Rom. TCM) – TCM section

June 1997

Nov. 1996 - April 1997  
1995

1993, 1994, 1995  
Bucharest

### **OTHER STUDIES**

Global Market Investments. Opportunities and Risks – seminars  
Franklin College, Lugano, Switzerland  
Investments Analysis - seminars - Booz Allen&Hamilton, BUCHAREST  
Citibank Bourse Game, BUCHAREST  
Forex & Money Markets, Management of the Treasury Operations,  
Liquidity Management BUCHAREST - seminars - Reuters Open  
University, Fair Place UK, BNR etc.

### **KNOWN LANGUAGES**

Romanian- native  
English - fluent  
French - very good

### **GENERAL INFORMATION**

PC Knowledge  
Driving License

**OBJECTIVE AND PERFORMANCE INDICATORS OF THE ADMINISTRATORS**  
**01.01-31.12.2017**

Crt. No.	Objective/ Performance Indicator	Performance Objective	MU	Period (01.01-31.12.2017)		Degree of performance (%)	Weighting coefficient	Degree of performance of performance indicators (%)
				As per Annex 1.1. Administration Contract	Achievements			
0	1	2	3	4	5	6	7	8=6x7
1	EBITDA	1% increase as compared to the previous level of the preceding year for 2014 and 2.5% for 2015-2017	Thousand RON	125,610	127,629	101.61%	25%	25.40%
2	Decrease of operating expenses	1.5% reduction as compared to the previous level of the preceding year starting 2015, when the level recorded in 2014 is smaller or equals the one recorded in 2013	%	88.00%	88.02%	99.98%	25%	24.99%
3	Labour productivity growth	Increase of the average revenue per employee by 3% per year the average of 2014-2017	Thousand RON/person	245	249	101.63%	25%	25.41%
4	Decrease in the total number of technical breakdowns	4% reduction, on average, per year, as compared to the level of 116 technical breakdowns registered in 2013	No. of technical breakdown	29	29	100.00%	10%	10.00%

Crt. No.	Objective/ Performance Indicator	Performance Objective	MU	Period (01.01-31.12.2017)		Degree of performance (%)	Weighting coefficient	Degree of performance of performance indicators (%)
				As per Annex 1.1. Administration Contract	Achievements			
0	1	2	3	4	5	6	7	8=6x7
5	Enhance visibility on the BSE	Active tracking, by the brokerage houses, of CONPET evolution, materialized in analysts reports prepared by analysts working therein (50% weight in the indicator) for 2014 - 1 brokerage firm in TOP 10 as per the classification established by the BSE at the issue date of the report/for 2015&2017 - 2 brokerage companies in TOP 10 according to the classification established by the BSE at the issuing date of the report; Holding the position in Top 25 issuers according to capitalization given that there will not be considered the new companies to be included in the 1 <sup>st</sup> Tier of Bucharest Stock Exchange during the examined period 2014-2017 (50% weight in the indicator)	% in 100%	100%	100%	100%	15%	15%
Total – degree of achievement of the performance indicators								100.80%

\*) Note: For 2017, the degree of achievement of the performance indicators was 100.80% calculated based on the financial data and information reported by the specialized directions within the Company.

On 20.03.2018, the Financial Management Control Department submitted to the Audit Committee and Board of Administration,

Information no. 10658/19.03.2018 regarding the means of achievement of the performance objectives criteria related to the administrators in 2017. From the submitted information results that the level of the indicator defined: "Decrease of the number of technical breakdowns" achieved on 31.12.2017 is 44 technical breakdowns, compared to the 29 technical breakdowns taken into consideration at the calculation of the degree of achievement of the related indicator.

The Audit Committee analyzed the ascertainment provided in the Information by the Financial Management Control Department and recommended the Board of Administration to establish and reflect in the Financial Statements related to 2017, a provision for the variable allowance (subcomponent 1 related to 2017 Q4 and subcomponent 2) due to the non-executive administrators and the Director General, corresponding to a 100.80% degree of achievement of the performance indicators.

The Board of Administration took up the recommendation of the Audit Committee and decided upon the establishment and reflection, in the Financial Statement related to 2017, of the above-mentioned provisions.

The payment of these allowances is to be performed in the financial year 2018, only subsequent to the clarification, by the Control Body to the Director General, of the indicated disparity and the submission of the conclusions in the Board of Administration, together with the opinion of the technical specialists.

The quarterly and respectively annual levels of the performance indicators for the year 2017, annexes to the administration and mandate contracts, were settled based on the indicators in annexes 1 and 2 of the Income and Expenditure Budget drafted pursuant to the GO 26/2013 on strengthening the financial discipline at the level of several economic operators where the state or the administrative-territorial units are sole or majority shareholders or directly or indirectly hold a majority stake and the Order of the Ministry of Public Finances (OMPF) no.20/2016 on the approval of the format and structure of the income and expenditure budget, as well as the substantiation annexes thereof.

The performance indicators achieved at December 31, 2017 are calculated based on budgetary execution, drafted in compliance with GO 26/2013 and in the structure provided by the OMPF no.20/2016.

**Economic Director**

Econ. Sanda TOADER

Head of Controlling and Budgeting

Ștefan ȘIRBU

Head of Managerial Reports and Budget

Rodica BURLACU

Nr...../.....

## REPORT

### on the managerial internal control system on 31<sup>st</sup> December 2017

According to the provisions of art. 4 paragraph (3) Government Ordinance No. 119/1999 regarding the managerial/internal control and the prevention financial control, republished, as subsequently amended and supplemented, the undersigned, *Dan-Silviu Baci*, in the capacity of **DIRECTOR GENERAL**, hereby, state that the company **CONPET S.A. Ploiești** has a managerial/internal control system designed and applicable as to allow the management (the Director General and, as the case might be, the Board of Administration) to provide a reasonable assurance that the funds managed for accomplishing both general and specific objectives have been used legally, regularly, efficiently and wisely.

This statement is based on a realistic, correct, full and reliable assessment of the management/internal control system of the entity, formulated based on its self-assessment.

The managerial/internal control system contains on 31<sup>st</sup> December 2017, self-control mechanisms and the enforcement of the measures related to increasing its efficacy is based on risk assessment.

In this case, I mention the followings:

- The Monitoring Commission is updated during 2017 with the Decision of the DG no. 337/of June 28<sup>th</sup>, 2017 by the observance of the Organizational Chart applicable from June 12<sup>nd</sup>, 2017;
- The risk management team within CONPET S.A. was appointed by the Decision of the DG no. 347/of June 30<sup>th</sup>, 2017, and the risk management teams at the level of directions, units, departments and offices directly subordinated to the Director General are updated according to the system procedure PS-MI-18 "Risk Management" Ed. 5, Rev. 0



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- The Register of the risks at company level, led by the Secretary of Risk Management team of CONPET S.A. Ploiești, resulted following the application of the methodology contained in the procedure PS-MI-18 „Risks management”, is yearly updated;
- The formal procedures, developed and updated up to December 31<sup>st</sup>, 2017 account for 98% of the total of the procedural activities inventoried during 2017.
- The program for the development of the management/internal control system No. 43758/ of October 30<sup>th</sup>, 2017, yearly updated, contains, distinctly, actions meant to professionally improve the managing staff, executive staff and internal auditors in the activities carried out by the Monitoring Commission;
- Within the public entity, the company CONPET S.A. Ploiești, there is an internal audit department, functional and consisting of at least two people.

I hereby add that the statements contained in this report are formulated by assuming the management responsibility and are grounded on the data, information and findings provided in the documentation related to the self-assessment of the management/internal system, available at CONPET S.A., as well as in the internal and external audit reports.

This report has been prepared based on the Guide to the elaboration, approval and submission of the report on the management/internal control system, provided in annex 4 to the Government Secretary General Order No. 400/2015 for the approval of the management/internal control of public entities, as subsequently amended and supplemented, containing the management internal control standards for the public entities.

Based on the results of the self-assessment, I hereby consider that on December 31<sup>st</sup> 2017, the management/internal control system of CONPET S.A Ploiesti is *compliant with the standards contained in the management internal control Code.*

#### Appendix:

1. Synthetic status of the self-assessment results on December 31<sup>st</sup>, 2017 (form Annex 4.2. to the Government Secretary General Order No. 400/2015, as subsequently amended and supplemented).

**DIRECTOR GENERAL**  
**Eng. Dan-Silviu Baci, M.B.A.**



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**2. Anexa 4.2. (form OSGG 400/2015, as subsequently amended and supplemented).**

**APPROVED**

**President of the Monitoring Commission,  
 appointed pursuant to the Decision no. 16/  
 08.01.2018  
 Eng. Minescu Cornelia**

**SYNTHETIC STATUS OF THE SELF-ASSESSMENT RESULTS  
 on December 31<sup>st</sup>, 2017**

Standard name	No. directions, units, departments and offices directly subordinated, in which the standard is applicable	Out of which departments and offices directly subordinated, in which the standard is:			At the level of the entity, the standard is:
		I*)	PI	NI	
1	2	3	4	5	6
<b>I. CONTROL ENVIRONMENT</b>					
Standard 1 – Ethics and integrity	12	11	1	-	92% I
Standard 2 – Duties, functions, tasks	12	12	-	-	100% I
Standard 3 - Competency, performance	12	12	-	-	100% I
Standard 4- Organizational structure	12	12	-	-	100% I
<b>II. PERFORMANCES AND RISK MANAGEMENT</b>					
Standard 5- Targets	12	12	-	-	100% I
Standard 6- Planning	12	12	-	-	100% I
Standard 7- Performance monitoring	12	12	-	-	100% I
Standard 8 – Risk management	12	12	-	-	100% I



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REPORT on the managerial/internal control system on 31<sup>st</sup> December 2017 – Annex 4.3. to the Guide to the elaboration, approval and submission of the report on the management/internal control system -Annex 4 to the Government Secretary General Order No. 400/2015, as subsequently amended and supplemented.

<b>III. CONTROL ACTIVITIES</b>						
Standard 9 - Procedures	12	12	-	-	100%	I
Standard 10 – Overseeing	12	12	-	-	100%	I
Standard 11- Going concern	12	12	-	-	100%	I
<b>IV. INFORMATION AND COMMUNICATION</b>						
Standard 12- Information and communication	12	12	-	-	100%	I
Standard 13 – Document management	12	12	-	-	100%	I
Standard 14 - Accounting and financial reporting	1	1	-	-	100%	I
<b>V. ASSESSMENT AND AUDIT</b>						
Standard 15- Assessment of the managerial/internal control system	12	12	-	-	100%	I
Standard 16 – Internal audit	1	1	-	-	100%	I
<p><b>The degree of compliance of the managerial/internal control system with the standards, assessed on 31.12.2017 is a <b>COMPLIANT SYSTEM</b> with 16 implemented standards.</b></p> <p><u>Measures to be adopted:</u> Maintaining the level of implementation and further development of the managerial/ internal control system according to the requirements of Order of the Government General Secretary 400/2015, as subsequently amended and supplemented.</p>						

Prepared  
 Secretary of the Monitoring Commission,  
 appointed by the Decision no.16/ 08.01.2018  
 Eng. Bărbieru Cătălina

Date: January 31<sup>st</sup>, 2018

\*) At the level of the public entity, an internal / managerial control standard is deemed:  
 - implemented (I) if the number of company entities specified in column 3, in the row corresponding to that standard, accounts for at least 90% of the number of company entities specified in column 2, on the same row;



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REPORT on the managerial/internal control system on 31<sup>st</sup> December 2017 – Annex 4.3. to the **Guide to the elaboration, approval and submission of the report on the management/internal control system** -Annex 4 to the Government Secretary General Order No. 400/2015, as subsequently amended and supplemented.

- partially implemented (PI) if the number of company entities specified in column 3 in the row corresponding to that standard, is between 41% and 89% of the number of company entities specified in column 2, on the same row;

- not implemented (NI) if the number of company entities specified in column 3, in the row corresponding to that standard, does not exceed 40% of the number of compartments specified in column 2, on the same row.



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**TRADUCERE DIN LIMBA ROMÂNĂ ÎN LIMBA ENGLEZĂ**

**TRANSLATION FROM ROMANIAN**

**ANNEX**

**a) List of case files on the docket of the courts of law on 31.12.2017 in which the company CONPET S.A. has the capacity of respondent**

**1. Case File no. 3715/105/2007 - Prahova Tribunal**

**Parties:** Fondul Proprietatea / Proprietatea Fund S.A. – claimant

Conpet S.A. – respondent

**Object:** Fondul Proprietatea / Proprietatea Fund S.A. initiated a legal suit requesting the court:

- to rule the nullity of art. 4 of the General Meeting of Shareholders (GMS) of the company

Conpet S.A. no. 2 / 25.04.2007

- to maintain at the Trade Registry Office the decision to be ruled in the case, as well as to delete from the Trade Register all the possible mentions made on the basis of the decision of the General Meeting of Shareholders (GMS) whose nullity is requested.

- to rule the obligation of the respondent to pay the court costs.

**Clarifications:** Suspended acc. to the provisions of art. 244 para.1 of Civil Procedure Code

**Trial stage:** 17.01.2018 – for reintroduction on the docket

**2. Case File no. 8296/281/2007 – Ploiești Court**

**Parties :** Cornea Rodica Aurora – claimant

Conpet S.A., Petrotrans S.A., Regionala Transgaz București / Bucharest Transgaz Regional Subsidiary, Ministry of Finances – respondents

**Object :** Cornea Rodica Aurora requests the court to rule the joint obligation of the respondents to pay civil damages in the amount of 74,000 euros representing the prejudice and damage caused by the presence of certain pipes belonging to the respondents in the basement, the claimant's property and the payment of civil damages assessed provisionally at the amount of 10,000 lei for the period February 2004 - February 2006 as a result of the use of pipes that traversed the claimant's property.

**Clarifications:** The case is suspended acc. to art. 36 of Law no. 85/2006.

**Trial stage:** First court

**3. Case File no. 8297/281/2007 – Ploiești Court**

**Parties:** Rusu Mihaela – claimant

Conpet S.A., Petrotrans S.A., Regionala Transgaz București / Bucharest Transgaz Regional Subsidiary, Ministry of Finances – respondents

**Object :** Rusu Mihaela requests the court to rule the joint obligation of the respondents to pay civil damages in the amount of 74,000 euros representing the damage caused by the presence of certain pipes belonging to the respondents in the basement of the claimant's property.

**Clarifications:** The case is suspended acc. to art. 36 of Law no. 85/2006.

**Trial stage:** First court

**4. Case File no. 2378/105/2009 – Prahova Tribunal**

**Parties:** Cojocaru Irinel (Bojboiu Marilena) - claimant

Conpet S.A. – respondent

**Object:** Bojboiu Marilena initiated a legal suit requesting the court:

- to rule the obligation of the company Conpet S.A. on the leaving in full ownership and possession of the land in surface of 2,500 sqm, (**551,518 RON – the value for 2,500 sqm of land**) located in Ploiesti, Rezervoarelor street, without number, in its exclusive property;
- to rule the establishment of boundary lines between the land in her property and the neighbouring properties;
- to grant court costs;

The claimant has clarified her petition in the sense that if the court does not accept the main claim, the court should rule as follows:

- the obligation of the company Conpet to pay an appropriate compensation corresponding to the replacement and circulation value of the land in surface of 2,500 sqm and, in subsidiary,
- the institution of a right of superficies in favour of the respondent and its obligation to pay monthly of the non-use for the aforementioned land, according to a rent that will be set at the circulation value of the plot of land.

**Note:** The claimant Cojocaru Irinel bought the litigious rights from the former claimant Bojboiu Marilena. Therefore, the claimant remained only Cojocaru Irinel.

**Clarifications:** By the Conclusion of 24.05.2011 the court suspended the case according to art. 244 para.1 of the Civil Procedure Code. On 22.10.2014 the case file was reintroduced on the docket.

By the court order no. 5872/18.12.2017 the Prahova Tribunal rejected the action as ungrounded. The court order may be attacked by appeal after notification.

**Trial stage:** --

**Court hearing:** --

**5. Case File no. 6544/105/2011\* - Prahova Tribunal**

**Parties:.** Conpet S.A. - respondent

ICIM S.A. - respondent

E.T.H. Arhitectural Systeme S.R.L. through the Legal Liquidator Company Dăscălescu & Co – claimant

**Object: Claims.** E.T.H. Arhitectural Systeme S.R.L. initiated a legal suit requesting the court:

1. to rule the obligation of the respondent ICIM in principal, and to the extent that, as a general contractor, it has not received yet the full value of the contract from the beneficiary Conpet, to obligate Conpet to pay the sum of 325,378.20 lei representing the value of the works executed and not paid, as well as the payment of the penalties related to this amount until the actual payment according to the contractual provisions;
2. to rule the obligation of the respondent ICIM in principal, and to the extent that, as a general contractor, it has not received yet the full value of the contract from the beneficiary Conpet, to obligate Conpet to pay delay penalties of 0.05% per day of delay, applied to the amount of

unpaid invoices;

3. to rule the obligation of the respondent ICIM in principal, and to the extent that, as a general contractor, it has not received yet the full value of the contract from the beneficiary Conpet, to obligate the beneficiary to pay the amount of **696,577.60 lei** according to the fiscal invoice no. 0002 / 27.06.2011 representing the value of the additional works executed, amount paid up to date with the inflation rate as well as the obligation to pay the interest / penalties related to this amount from the due date until the actual payment to be calculated according to art. 371 ind. 2 para. 2 of the Civil Procedure Code;

4. to rule the obligation of the respondent ICIM to return the good execution guarantee in the total amount of 232,017.18 lei retained under the contract;

5. to rule the obligation of the respondent ICIM in principal, and, and to the extent that, as a general contractor, it has not received yet the full amount of the contract from the beneficiary Conpet, the obligation of the beneficiary to pay the amount of 124,828.9 lei as penalties to the good execution guarantee, more precisely:

a) interests / penalties for the amount constituted as good execution guarantee which had to be reimbursed in proportion of 50% in the amount of 105,166.90 lei;

b) interests / penalties for the amount constituted as good execution guarantee which had to be reimbursed in proportion of 30% in the amount of 19,662 lei and court costs.

**Clarifications:** By the Conclusion of 11.04.2017 ruled by the Prahova Tribunal, based on the provisions of art. 262 para.4 of Law no.85 / 2014, suspended the judgment. The conclusion was attacked with recourse. This constitutes the object of the case file no. 6544/105/2011\*/a1 on the docket of the Appellate Court Ploiești. By the decision no.1728 / 28.09.2017 the Appellate Court Ploiești admitted the recourse. It modified in part the attacked conclusion and sent the case back for the continuation of the judgement of the action formulated in contradictory only with the respondent SC Conpet SA, and against ICIM SA the case remained suspended.

**Trial stage:** First court

**Court hearing:** 13.02.2018

## **6. Case File no. 650/215/2013\* - Dolj Tribunal**

**Parties:** Conpet S.A. – respondent

Mihai Constantin – claimant

Mihai Norica - claimant

**Object: Obligation to do something.** Mihai Constantin and Mihai Norica initiated a law suit requesting the court that, by the decision it will pronounce, to rule as follows:

- based on art. 494 of the Civil Code, the respondent Conpet be forced to remove its oil pipeline;
- the respondent Conpet be obligated to compensate them, based on art. 998 and 999 of the Civil Code, for the damages caused by the installation of this pipeline near their household. The claimants have provisionally quantified their claims to the amount of 2,000 lei.

**Clarifications:** By the **Court Order no. 8895/19.06.2014** the Craiova Court rejected the clarified action, takes act that the respondent, through its legal representative, has not asked for court costs. The court order was attacked with appeal by Mihai Constantin and Mihai Norica; By the **Decision no. 195/03.02.2015** the Dolj Tribunal admitted the appeal. It cancelled the court order. It sent the case back to the same first court for retrial.

By the **Court Order no. 11014 / 18.10.2017** the Craiova Court admitted in part the clarified petition formulated by the claimants. The court ruled the obligation of the respondent to pay to

the claimants the sum of 22,236 lei representing the value of the damages caused to the claimants by the pipeline no. 4 Craiova-Iancu Jianu located in the concession of respondents. The court ruled the obligation of the respondent to pay to the claimants the amount of 7,970.8 lei representing court costs. The court order was attacked with appeal by Conpet and the claimants.

**Trial stage:** --

**Court hearing:** --

#### **7. Case File no. 5248/111/2014\* – Hunedoara Tribunal**

**Parties:** Conpet SA – respondent

Poenar Ioan – claimant

**Object:** Obligation to do something.

**Clarifications:** By the Decision no. 27 / 08.01.2015 the Bihor Tribunal admitted the exception of functional non-competence of the Second Civil Section, invoked by the court *ex officio*. It transposed the action formulated by the claimant to the Third Section of Administrative and Fiscal Contentious (where it received \*).

By the Decision nr. 1238 / 16.04.2015 the Bihor Tribunal admitted the exception of its territorial non-competence. It declined the resolution competence over the claim in favour of the Hunedoara Tribunal.

By the **Court Order no. 196 / 16.02.2017** the Hunedoara Tribunal rejected the action in administrative contentious formulated by the claimant Poenar Ioan in contradictory with the respondents Conpet SA and the General Regional Division of Public Finances Timisoara through the County Administration of Public Finances. The court order was attacked with recourse by Poenar Ioan.

By **Decision no. 4541 / 22.11.2017** the Appellate Court Alba Iulia admitted the recourse, cancelled the attacked court order and sent the case to the Hunedoara Tribunal.

**Trial stage:** First court - retrial

**Court hearing:** --

#### **8. Case File no. 5119/260/2014 – Prahova Tribunal**

**Parties:** Conpet SA – respondent

Biodiesel SRL – claimant

**Object:** Biodiesel SRL instituted a legal suit requesting the court to rule the nullity of the lease contract no. ADM 89 / 27.04.2009 and to rule the obligation of Conpet to pay the court costs.

**Clarifications:** By the Decision nr. 1415 / 17.09.2015 the Onesti Court declined the resolution of the case in favour of the Ploiesti Court.

By the **Civil Court Order no. 9266/16.11.2016** the Ploiești Court rejected the exception of the statute of limitation of the material right to action invoked by the respondent as ungrounded. It rejected the petition for legal action as ungrounded. It took note that no court costs were required. The court order was attacked with appeal by Biodiesel SRL.

**Trial stage:** Appeal

**Court hearing:** 19.01.2018

#### **9. Case File no. 2549/270/2015 – Bacău Tribunal**

**Parties:** Conpet SA – respondent

Compania Națională de Transport Gaze Naturale / National Company of Natural Gas Transport  
Transgaz SA- respondent

Moraru Daniel – claimant

Moraru Nicoleta Valentina – claimant

**Object:** Moraru Daniel and Moraru Nicoleta Valentina instituted a legal suit requesting the court, by the decision it will pronounce, to rule:

- the obligation of the respondents to remove the constructions they erected without right on the claimants' land located in the town of Tg. Ocna, 7, Măgura street, with cadastral number 2165, and in case of refusal the authorisation of the claimants to remove them on their expense;
- the obligation of the respondents to pay the court costs for the present proceedings.

**Clarifications:** On 01.03.2016, the Onesti Court rejected as ungrounded the legal action for a suit. It rejected as ungrounded the request of indicating the holder of the right formulated by the claimants in contradictory with the defendants : the Romanian State through the Ministry of Public Finances, the National Agency for Human Resources. The court order was attacked with appeal by the claimants.

By the Conclusion of 13.03.2017 the Bacău Tribunal admitted the exception of functional non-competence of the First Civil Section and consequently: It declined the resolution competence of the case to the Second Civil Section of the Bacau Tribunal for competent resolution. By the Decision nr. 665 / 26.09.2017 the Second Civil Section of the Bacau Tribunal admitted the exception of functional non- competence of the Second Civil Section of the Bacau Tribunal. It sent the case to the competition court for the Bacau Court - Civil Division I. Concluding a negative conflict for competent resolution to the Bacău Tribunal / First Civil Section. The court finds that there occurred the negative conflict of competence and sent the case to the Appellate Court Bacau - Section of Administrative Contentious for the resolution of negative conflicts, which constitutes the object of the case file no.603/32/2017. By the Conclusion no.32 / 09.11.2017 the Appellate Court Bacau established the competence to solve the case (appeal) in favour of the Bacau Tribunal – First Civil Section.

**Trial stage:** Appeal

**Court hearing:** 15.01.2018

#### **10. Case File no. 16082/281/2015 – Prahova Tribunal**

**Parties:** Conpet SA - respondent

Ovidenie Dumitru - claimant

**Object: Real estate property claim.** Ovidenie Dumitru initiated a law suit requesting the court to rule the restitution by Conpet of the plot of land in surface of 335 sqm located in Brazi Commune, T 31, Lot 178/19; the restoration of the land to its initial state; the payment of the non-use for the last 3 years. Conpet formulated a request of identifying the holder of the real right.

**Clarifications:** By the **Civil Court Order no. 6535 / 12.07.2017** the Ploiești Court rejected the exception of the absence of passive trial capacity of the respondent Ministry of Public Finance Ploiești. It rejected the exception of the lack of passive trial capacity of the respondent Conpet S.A Ploiesti. It partly admitted the action. It ruled the obligation of the respondent SC Conpet SA Ploiesti to pay the amount of 772 lei to the claimant, representing the value of the non-use for the years 2014-2016, calculated according to the agro-expert report in the matter considering also the

topo expert's report drawn up in the case, and considering also the topo expert's report and the plan blueprint enclosed drafted in the case by the topo expert Neagu Nicu. It ruled the obligation of the respondent to pay the amount of 1,517 lei to the claimant representing the equivalent of the judicial stamp fee and 1/2 of the expert fee. It rejected the remaining part of the clarified action. The court order was attacked with appeal by Conpet SA, the Romanian State through the Ministry of Public Finance and ANAF DGRFP Ploiești.

**Trial stage:** Appeal

**Court hearing:** --

#### **11. Case File no. 14960/280/2015 –Pitești Court**

**Parties:** Conpet – respondent

Cîrstea Stelian - claimant

Cîrstea Gherghina – claimant

**Object:** Obligation to do something + Claims. The claimants instituted a legal suit requesting the Court to rule the obligation of Conpet SA to do the following :

1. Payment of non-utilization from the date of acquisition of land - 06.10.2014, non-use that is provisionally valued at the amount of 1000 lei.
2. The lifting of the pipelines and installations on the land owned by the applicants and, in so far as it is not possible to require Conpet to pay a monthly amount equivalent to the amount of rent for the land affected by the pipelines and installations on it - at the level of rents practiced on the free market.
3. Payment of legal costs.

**Trial stage:** First court

**Court hearing:** 16.01.2017

#### **12. Case File no. 21382/281/2015 - Ploiești Court**

**Parties:** Conpet - respondent

Iordache Margareta - claimant

**Object:** Iordache Margareta initiated a legal suit requesting the court to rule the obligation of the respondent Conpet to pay the value of the non-use of the claimant's property, land located in Blejoi commune, Ploiestiori village, lot 24, plot 187/15, for the last three years prior to the introduction of the action.

**Clarifications:** By the **Conclusion of 02.05.2017** the Ploiești Court suspended the judgement of the case under Art. 242 (1) of the Civil Procedure Code.

**Trial stage:** First court – re-introduced on the docket

**Court hearing:** 30.01.2018

#### **13. Case File no. 6683/105/2015 – Ploiești Appellate Court**

**Parties:** Conpet SA - respondent

Muscalu Florian Aurelian, Ceptureanu Romeo, Dobrică Virgil, Rădulescu Loredana Emilia, Mărgărit Corneliu, Negoită Gheorghe, Pârvu Ilie, Străchinescu Dumitru, Străchinescu Veronica, Ispas Marian, Staicu Claudia, Neagu Marin, Cosma Vasile - claimants

**Object: Action to ascertain.** The claimants instituted a legal suit requesting the court to find and rule that for the periods enclosed to the petition they were employed in certain positions and effectively worked 100% of the working hours within the sections comprised in the second labour group, the first labour and in special and extraordinary labour conditions, respectively, and consequential to rule the obligation of Conpet to issue the afferent certificates.

**Clarifications:** By the **Court Order no. 4657 / 23.10.2017** the Prahova Tribunal admitted the clarified action. It found that the claimants benefit from the 1st labour group in proportion of 100% for the activities carried out within the employer's unit for the periods expressly mentioned in the report of expert Luca Marcel Constantin, revised, which constituted an inherent part of this court order. It ruled the obligation of the respondent to issue to the claimants certificates stating the period, group and percentage of their activity. It took note that no court costs were required. The court order was attacked with appeal by Conpet.

**Trial stage:** Appeal

**Court hearing:** --

#### **14. Case File no. 3451/108/2016\* –Arad Tribunal**

**Parties:** Conpet SA – respondent

ATU Administrative-Territorial Unit Town of Pecica - claimant

**Object:** The Pecica ATU has filed a petition requesting the court :

In principal:

- to rule the obligation of the respondent Conpet S.A. to divert the crude oil pipeline that crosses a number of 22 intra muros plots of land intended for the construction of dwellings owned by us, with a total surface of 20.287 sqm.

- to rule the obligation of the respondent Conpet S.A. to pay the amount of 65,000 euros representing the value of the house located in plot no. A141.7760 / 5/174, inscribed in the Land Register C.F. no. 306869 because it can no longer be valorised and traded by the undersigned.

In subsidiary:

- to rule the obligation of the respondent Conpet S.A. to pay an annual rent, during the existence of the pipeline, as a result of the encumbrance of the areas shown above with the legal servitude right exercised by Conpet SA;

- to rule the obligation of the respondent Conpet S.A. to pay compensations for the period 31.10.2014 - 31.05.2016 for the limitation of the ownership rights of the 22 intra muros plots and the decrease of the circulation value of the plots of land on the real estate market due to the restrictions imposed by the Order 196/2006 of ANRM with regard to construction;

- to rule the obligation of the respondent Conpet S.A. as to adjust every 3 years the amount of compensations to the circulation value at that time of similar plots of land and to the provisions of the future orders of ANRM;

- to rule the establishment of the due date at which the compensations will be paid annually, and to rule that the failure to pay on the date set by the court shall trigger the payment of the legal interest afferent to the sum received as compensation for the period of delay;

- to rule the award of the court costs incurred in case of opposition.

**Clarifications:** By the Conclusion of 07.12.2016, the Arad Tribunal found and ruled the functional non-competence of the First Civil Section of the Arad Tribunal and declined in favour of the Second Civil Section of the Arad Court the judgement of the action introduced by the claimant Pecica Administrative Territorial Unit.

By the Conclusion no. 40 / 26.01.2017 the Arad Tribunal rejected the request of identifying the holder of the right formulated by the respondent Conpet SA in contradictory with the claimant Pecica Administrative Territorial Unit and the Romanian State through the MFP and the National Agency for Mineral Resources. The conclusion was attacked with appeal by Conpet (Case File no. 3451/108/2016 \* / a1 - Timisoara Appellate Court, court hearing: 14.03.2017). By the Decision no. 211 / 20.03.2017 the Timisoara Appellate Court rejected the appeal.

By the **Court Order no. 336 / 18.05.2017** the Arad Court rejected the civil action introduced by the claimant Pecica Administrative Territorial Unit in contradictory with the respondent SC Conpet SA having as object the obligation to do something and claims. Without court costs. The decision was attacked with appeal by Pecica Administrative Territorial Unit.

By the **Decision no. 761 / 23.11.2017** the Timișoara Appellate Court admitted the appeal. It cancelled the decision attacked by appeal and sent the case back to the Arad Tribunal. With possibility of recourse, after notification.

**Trial stage:** First court

**Court hearing:** --

#### **15. Case File no. 1978/223/2016 –Drăgășani Court**

**Parties:** Conpet SA - respondent

Florea C. Nicolae – claimant

**Object:** Florea C. Nicolae instituted a legal suit requesting the court:

- to rule the obligation of Conpet to return to the previous situation the plot land in surface of 759 sqm situated in the extra muros area of Drăgoești commune, Vâlcea county, lot 65 plot 1/3 located at the point "Picatura", land affected by the oil products transported by the respondent; otherwise, it required the claimant to be authorized to perform these works at the expense of respondent Conpet. The value of these works was estimated at 1,000 lei;
- to rule the obligation of Conpet to pay the value of the land non-use for the last three years as well as for the period of time needed to restore the fertile layer and the land use category. It estimated the non-use to a value of 5,000 lei.

**Trial stage:** First court

**Court hearing:** 25.01.2018

#### **16. Case File no. 7245/105/2015 – Ploiești Appellate Court**

**Parties:** Conpet SA– respondent

Toader Ion – claimant

**Object:** Action to ascertain. Toader Ion initiated a legal suit requesting the court to rule in its order that during the period of its activity - 31.01.1977 - 15.08.2015 - within Conpet SA, he has effectively worked 100% of the working hours as a turner in locations falling within the second labour group, and to rule the obligation of Conpet SA to issue the certificate stating the period, group and percentage of the work in the superior labour group.

**Clarifications:** By the **Court Order no. 4599 / 20.10.2017** the Prahova Tribunal admitted the clarified action. The court found that the claimant benefited 100% from the second labour group for the activities carried out within the employer's unit for the period specified in the report of expert Anton Carmen. It ruled the obligation of the respondent to issue to the claimant a

certificate stating the period, the labour group and the percentage in which he has worked. It found that no court costs were required. The court order was attacked with appeal by Conpet.

**Trial stage:** Appeal

**Court hearing:** --

#### **17. Case File no. 726/105/2016 – Ploiești Appellate Court**

**Parties:** Conpet SA – respondent

Crîngașu Silviu - claimant

**Object:** Contestation of lay off decision. Crîngașu Silviu introduced a legal suit requesting the court to pronounce a decision ruling:

- the annulment of the lay off decision no. 10 / 12.01.2016 issued by the respondent, communicated on 18.01.2016;
- to rule the obligation of the employer to pay compensations equal with salaries indexed, increased and updated;
- to rule the suspension of the effects of this decision throughout the trial until a definitive solution is ruled;
- to reinstate the parties in the situation prior to the issue of the lay off act;
- to rule the obligation of Conpet to pay the court costs.

**Clarifications:** By the **Court Order no. 1976 / 17.05.2017** the Prahova Tribunal rejected the action as ungrounded. It took note that the intimated party did not claim court costs. The decision was attacked with appeal by Crîngașu Silviu. The appellant-claimant formulated a petition for the transfer of the case, which constitutes the object of the case file no. 3427/1/2017 on the docket of ICCJ with court hearing on 20.02.2018.

**Trial stage:** Appeal

**Court hearing:** 25.01.2018

#### **18. Case File no. 7558/270/2016 – Onești Court**

**Parties:** Conpet SA – respondent

Urechești Commune – claimant

**Object:** The Urechești commune initiated a legal suit requesting the court:

1. to rule the obligation of the respondent-debtor to pay the amount of 9,088 lei representing the rent unpaid and due to the Urechești commune, Bacau County, for the land occupied by the crude oil pipeline for the years 2015 and 2016;
2. to rule the obligation of the respondent to pay the related tax accessories in the amount of 1,318 lei;
3. to rule the payment of the tax on land, for the years 2015 and 2016, in the amount of 32 lei;
4. to rule the obligation of the respondent to pay the court costs.

**Clarifications:** By the **Court Order no. 1946 / 18.10.2017** the Onesti Court rejected the exception of the lack of passive procedural capacity of the respondent Conpet SA. It rejected as ungrounded the claim filed by the claimant the Urechești Commune through the Mayor. It admitted the exception of the lack of passive procedural capacity of the party summoned in guarantee ANRM. It rejected the petition for summoning in guarantee formulated by the respondent Conpet SA in contradictory with ANRM as being introduced against a person without a passive procedural capacity. It rejected the exception of the lack of passive procedural

capacity of the summoned in guarantee the Romanian State through the Ministry of Public Finance - AJFP Bacau. It rejected the petition for summoning in guarantee formulated by the respondent Conpet SA in contradictory with the Romanian State through the Ministry of Public Finances - AJFP Bacau. The Decision may be attacked with appeal after notification.

**Trial stage:** --

**Court hearing:** --

**19. Case File no. 7237/105/2016 – Prahova Tribunal**

**Parties:** Conpet – respondent

Petrotel Lukoil SA – respondent

Toma Marian – claimant

**Object:** Action to ascertain. Toma Marian filed a petition for the court to find and rule that he worked in difficult working conditions that must be classified in the first labour group according to Order no. 50/1990 and to rule the obligation of the respondents to issue certificates stating that they should benefit from the above-mentioned rights.

**Trial stage:** First court

**Court hearing:** 26.01.2018

**20. Case File no. 7091/105/2016 – Prahova Tribunal**

**Parties:** Conpet SA – respondent

Mărgean Elena - claimant

**Object:** Mărgean Elena filed a petition requesting the court to rule the employment in the first group of work for the period 11.08.2004 - 30.05.2005. The reasons for the petition are based on the consideration that the period during which the claimant carried on an activity in the company it was in the first labour group.

**Clarifications:** By the Court Order no. 6018 / 22.12.2017 the Prahova Tribunal admitted the petition introduced by the claimant Mărgean Elena. It found that the claimant benefits for 100% of the working hours from the second labour group, according to the report of expert Anton Carmen specialising in the organization of work and salaries. It ruled the obligation of the respondent to issue the claimant the certificate as shown above. The court order may be attacked with appeal after notification.

**Trial stage:** --

**Court hearing:** --

**21. Case File no. 3581/281/2017 – Ploiești Court**

**Parties:** Conpet SA – respondent

Direcția Regională Drumuri și Poduri / Roads and Bridges Regional Division Iași - claimant

**Object:** The Direcția Regională Drumuri și Poduri / Roads and Bridges Regional Division Iași has filed a petition requesting the court to rule the obligation of the respondent CONPET SA to pay the amount of 487.22 lei representing the value of the Placement Authorisation no. 310 / 04.07. 2014 plus the court costs. The reasons for the legal suit are based on the fact that our company requested the issuance of the authorisation for the placement and execution of the

works "Replacement of the Lucăcești - Vermești - Dărmănești refinery crude oil pipeline, in the valve crossing area railroad CF - Vasiești railroad halting point, along a length of 1.1 km, locality Moinești, Bacău county "- sub-crossing of national road DN 2G with natural gas pipe in the area DN 2G Km 51 + 261, locality Moinești, Bacău County, and then refusing to pay the Invoice no. 3630 / 13.11 / 2014 as the project was abandoned.

**Trial stage:** First court

**Court hearing:** 18.01.2018

## **22. Case File no. 220/262/2017 – Moreni Court**

**Parties:** Conpet SA – respondent

Chivu Ion – claimant

**Object:** Chivu Ion filed a petition requesting the court:

- to rule the obligation of Conpet SA to divert the crude oil pipeline passing through his property in surface of 1,753 square meters located in Ocnîța commune T14, P114;
- to rule the establishment of the access location with the obligation of Conpet SA to pay an annual rent related to both the access road and the pipeline that damages the land;
- to rule damages for the land affected by the pipeline.

**Trial stage:** First court

**Court hearing:** 16.01.2018

## **23. Case File no. 3933/110/2016 – Bacău Appellate Court**

**Parties:** Conpet SA – respondent

Vrânceanu Ion – claimant

**Object:** Vrânceanu Ion initiated a lawsuit requesting the court to rule the recognition of his employment in the second labour group during the entire period of his employment contract, namely 13.04.1987 - 05.11.2015, as he worked in the same conditions during the entire period of the contract (in the period 01.03. 1990– 31.03.2001 being included 100% in the second labour group) and to rule the payment of the sum to the pension house according to the law for the second labour group.

**Clarifications:** By the **Court Order no. 521 / 19.06.2017** the Bacău Tribunal admitted the exception of lack of interest for the period 1.03.1990 - 31.03.2001 and consequently rejected the action for this period based on these considerations. It rejects ungrounded the action for the periods 13.04.1987 - 01.03.1990 and 1.04.2001 - 05.11.2015. The decision was attacked with appeal by the claimant.

**Trial stage:** Appeal

**Court hearing:** --

## **24. Case File no. 8047/302/2017 – 5<sup>th</sup> District Court Bucharest**

**Parties:** Conpet SA – intimated party

Dobrogeanu Păun Ioan – contestant

**Object:** Dobrogeanu Păun Ioan formulated a contestation against the forced execution acts issued in the forced execution files no. 10/2013 of BEJ Răduță Nicoleta at the request of Conpet by

which it was demanded the setting up of the forced pursuit through withholding on its incomes received from the withheld third party SC GEGEREUL AGROTRANS SRL and requested the admission of the contestation and the annulment of the conclusion regarding the establishment of the forced execution expenses issued on 01.03.2017 for the amount of 1,381.11 lei.

**Clarifications:** By the **Court Order no. 4933 / 30.06.2017** the 5<sup>th</sup> District Court Bucharest admitted the exception of the territorial non-competence of the 5<sup>th</sup> District Court Bucharest, invoked by the court *ex officio*. It declined the case having as object the contestation to forced execution to the 6<sup>th</sup> District Court Bucharest.

It admitted the exception to the territorial non-competence of the 6th District Court Bucharest, invoked *ex officio*. By the **Decision nr. 8520 / 24.10.2017** the 6th District Court Bucharest declined the competence to resolve the petition formulated by the contestant Dobrogeanu Păun Ioan in contradictory with Conpet SA, in favour of the 5th District Court Bucharest. It found a negative conflict of competence and suspended the case *ex officio*. It submitted the case file for the resolution of conflict to the Bucharest Tribunal - Case File no. 41964/3/2017 By the **Court Order no. 1728 / 28.11.2017** the Bucharest Tribunal established the competence to resolve the contestation to the forced execution in favour of the 5th District Court Bucharest. It sent the case to this court immediately for competent resolution.

**Trial stage:** First court

**Court hearing:** --

## **25. Case File no. 3266/105/2017 – Prahova Tribunal**

**Parties:** Conpet SA – respondent

SC Petrotel Lukoil – respondent

SC Ubemar SA – respondent

SC Real Bucov SA – respondent

Marinoiu Dan – claimant

Marinoiu Maria – claimant

**Object: Action to ascertain.** Marinoiu Dan and Marinoiu Maria formulated a law suit requesting the Court to rule that, for the periods mentioned in the Annex to the petition, they were employed in positions and actually worked 100% or less of the working hours in the 1st or 2nd labour group, in accordance with the MMPS Order no. 50/1990, Annex 1, position 12 and with CCMU, ch. IV, points 10.1, 10.2 / p and 11.1 / 2 for the periods worked by them and to rule that the respondents issue certificates in this respect.

**Mention:** Only the claimant Marinoiu Dan was an employee of Conpet in the period 14.05.1973 - 01.04.1977.

**Clarifications:** By the **Decision nr. 5498 / 08.12.2017** of the Prahova Tribunal took act of the claimants' renunciation to the judgement of the case.

**Trial stage:** --

**Court hearing:** --

## **26. Case File no. 9919/281/2017 - Ploiești Court**

**Parties:** Company Litex Impex SRL - contestant

ASSET LEASING IFN SA – intimated party

ACON BUSINESS SOLUTION SRL - withheld third party

ALCOPROD SERVICE SA - withheld third party  
 BANCA COMERCILĂ ROMÂNĂ SA - withheld third party  
 BCR LEASING IFN SA - withheld third party  
 CLUBUL AGRICULTORILOR / FARMERS' CLUB SRL - withheld third party  
 CONPET SA PLOIESTI - withheld third party  
 GENERAL REGIONAL DIVISION OF PUBLIC FINANCES PLOIEȘTI - withheld third party  
 FORESTRY DIVISION PRAHOVA - withheld third party  
 FIMPLAST IMPEX SRL - withheld third party  
 KR ROAD CAR SRL - withheld third party  
 MUTTER 2008 SRL - withheld third party  
 PIRAEUS BANK ROMANIA SA – withheld third party  
 PRAGOSA ROMÂNIA SRL – withheld third party  
 RAIFFEISEN BANK SA – withheld third party  
 REDOXIM SRL – withheld third party  
 SARA SRL – withheld third party  
 TRANSPORT CĂLĂTORI EXPRESS SA – withheld third party  
 TREZORERIA PLOIEȘTI – withheld third party  
 TRI FARM SRL – withheld third party  
 UNICREDIT LEASING CORPORATION IFN SA – withheld third party  
 VEHICLE MANAGEMENT SYSTEM SRL – withheld third party  
 VIORAL INTER SRL – withheld third party

**Object:** The company Litex Impex SRL formulated a contestation against the forced execution, requesting:

- the annulment of the conclusion no. 2471 / 22.03.2017 pronounced by the Ploiesti Court concerning the admission of the forced execution request, of the notification of establishment the withholding no.355 / 13.04.2017 by the withheld third parties, the conclusion of 13.04.2017 regarding the setting of the execution costs, as well as of the summons no. 355 / 13.04.2017, execution documents issued in the execution file no. 355/2017 (Court Case No. 5902/281/2017) by BEJ Rosu Cristian Cornel;
- the annulment of the anticipated maturity, clarification of the extent of the enforceable title with respect to the actual amount that our Company owes to the creditor and the obligation of the creditor Asset Leasing IFN to issue a new reimbursement schedule according to the actual receivables due;
- the return of forced execution;
- the obligation of the creditor Asset Leasing IFN to pay the court costs of the present proceedings.

**Trial stage:** First court

**Court hearing:** 19.02.2018

## **27. Case File no. 12905/302/2017 - 6th District Court Bucharest**

**Parties:** Conpet SA - intimated party

Dobrogeanu Paun Ioan - contestant

**Object:** Dobrogeanu Păun Ioan formulated an appeal against the forced execution against the forced execution acts which constitute the object of file no. 16/2017 of BEJ Răduță Nicoleta by

which one ruled the establishment of the withholding to the third parties INTERCEREAL S.A. and the Romanian Lawyers' Insurance House requesting the admission of the contestation to execution and the annulment of the Conclusion regarding the setting of the execution costs in the amount of 681.24 lei and 1,573.24 lei representing the executor's fees.

**Clarifications:** By the Decision nr. 8105 / 15.11.2017 the 5<sup>th</sup> District Court Bucharest admitted the exception to the territorial non-competence of the court invoked by Conpet. It declined the competence to resolve the case in favour of the 6th District Court Bucharest.

**Trial stage:** First court

**Court hearing:** --

#### **28. Case File no. 6072/105/2017 – Prahova Tribunal**

**Parties:** Conpet SA - respondent

Grozea Vasile, Voinea Jan - claimants

**Object:** Action to ascertain. The claimants filed a petition requesting the court to declare that for the periods enclosed to the petition they were employed and actually worked 100% of the working hours within the sections falling in the second labour group, the first labour group, and special conditions respectively, and consequently to rule the obligation of Conpet to issue the afferent certificates.

**Clarifications:** By the **Court Order no. 5837/15.12.2017** the Prahova Tribunal admitted the exception of the authority of *res judicata* invoked by the respondent. It rejected the action for the authority of *res judicata*. It rejected the respondent's claim for court costs as ungrounded. The Decision may be attacked with appeal after notification.

**Trial stage:** --

**Court hearing:** --

#### **29. Case File no. 7127/105/2017 – Prahova Tribunal**

**Parties:** Conpet – respondent

VICTORIA SA MICHELIN ROMÂNIA FLOREȘTI SA (former VICTORIA FLOREȘTI)

UPETROM I MAI SA PLOIEȘTI

PETROM BUCUREȘTI / BUCHAREST – SCHELA DE PETROL / OIL WELL BOLDEȘTI

Grigorescu Gheorghe – claimant

**Object: Action to ascertain.** Grigorescu Gheorghe initiated a law suit requesting the court to rule in its decision that he was employed in the respondent companies in actual positions and actually worked 100% of the working hours in the first and second labour groups, as the case may be, according to the annex to the application and as a consequence to rule the obligation of the respondents to issue the certificate in this respect, stating the period worked according to the requests.

**Trial stage:** First court

**Court hearing:** 05.02.2018

#### **30. Case File no. 5413/204/2017 –Câmpina Court**

**Parties:** Conpet SA – respondent

ANRM – respondent

Dobrogeanu Dumitru – claimant

Dobrogeanu Păun Ioan – claimant

**Object:** Claims. Dobrogeanu Dumitru and Dobrogeanu Păun Ioan instituted a law suit requesting the court to rule the obligation of the respondents to do the following:

1. The payment of an annual rent for the land plots occupied by the two oil products pipelines (crude oil) starting with 01.07.2014 and in the future for the entire duration of the pipelines;
2. The obligation of the respondents to pay the compensation for the losses incurred by not reaching certain economic objectives on the remaining area between the two pipes after their restriction and the area along the national road DN1 (E60);
3. The payment of court costs.

The first part of the petition was estimated by the claimants at the amount of 48,000 Euro / year (220,000 lei) and the second part at the amount of 25,000 lei / year.

**Trial stage:** First court

**Court hearing:** 28.02.2018

### **31. Case File no. 23204/302/2017 – 5<sup>th</sup> District Court Bucharest**

**Parties:** Conpet SA – intimated party

Attorney-at-Law practice of Lawyer Dobrogeanu Păun Ioan

Dobrogeanu Păun Ioan

**Object:** Contestation to execution. Attorney-at-Law practice of Lawyer Dobrogeanu Păun Ioan and Dobrogeanu Păun Ioan formulated a contestation against the forced execution, with constitutes the object of the forced execution case file no. 10/2013 of BEJ Răduță Nicoleta and of the acts of execution, namely: the withholding notice of 29.09.2017, the withholding notification of 29.09.2017, the conclusion of 29.09.2017, the conclusion of 29.09.2017 regarding the establishment of the additional execution costs (550.97 lei) and the conclusion of 23.02.2013 of the 5th District Court Bucharest regarding the approval of forced execution. With court costs.

**Trial stage:** First court

**Court hearing:** --

### **32. Case File no. 8928/105/2017 – Prahova Tribunal**

**Parties:** Conpet – respondent

Association Tera Gaz Construct SRL – Vialis Engineering SA

**Object:** Tender cancellation. The association Tera Gaz Construct SRL - Vialis Engineering SA formulated a contestation against the Decision no. 11 / 04.12.2017 issued by Conpet SA - Commercial and Regulated Activities Division, regarding the Contestation no. 936 / 06.11.2017, registered at Conpet SA under no. 44953 / 06.11.2017 formulated by the Association Terra Gaz Construct SRL - Vialis Engineering SA against the result of the procedure for awarding the contract of works having as objective the "Refurbishment of the ensemble of Headquarters Building II, located at the address 8, Rezervoarelor Street, and requested:

- the annulment of the decision no. 11 / 04.12.2017 issued by Conpet SA - Commercial and Regulated Activities Division, regarding the Contestation of the undersigned against the

notification of the procedure outcome;

- the annulment of the notification registered under no. 43929 / 31.10.2017 at the headquarters of Conpet SA - Commercial and Regulated Activities Division, representing the notification of the results of the tenders evaluation through which it announced the cancellation of the award procedure, and as a consequence the annulment of the decision to cancel the Procurement Procedure;

- the annulment of the procedure report and of all the subsequent acts, including those related to the communication of the procedure outcome, and of Notification no. 43 929 respectively;

- the obligation of the Contracting Authority to resume the award procedure and to proceed to the re-evaluation of the admissible tenders, in relation with the requirements of the awarding documentation and the legal provisions, by drawing up a new report of the award procedure and the application of the award criterion published in the invitation to tender.

**Trial stage:** First court

**Court hearing:** --

**b) List of the case files on the docket of the courts of law on 31.12.2017 in which the Company CONPET S.A. has a double capacity**

**1. Case File no. 378/105/2007 – Prahova Tribunal**

**Parties:** Conpet S.A. – claimant-respondent

Petroconduct S.A. – respondent-reconvenient

**Object:** Conpet S.A. requested the obligation of the respondent Petroconduct S.A. Ploiesti to the following :

- the payment of the amount of 80,548.49 RON representing penalties for non-performance in due time of the obligations assumed in the contract no. L 45 / 18.03.2004 and in the contract no. M 59 / 9.06.2004

- the handing over of tubular material consisting of China steel pipe in the length of 504 m in value of 21,344.4 euros and China steel pipe in the length of 96 m in value of 4,366.08 euros or the payment to our Company of its value equivalent to 89,291.50 RON.

- the payment of the amount of 20,626 RON representing the costs for transport, loading, unloading of the tubular material

- the payment of court costs in the amount of 5,062.24 RON out of which 5,057.24 RON judicial stamp fee and 5,00 RON judicial stamp as well as other legal costs that we will bear in this process.

The company Petroconduct S.A. filed a reconventional petition / counterclaim / reconventional petition requesting the obligation of Conpet SA to pay the amount of 46,214.01 lei, representing the value of the works executed by it on the basis of works execution contracts no. L 45 / 18.03.2004 and no. MST 09 / 09.06.2004, in favour of the beneficiary Conpet SA.

**Clarifications:** On 22.02.2010, based on art. 36 of the Law no. 85/2006, the court ruled the suspension of the case.

**Trial stage:** First court

**Court hearing:** Suspended

**2. Case File no. 538/317/2014\* – Târgu-Cărbunești Court**

**Parties:** Conpet SA – respondent-reconvenient

Bălțoi Mariana – claimant-respondent

**Object:** Bălțoi Mariana initiated a law suit requesting the court to rule the obligation of Conpet to pay the civil compensation for the period 2011 - 2014 (January) in the amount of 500,000,000 old lei, and a monthly rent in the amount of 10,000 lei.

Conpet formulated a reconventional petition / counter-claim requesting:

1. The obligation of the claimant Bălțoi Mariana to allow Conpet SA to exercise the right of legal servitude established by the provisions of art. 7 and following of Law no. 238/2004 on the land owned by it. The exercise of the right of legal servitude will be made on a 2.4 meter wide corridor located along the oil transport pipeline that belongs to the National Transport System (NTS) of oil and which is buried in the land of the claimant in order to acquire permanent access to the oil transport pipeline for the daily check of its technical condition and the execution of any repairs. The duration of the servitude shall be the same with the duration of the oil transport pipeline. We also request the court to set the amount of the annual rent stipulated by law due by us to the claimant in exchange for the exercise of the right to legal servitude thus established.
2. The establishment of a right of servitude over the claimant's land consisting in the right to use the land surfaces on which the installations and equipment belonging to the National Transport System (NTS) of oil are located on the surface of the soil. The duration of the servitude shall be the same as the duration of the equipment and installations concerned. At the same time one requested also the determination of the value of the land on which the servitude was instituted.

**Clarifications:** By the **Court Order no. 128 / 20.01.2016** the Appellate Court Târgu Carbunesti rejected the exception of the lack of procedural capacity of the claimant, invoked by the respondent. It admitted in part the counterclaim / reconventional petition. It ruled the obligation of the respondent - reconventional petitioner - to pay the claimant – respondent the amount of 184.25 lei as civil compensations representing the value of the lack of use afferent to the area of 268 square meters for the years 2011, 2012, 2013. It instituted in favour of the claimant-reconventional respondent, in total surface of 50 square meters, during the oil operations, land delimited by points 37-38-39-40-46-45-44-43, as identified by the topographer expert Gremada Constantin, in Annex 1 to the Expert Report. It ruled the obligation of the claimant – reconventional respondent to the payment to the claimant of the compensatory amount of 7 lei annually, representing the equivalent of the rent, during the period of servitude. It partially compensated the cost costs and ruled the obligation of the respondent reconventional claimant to pay to the claimant reconventional respondent of the sum of 825 lei representing court costs. The Decision was attacked with appeal by Bălțoi Mariana.

By the **Decision no. 633 / 15.11.2016** the Gorj Tribunal admitted the appeal, annulled the sentence and sent the case back to the same court.

**Trial stage:** First court - retrial

**Court hearing:** 16.01.2018

**3. Case File no. 8425/281/2015 – Ploiești Court**

**Parties:** Conpet SA- respondent-reconvenient

Panaiteescu Mircea – claimant-respondent

**Object:** Claims. Panaitescu Mircea initiated a law suit requesting the court to rule the obligation of Conpet to pay the amount of 5,000 lei as lack of use and annual rent of 12,000 lei. Conpet filed a counterclaim / reconventional petition requesting the establishment of the right to legal servitude and the establishment of the annual rent.

**Trial stage:** First court

**Court hearing:** 08.02.2018

#### **4. Case File no. 1372/212/2017 – Constanța Court**

**Parties:** Conpet SA – respondent-reconvenient

Cruceanu Alin Florinel – claimant-respondent

**Object:** Cruceanu Alin Florinel instituted a law suit requesting the court:

- to rule the obligation of Conpet SA to pay damages equal to the market value of the real estate property – plot of land in surface of 460 square meters located in Lazu commune, 29, Luceafărului street, Constanta County and the plot of land in surface of 460 sqm located in Lazu commune, 31, Luceafărului street, Constanta county, value appreciated at the amount of 30,000 euros, the equivalent of 134,700 lei;
- to rule the obligation of Conpet SA to pay the value of the land lack of use in the form of annual rent for the last three years;
- to rule the obligation of Conpet SA to pay the court costs for the resolution of the present petition.

Subsequently, the claimant specified its action with regard to the second part of the petition requesting the court:

- to rule the obligation of Conpet SA to pay the amount representing the lack of use of the two land plots for the period between 10.12.2015 and the date when the decision remained final decision admitting the first part of the petition.

The lack of use was provisionally assessed at the amount of 5,000 lei. Conpet formulated the counterclaim / reconventional petition requesting the court:

- to rule the obligation on the claimant to allow CONPET S.A. the exercise of the right of legal servitude instituted by the provisions of art. 7 and following of Law no. 238/2004 on the two plots of land owned by the claimant Cruceanu Alin Florinel, situated in Agigea commune, Lazu village, 29, Luceafărului street. respectively 31, Luceafărului street, Constanta County. The exercising of the right to legal servitude will be done on a 2.4 meter wide corridor located along the Ø 20 " crude oil transport pipeline Constanța-Bărăganu for the purpose of permanent access to the pipeline for the daily check of pipeline and execution condition any repairs.
- to rule the establishment of the amount of the annual rent stipulated by the law due by us the undersigned to the claimant in return for the exercise of the right to legal servitude.

**Trial stage:** First court

**Court hearing:** 29.01.2018

#### **5. Case File no. 18344/212/2017 – Constanța Court**

**Parties:** Conpet SA – respondent-reconvenient

Mitu Dumitru – claimant-respondent

Mitu Rodica – claimant-respondent

**Object:** Obligation to do something. Mitu Dumitru and Mitu Rodica initiated a law suit requesting the court to rule the obligation of Conpet to pay damages for the two plots of land located in Lazu village, Agigea commune, Constanta county affected by route of certain oil products pipelines, as well as the obligation of the claimant to pay the respondent an annual rent for the lack of use over the land affected by the legal servitude right starting with 20.06.2014 and of compensations in the form of an annual payment for the affectation of the use of the part of land on which the pipe is not placed, with the obligation to pay the court costs.

The Claimants assessed the claims brought before the court at the amount of 10,000 lei for the stamp fee for the claim showing that, after determining the values through expertise they will administer in the case, to pay the court fee difference.

Conpet formulated a counterclaim / reconventional petition requesting the court:

1. to rule the obligation of the claimants to allow the company CONPET S.A. the exercise of the right of legal servitude instituted by the provisions of art. 7 and following of Law no. 238/2004 on the two lots of land owned by the claimants. The right of legal servitude shall be exercised on a 2.4 meter wide corridor located along the F2 Ø 20 " Constanța-Bărăganu crude oil pipeline for the purpose of permanent access to the pipeline for the day-to-day inspection of the pipeline condition and for performing any repairs.

2. to set the amount of the annual rent prescribed by the law owed by Conpet to the claimants in exchange for the exercise of the right to legal servitude.

Conpet also formulated a petition of summoning in guarantee of the MINISTRY OF PUBLIC FINANCES and the NATIONAL AGENCY FOR MINERAL RESOURCES (ANRM) so that if CONPET S.A. Ploiesti falls in claims regarding the claims of the claimants formulated in the legal petition to compensate us with the amount that we shall be obligated to pay the claimants.

**Trial stage:** First court

**Court hearing:** 31.01.2018

**c) List of case files on the docket of the courts of law on 31.12.2017 in which the Company CONPET S.A. has the capacity of claimant**

**1. Case File no. 11921/105/2011 – Bacău Tribunal**

**Parties:** Conpet S.A. - claimant

Biodiesel S.R.L. - respondent

**Object: Claims.** Conpet S.A. initiated a legal suit requesting the court:

- v Biodiesel S.R.L to pay to Conpet S.A. the amount of 216,821.44 lei, representing the rent for the period June 2009 - April 2011;

- to rule the obligation of Biodiesel S.R.L to pay to Conpet S.A. the delay penalties owed by the respondent under art. 11 of Contract no. ADM 89 / 27.04.2009 concluded between the parties as a result of the respondent's failure to pay the rent. Conpet requires the respondent to pay the late payment penalties from the due date to the effective date of payment (the date of the payment of the principal charge equivalent to the rent due for May 2009 - April 2011). It took note that until 11.11.2011 the amount due by the respondent as delay penalties is in the amount of 30,653.77

lei;

- to rule the obligation of the respondent to pay damages for the lack of use of the land from the expiry date of the contract (28.04.2011) until now. When assessing the damages for the non-use we considered the amount of the rent agreed with the respondent through the lease no. ADM 89 / 27.04.2009;

- to rule the obligation of the respondent Biodiesel S.R.L. to pay the court costs which we will bear in the present case.

**Clarifications:** By the **Court Order no. 445 / 04.03.2015** the Moinesti Appellate Court rejected the exception of the contract non-execution. It admitted in part the petition formulated by the claimant Conpet SA Ploiesti in contradictory with Biodiesel SRL. It ruled the obligation of the respondent to pay to the claimant the amount of 191,554.60 lei representing the rent equivalent. It ruled the obligation of the respondent to pay to the claimant the amount of 106,026.58 lei representing default penalties for late payment, which will be due from 20.11.2014 until the actual payment of the rent equivalent. It rejected the claim for damages. It ruled the obligation of the respondent to pay to the claimant the sum of 10,599.31 lei representing the judicial stamp fee in the case of the admission of the action and the expert fees. The decision was attacked with appeal by Conpet and Biodiesel.

By the **Conclusion of 08.03.2016** the Bacău Tribunal ruled the suspension of the appeal judgement in accordance with art. 244 (1) 1 of Civil Procedure Code (old), pending the final resolution of case file no. 5119/260/2014. Conpet attacked with recourse the suspension conclusion. It will be tried by the Bacau Appellate Court. By the Decision of 07.09.2016 the recourse was rejected.

**Trial stage:** Appeal – Suspended

**Court hearing:** --

## **2. Case File no. 19024/281/2009 - Ploiești Court**

**Parties:** Conpet S.A. -claimant

Compania de Transport Feroviar / Railroad Transport Company S.A. Ploiești - respondent

**Object:** Conpet initiated a law suit requesting the court to rule the obligation of the respondent to pay the amount of 50,511.6 lei representing the payment difference from the value of the repair of the LDH 70-675 locomotive engine in the amount of 60,381.60 and the court costs.

**Clarifications:** By the conclusion of 02.09.2011 the court **suspended** the case according to art. 36 of Law 85/2006.

**Trial stage:** First court

**Court hearing:** --

## **3. Case File no. 6179/105/2009 - Prahova Tribunal**

**Parties:** Conpet S.A. - creditor

Petroconduct S.A. – debtor

**Object: Bankruptcy.** Conpet S.A. by the Debt Statement no. 5949 / 23.02.2010 requested the registration at the creditor's table with the amount of 202,890.47 lei representing penalties for the non-performance of the obligations assumed in the Contract no. L45 / 18.03.2004 and MST9 / 09.06.2004, the value of the tubular material, costs for transport, loading and unloading of the

tubular material, court costs. Conpet SA was entered on the creditors' table of the debtor S.C. Petroconduct S.A. with the amount of 62.739,06 lei.

**Clarifications:** The court liquidator of the debtor registered the Company with the debtor's preliminary table only with a part of the debt claimed by Conpet, respectively 62,739.06 lei of the total amount of the claim in the amount of 216,412.56 lei, although our Company formulated all the attack ways it had at its disposal.

**Court hearing:** 14.02.2018

#### **4. Case File no. 2811/105/2010\* – Ploiesti Appellate Court**

**Parties:** Conpet S.A. – claimant

ICIM S.A. – respondent

**Object :** Conpet S.A. initiated a legal suit requesting the court to rule the obligation of ICIM to pay the amount of 338,144.32 lei representing penalties owed to our company related to the late execution of the works for which the respondent was bound according to the contract no. 0135/1995 concluded between the Parties and payment of the costs of the proceedings.

**Clarifications:** By the **Court Order no. 594 / 05.03.2014** the Prahova Tribunal rejected the statute of limitation exception. It rejected the action as ungrounded. The decision was attacked with appeal Conpet by Appeal.

By the **Decision no. 73 / 04.02.2015** the Ploiesti Appellate Court admitted the appeal of the claimant. It cancelled the appealed sentence and sent the case back to the First Court.

By the **Court Order no. 1447 / 22.06.2015** the Prahova Tribunal rejected the exception of the statute of limitation of the material right to action. It admitted the action. It obligated the respondent to pay to the claimant the sum of 292,754.68 lei, representing delay penalties, as well as to pay the court costs for the proceeding in the First Court and in the Appellate Court in the amount of 12,568 lei, representing the judicial stamp fee, judicial stamp and expert fees. The decision was attacked with appeal by ICIM S.A.

**Trial stage:** Appeal - retrial

**Court hearing :** 16.01.2018

#### **5. Case File no. 29201/3/2012\* – Bucharest Appellate Court**

**Parties:** Conpet SA – civil party

Dinu Ion, Petrișor Marius Sever, Petrișor Dumitru Valeriu, Pavel Vasile, Benim Nicolae, Dumitru Gabriel, Tinca Florinel Mircea, Costachi Constantin, Spirea Geon, Dragut Marian, Cobzaru Eugen Constantin, Niță Sorin, Constantin George Alin, Marin Georgian Ciprian, Chelaru Ioan Iulian, Dumitru Constantin, Sandu Marian, Toncu Ștefan – defendants

**Object: Theft. Bribery. Law 78/2000, Use of forgery. Association for crime committing.** Conpet SA constituted itself as civil party for the amount of 6,267,625.71 lei, representing the price of the stolen crude oil.

**Clarifications:** By the **Court Order no. 1072 / 25.05.2017** the Bucharest Tribunal admitted the civil action and ruled the obligation of the defendants to do the following:

1. to pay the amount of 3,962,725.98 lei representing the value of 2,420,595 tons of crude oil stolen, plus the legal interest from the date of each individual act until the full payment of the damage

2. to pay the amount of 8.233,99 lei, plus the legal interest, representing the value of the

rehabilitation works needed to bring the 14 "Călăreți-Mavrodin" pipeline, the 200 "Bărăganu-Călăreți" pipeline and the F1 Siliște-Ploiești pipeline to the initial state before the commission of the crimes.

3. to pay, jointly, all defendants, the amount of 47,915.77 lei, plus the legal interest, representing the equivalent of the transportation cost of the 2,420,595 tons stolen.

The decision was attacked with appeal also by Conpet SA.

**Trial stage:** Appeal

**Court hearing:** 19.01.2018

#### **6. Case File no. 3033/105/2012 – Prahova Tribunal**

**Parties:** Conpet SA – creditor

Vasrep Petro Construct SRL – debtor

**Object: Bankruptcy.** Conpet SA introduced petition of debt admission requesting the registration on the creditors' table of Vasrep Petro Construct SRL with the amount of 126,877 lei, including VAT, representing the value of the material, labour and equipment expenses necessary to bring the pipeline to the state before the illicit deed was committed by the debtors, consisting of the destruction and unlawful removal of two 4.120 ml lengths from the pipe Ø 10¾ "Iancu Jianu – Ghercești. Conpet contested the measure of non-registration of Conpet SA on the preliminary table with this claim, which constitutes the object of the file no. 3033/105/2012 / a1 By the Court Order No. 1958 / 19.11.2012, Prahova Tribunal rejected the contestation formulated by Conpet. Conpet formulated a recourse. The Ploiești Appellate Court admitted the recourse, annulled the court order ruled by the First Court and sent the case to retrial.

By the **Court Order no. 1008 / 17.09.2014** (Case File no. 3033/105/2012 / a1 \*) the Prahova Tribunal admitted the contestation to the preliminary title. It ruled the inscription of the contestant creditor Conpet S.A. in the final debts table of the debtor with the amount of 1,473,628 lei for materials, labour and equipment and 120 lei legal stamp fee from the recourse and 2500 lei for the expert fee. Vasrep formulated a recourse.

By the **Decision no. 141 / 15.01.2015** the Ploiesti Appellate Court rejected the recourse as ungrounded.

**Trial stage:** First court

**Court hearing:** 22.02.2018

#### **7. Case File no. 2803/120/2013 - Dambovită Tribunal**

**Parties:** Conpet SA – creditor

Ecprod SRL - debtor

**Object: Insolvency. Debt admission petition.** Conpet SA filed a petition for debt admission on the estate of the debtor Ecprod in the amount of 25,728.89 lei. Conpet is registered on the Creditors' Table with the amount of 25,728.89 lei.

**Trial stage:** First court

**Court hearing:** 22.01.2018

## **8. Case File no. 7932/118/2013\* – Constanța Tribunal**

**Parties:** Conpet SA - civil party

Bivolaru Gabriel, Chihaia Marin, Mangalea Gheorghe, Arhire Adrian, Poenaru Marius Ciprian, Boamfa Paul, Luca Viorel, Meridicos Romeo Ovidiu, Dimofte Petronel, Matei Marius Ionut, Ahălanei Ioan - defendants

Romeo International Service Company SRL Năvodari - defendant

Romeo International Service Company SRL Năvodari represented by Nicolaidis Constantin - defendant

Ministry of Public Finances- ANAF - civil party

DGFP - civil party

**Object: Offences of tax evasion (Law 87/1994, Law 241/2005), art. 323 of Criminal Code, Qualified theft (art.208-209 of Criminal Code).** Conpet SA constituted itself as civil party for the amount of 928,785.94 lei representing the equivalent of the amount of stolen crude oil (277 tons), pipeline remediation works and laboratory tests.

**Clarifications:** By the **Court Order no. 472 / 17.12.2015** the Constanta Tribunal admitted the civil action filed by the civil party Conpet SA. Ploiesti. The court ruled the joint obligation of the defendants Bivolaru Gabriel, Chihaia Marin, Mangalea Gheorghe, Ahalanei Ioan, Arhire Adrian, Poenaru Marius Ciprian, Boamfa Paul, Merdicos Romeo Ovidiu, Dimofte Petronel, Luca Viorel and Matei Marius Ionut to pay to the civil party Conpet SA. the amount of 90,814.50 lei (the value of 30 tons of crude oil stolen on 27.05.2013). The defendants Bivolaru Gabriel, Chihaia Marin, Mangalea Gheorghe, Ahalanei Ioan, Arhire Adrian, Poenaru Marius Ciprian, Boamfa Paul, Merdicos Romeo Ovidiu, Dimofte Petronel, Luca Viorel and Matei Marius Ionut will be jointly liable to pay to the civil party Conpet SA. the amount of 93,841.65 lei (value of 31 tons of crude oil stolen on 31.05.2013). The defendants Bivolaru Gabriel, Chihaia Marin, Mangalea Gheorghe, Ahalanei Ioan, Arhire Adrian, Poenaru Marius Ciprian, Boamfa Paul, Merdicos Romeo Ovidiu, Dimofte Petronel, Luca Viorel and Matei Marius Ionut will be jointly liable to pay the civil party Conpet SA. the amount of 111,027.27 lei (value of 36 tons of crude oil stolen on 03.06.2013). The defendants Bivolaru Gabriel, Chihaia Marin, Mangalea Gheorghe, Ahalanei Ioan, Arhire Adrian, Poenaru Marius Ciprian, Boamfa Paul, Merdicos Romeo Ovidiu, Dimofte Petronel, Luca Viorel and Matei Marius Ionut will be jointly liable to pay the civil party Conpet SA. the amount of 585,977.25 lei (value of 190 tons of crude oil stolen on 04.06.2013 and 05.06.2013). The defendants Bivolaru Gabriel, Chihaia Marin, Mangalea Gheorghe, Ahalanei Ioan, Arhire Adrian, Poenaru Marius Ciprian, Boamfa Paul, Merdicos Romeo Ovidiu, Dimofte Petronel, Luca Viorel and Matei Marius Ionut will be jointly liable to pay the civil party Conpet SA the amount of 17,289.32 lei representing the amount of works for decommissioning the artisanal installation and for bringing the pipeline to the initial state. The defendants Bivolaru Gabriel, Chihaia Marin, Mangalea Gheorghe, Ahalanei Ioan, Arhire Adrian, Poenaru Marius Ciprian, Boamfa Paul, Merdicos Romeo Ovidiu, Dimofte Petronel, Luca Viorel and Matei Marius Ionut will be jointly liable to pay the civil party Conpet SA the amount of 9,576.84 lei, representing the laboratory tests for 17 samples of oil products. It took act that the civil party Conpet SA. waived the civil claims in the amount of 20,268.11 lei for the deed of 03.08.2013 because the damage was fully recovered. The decision was attacked with appeal by the defendants.

By the **Decision no. 675 / 10.06.2016** the Constanta Appellate Court admitted the appeals filed

by the Prosecutor's Office within to the Constanta Tribunal and by the defendants Bivolaru Gabriel, Chihaiia Marin, Mangalea Gheorghe, Arhire Adrian, Poenaru Marius Ciprian, Boamfa Paul, Luca Viorel, Meridicos Romeo Ovidiu, Dimofte Petronel, Matei Marius Ionut, Ahaulanei Ioan and SC Romeo International Service Company SRL Navodari. It annulled the entire criminal court order no. 472 / 17.12.2015 ruled by the Constanța Tribunal in Case File no. 7932/118/2013 and ruled the referral of the case to the Constanța Tribunal for retrial. Here it received \* and ruled the case to be referred to the preliminary chamber judge (7932/118/2013 \* / al).

By the **Conclusion no. 93 / 28.02.2017** the Constanța Tribunal rejected as ungrounded the requests and exceptions formulated by the defendants Bivolaru Gabriel, Chihaiia Marin, Merdicos Romeo Ovidiu, Arhire Adrian and Mangalea Gheorghe. It found the legality of the court's notification with the indictment no. 569 / P / 2013 of 30.08.2013 issued by the Prosecutor's Office within the Constanța Appellate Court, whereby the defendants were indicted and sent to trial. It ascertained the lawfulness of the administration of evidence and the conduct of criminal prosecution. It ruled the beginning of the case trying. The conclusion was challenged with a statement, rejected by the Constanța Appellate Court.

Also, by the Conclusion of 28.02.2017, the Constanta Tribunal found admissible the exception of unconstitutionality. It resorts to the Constitutional Court for the resolution on the objection of unconstitutionality invoked by the defendant Bivolaru Gabriel in Case File no. 7932/118/2013 \* of the Constanța Tribunal, regarding the unconstitutionality of the provisions of art. 280, para. 1, art. 281 para. 1 and art. 282 para. 1 and 2 of the Criminal Procedure Code - Case File no. 812D / 2017 - Court hearing: 14.12.2017. This Conclusion may be attacked with contestation.

**Trial stage:** First court - retrial

**Court hearing:** 07.02.2018

#### **9. Case File no. 1862/114/2014 – Buzău Tribunal**

**Parties:** Conpet SA – creditor

Geluval Stor SRL – debtor

**Object:** Conpet SA formulated a petition for the admission of the debt requesting the inscription on the creditors' table of Geluval Stor SRL, with the amount of 1,440.90 lei, representing late payment penalties due for the payment beyond the deadline set in the contract of the value of 7 invoices issued by Conpet for the services rendered on the basis of Contract no. STA 101 / 20.03.2012 concluded with the respondent, the amount to which the debtor was ordered by the Court Order no. 8867 / 16.06.2014 ruled by the Ploiești Court in court file no. 109/281/21014, remaining final by non-appealing.

Conpet was entered on the preliminary creditors' debts table against the debtor Geluval Stor SRL with the amount of RON 1,440.90.

**Trial stage:** First court

**Court hearing:** 01.02.2018

#### **10. Case File no. 6625/120/2013 - Dâmbovița Tribunal**

**Parties:** Conpet SA - injured party

Dumitru Nica Constantin, Dumitru Nica Gheorghe, Marasescu Marian, Vlada Aurica, Aslan Razvan Aurel, Grigorascul Dominel Ion, Georgescu Anda, Stanca Ion, Constantin Andrei Marius, Maricescu Constantin, Duniag Instal SRL through the legal

representative Dumitru Nica Gheorghe, Anaver Vila Grup SRL through the legal representative Dumitru Nica Gheorghe – defendants  
MECMA for Petrotrans SA Ploiești through the Liquidator Rominsolv SPRL - injured party  
OMV Petrom SA Asset 6 Muntenia Central - injured party  
Mayor's Office Bucșani - injured party  
Mayor's Office Șotânga - injured party  
Romtelecom S.A. – South East Operations Division – Dâmbovița Telecommunication Centre - injured party  
**Object: Qualified theft.** Conpet constituted itself as civil party for the amount of 2.083,20 lei, representing the equivalent of 350 l. m. stolen from the pipe Ø 10 "F2 Siliște - Ploiești.  
**Trial stage:** First court  
**Court hearing:** 21.02.2018

#### **11. Case File no. 22494/281/2014 – Prahova Tribunal**

**Parties:** Conpet SA - claimant

Cezar Filip Prodimpex - respondent

**Object:** Conpet initiated a law suit requesting the court to rule: the obligation of the respondent SC Cezar Filip Prodimpex to pay the amount of 67.258,87 lei consisting in the court costs incurred by the claimant in the case that made the object of the file no. 2434./105/2009, the first court and appeal procedural stages, the first court judgement at the Prahova Tribunal, and the appeal at the Ploiești Appellate Court

**Clarifications:** By the **Court Order no. 2388 / 07.03.2016** the Ploiesti Court admitted in part the petition. It ruled the obligation of the respondent to pay to the claimant the amount of 15,000 lei representing court costs at the First Court in the file 2434/105/2009 of the Prahova Tribunal as lawyer's fee and 21.264.87 lei the costs of the appeal, file 2434./105/2009 of the Appellate Court Ploiești, representing 10,000 lei for lawyer fee and 11,264.87 lei judicial stamp fee. It rejected the petition for the update of the amount by the inflation rate. It rejected the application regarding the court costs. The decision was attacked with appeal by Conpet SA and Cezar Filip Prodimpex.

By the **Decision no. 3959 / 19.12.2017** the Prahova Tribunal rejected the appeals as ungrounded. It compensated entirely all the appeal costs. The Decision can be attacked with recourse after notification.

**Trial stage:** --

**Court hearing:** --

#### **12. Case File no. 1510/262/2014 – Moreni Court**

**Parties:** Conpet SA - claimant

Pîrvu Gheorghe – respondent

Pîrvu Nicolae - respondent

Grigorescu Gabriel - respondent

Zlăteanu Dragoș Marian - respondent

Dărmănești Commune, legally represented by the Mayor of the Dărmănești Commune - respondent

SC Nimb Dâmbovița SA –respondent

**Object:** Conpet formulated a law suit requesting the Court to rule the obligation of the that respondents to pay jointly to Conpet the amount of 34,944.18 lei for civil damages - representing the value of the works for remediation of the pipeline and the cable of fiber optic Link 14, destroyed on 03.06.2011, within the area of Dărmănești commune, Dâmbovița County, works necessary to bring them to the initial state of before the commission of the deed, i.e. in good operation order, amount plus legal interest starting from the date of the final judgment which remained final of the present case and the date of actual payment; the payment of the court costs.

**Clarifications:** By the Conclusion of 08.01.2015 the Moreni Court suspended the judgement of the case in relation with the defendant SC Nimb Dambovita SA. It disjointed the case related to the other defendants and ruled the formation of a new file (184/262/2015).

**Trial stage:** First court - Suspended

**Court hearing:** --

### **13. Case File no. 6819/118/2013 – Constanța Tribunal**

**Parties:** Conpet SA – creditor

Tobias SRL – debtor

**Object: Bankruptcy.** Conpet S.A. requested the inscription of the creditors' table of the debtor with the amount of 663 lei representing the equivalent of 230 kg of aluminium (575 lei) and 110 kg of iron (88 lei), handed over to Tobias SRL on 04.06.2013, under the contract of sale and purchase of waste no. 2013 / ADM / 15.02.2013 between Conpet and Tobias. The petition of Conpet was partly admitted by the judicial administrator, in the sense that our company was inscribed on the creditors' table with the debt amounting to 643.11 lei, the difference of 19.89 lei representing 3% environment fund and owed to the Administration of the Environment Fund.

**Trial stage:** First court

**Court hearing:** 15.02.2018

### **14. Case File no. 717/105/2015 - Prahova Tribunal**

**Parties:** Conpet SA - creditor

Fotbal / Soccer Club Petrolul Ploiești SA - debtor

**Object: Bankruptcy.** Conpet filed a petition by which it requested the inscription in the creditors' table of the debtor Fotbal / Soccer Club Petrolul Ploiești SA with a debt in the amount of 14,465.33 lei. Conpet was inscribed in the creditors' table of the debtor with the requested amount.

**Clarifications:** By the Court Order no. 821 / 22.06.2016 the Prahova Tribunal admitted the request of the judicial administrator. It approved the conclusions of the Judicial Administrator's report. It ruled the dissolution of the debtor company and the annulment of the debtor's right of administration. It ruled the sealing of the assets from the debtor's estate and the execution of the other liquidation operations.

**Trial stage:** First court

**Court hearing:** 17.01.2018

**15. Case File no. 13386/3/2015 – Bucharest Tribunal**

**Parties:** Conpet SA – creditor

Perfect Metal SRL – debtor

**Object: Bankruptcy.** Conpet S.A. requested the inscription in the creditors' table of the debtor with the amount of 221,189.85 lei representing penalties for late payment, damages, interest and court costs.

The petition was admitted, but Conpet was listed in the table as a chirographic creditor and not as a guaranteed creditor, as it should, considering the content of our petition for inclusion on the creditors' preliminary table. Conpet attacked with appeal the preliminary debts table, which constitutes the object of case file no. 13386/3/201 / a1 with court hearing on 18.09.2015. By the Decision no. 7106 / 18.09.2015 the Bucharest Tribunal rejected the contestation as ungrounded.

**Trial stage:** First court

**Court hearing:** 16.02.2018

**16. Case File no. 19602/3/2015 – Bucharest Tribunal**

**Parties:** Conpet SA – creditor

Top Birotica SRL – debtor

**Object: Bankruptcy.** Conpet S.A. requested the inscription on the creditor's table of the debtor with the amount of 2,258.72 lei representing delay penalties due for delayed delivery of the equipment that constituted the object of the contract P-CA 438 / 17.11.2014.

**Trial stage:** First court

**Court hearing:** 31.01.2018

**17. Case File no. 2899/62/2015 – Braşov Tribunal**

**Parties:** Conpet SA – creditor

Condmag SA - debtor

**Object: Bankruptcy.** Petition for the admission of Conpet's debt against the estate of the debtor Condmag SA - 42,950.85 lei representing penalties.

**Trial stage:** First court

**Court hearing:** 13.02.2018

**18. Case File no. 4996/256/2015 – Medgidia Court**

**Parties:** Conpet SA – civil party

Sprivac Florin Alexandru, Roşu Adrian – defendants

**Object: Qualified theft.** Conpet constituted itself as civil party for the amount of 7,647.96 lei representing the value of 200 litres of crude oil lost as a result of this deed (541.33 lei), the repair works of the damaged pipeline, necessary to restore it in operation (4,710. 95 lei) and the works for the greening of the land polluted surface after the failure (2,395.68 lei).

**Clarifications:** By the Court Order no. 3538 / 21.12.2017 the Medgidia Court admitted the civil action filed by the civil party CONPET SA and ruled the obligation of the defendants, jointly and severally, to pay civil damages in the amount of 7,647.96 lei with the title of material compensations. The Decision may be attacked with appeal after notification.

**Trial stage:** --

**Court hearing: --**

**19. Case File no. 15042/212/2015 – Constanța Appellate Court**

**Parties:** Conpet SA – civil party

Polifroni Dimu, Safir Marius, Staicu Tudor – defendants

**Object:** Conpet SA is a civil party in the criminal proceedings for the sum of 156,414.01 lei representing 151,482.42 lei - the equivalent of the quantity of 73,026 kg of crude oil, 2,936.97 lei the equivalent of the pipeline rehabilitation works, necessary to bring it to the initial state before the commission of the crime, i.e. in operation and 1,987.62 lei the value of the emptying of the tanks in farm 3 Mamaia Sat and the former factory SC Munca Ovidiu SA.

**Clarifications:** By the Court Order no. 44 / 13.01.2017 the Constanta Appellate Court admitted in part the civil action formulated by the civil party Conpet SA and ruled the joint obligation of the defendants Polifroni Dimu, Safir Marius, Staicu Tudor and Lupusoru Nicusor to pay the amount of 386115,48 lei as compensations for the material damages which will be updated with the legal interest starting with 21.06.2010, representing: - 357755,88 lei crude oil conveyed to the final beneficiaries (16000 litres - SC AVIPUTNA SRL, 96000 litres - SC ROLIDACOM SRL, 32000 litres - SC PETROSUD SRL, 4775 litres - SC UTILITĂȚI / UTILITIES SRL Negrești, 30000 litres - CRNN Răcăciuni, 21000 litres - SC LTA MONDIAL SRL). - 23435,01 lei the value of the losses of 11297 kg of crude oil; - 2936,97 lei the intervention value for the damage on 21.06.2010 at Farm 3 Mamaia Sat; - 1987,62 lei the emptying of the tanks in the SC Ovidiu SA factory. The decision was attacked with appeal by the defendants and Conpet.

**Trial stage:** Appeal

**Court hearing:** 18.01.2018

**20. Case File no. 983/281/2016 – Prahova Tribunal**

**Parties:** Conpet SA – contestant

Dobrogeanu Dumitru – intimated party

**Object:** Conpet SA filed a contestation to the execution against the execution acts drawn up by BEJ Divoiu Maria in the execution case file no. 468/2015, as follows:

- Notification of 17.12.2016;
- Summons of 17.12.2015;
- Conclusion of forced execution approval of 17.12.2015
- Conclusion of setting the execution costs for the date of 17.12.2015
- Conclusion of inflation update on 17.12. 2015

And requested the cancellation of all the disputed execution acts shown above and the exoneration of our company from paying the amount of 51,021.54 lei which constitutes the object of the forced execution.

- With court costs

**Clarifications:** By the **Court Order no. 8369 / 19.10.2017** the Ploiești Court admitted the contestation to execution filed by contestant Conpet S.A. It annulled the execution acts drafted by B.E.J. Divoiu Maria in the execution case file no. 468/2015, as follows: Notification of

17.12.2016, Summons of 17.12.2015, Conclusion of forced execution approval of 17.12.2015, Conclusion of setting the execution costs for the date of 17.12.2015 and Conclusion of inflation update on 17.12. 2015. It ruled the obligation of the intimated party to pay to the contestants the amount of 800.40 lei as court costs out of which the amount of 600 lei represents the accounting expert's fee and the amount of 200.40 lei represents the copies of the execution file no. 468/2015. It rejected as ungrounded the petition to rule the obligation of the intimated party to pay the amount of 1,000 lei as court costs consisting in stamp fees. The decision was attacked with appeal by Conpet. Conpet also filed a petition for the completion of the judgment with court hearing: 31.01.2018.

**Trial stage:** Appeal

**Court hearing:** --

#### **21. Case File no. 91/116/2016 – Calarași Tribunal**

**Parties:** Conpet – civil party

Nitu Gh. Nicolae, Stancu N. Alexandru Emilian, Avram Gheorghe, Anton T. Petrisor, Tanase M. Vasile Aurel, Bucur G. Mădălin Cristian – defendants

**Object: Constitution of an organized crime group** (art. 367 of the New Criminal Code) para. 1 of the Criminal Code. Conpet SA constituted itself as civil party for the amount of 95,243.71 lei representing the value of the lost crude oil (79,624.98 lei) and the refurbishment works (15,618.73 lei).

**Trial stage:** First court

**Court hearing:** 31.01.2018

#### **22. Case File no. 8156/281/2014 – Ploiești Court**

**Parties:** Conpet SA – civil party

Matei Marinell – **revizuent**

**Object: Qualified theft.** Revision. Matei Marinell formulated a request for revision of the criminal decision no. 1383 / 14.10.2013 pronounced by the Ploiești Appellate Court in file no. 19230/281/2011.

**Trial stage:** First court

**Court hearing:** 11.01.2018

#### **23. Case File no. 2694/236/2016 - Giurgiu Court**

**Parties:** Conpet through BEJ Raduța Nicoleta - petitioner

Conpet - creditor

Stan Remus Constantin - debtor

SC Trans Denimar SRL - withheld third party

**Object:** BEJ Raduța Nicoleta filed a request for validation of the withholding established by the notification dated 22.01.2016 in the forced execution case file no. 207/2015 of BEJ Raduța Nicoleta, based on the executory title - criminal court order no. 142 of 14.09.2014 ruled by the Călărași Tribunal in case file no. 2623/116/2013, on the amounts of money owed at present or in the future by the withheld third party Trans Denimar SRL, up to the amount for which the withholding was set up, namely 17,708.55 lei, consisting of 13,713.49 lei representing the

equivalent of works of repair at the damaged pipes; 2,349.44 lei representing the execution costs; 1,645.62 lei representing the executor's fee, including VAT, with the obligation of the withheld third party to pay the total amount of 17,708.55 lei, plus the expenses incurred for performing the execution in the account or the accounts opened at BCR Izvor in the name of BEJ Raduță Nicoleta.

**Clarifications:** By the **Civil Court Order no. 7772 / 16.11.2016** the Giurgiu Court admitted the request filed by BEJ Raduță Nicoleta in contradictory with the debtor Stan Remus Constantin, the withheld third party Trans Denimar SRL and the creditor Conpet SA. It validated the withholding established by the notification dated 22.01.2016 in the execution file no. 207/2015 for the amount of RON 17,708.55 representing debt and execution costs. It ruled the obligation of Trans Denimar SRL to pay to the creditor Conpet SA in the account of BEJ Răduță Nicoleta, within the limit of the claim, the amount owed to the debtor Stan Remus Constantin, in monthly instalments of 1/3 of the amounts owed to the debtor as rent, according to the contract no. 160 / 19.02.2008. The Decision may be attacked with appeal after notification.

**Trial stage:** --

**Court hearing:** --

#### **24. Case File no. 8115/281/2016 – Prahova Tribunal**

**Parties:** Conpet SA – contestant

Dobrogeanu Dumitru - intimated party

**Object: Contestation to execution.** Conpet filed a contestation to execution against the Conclusion dated 01.04.2016 drafted by BEJ Divoiu Maria in the execution file no. 468/2015, requesting the court to rule, on the basis of art. 719 of the Civil Procedure Code, the cancellation of the Conclusion and our exoneration from the payment of the amount of 11.067,41 lei which constitutes the object of the forced execution.

**Clarifications:** The Ploiești Court admitted the exception of connection, invoked *ex officio*. It ruled the connection of this case file to case file no. 983/281/2016 of the Ploiești Court. By the **Court Order no. 8369 / 19.10.2017** ruled in case file no. 983/281/2016 the Ploiești Court admitted the contestation to execution filed by the contestant Conpet S.A. It annulled the execution acts drafted by B.E.J. Divoiu Maria in the execution case file no. 468/2015, as follows: the notification of 17.12.2015, the summons of 17.12.2015, the conclusion of the forced execution approval of 17.12.2015, the conclusion of setting the execution expenses of 17.12.2015 and the conclusion of the update with the inflation rate of 17.12.2015. It ruled the obligation of the intimated party to pay to the contestant the amount of 800.40 lei as court costs of which the amount of 600 lei represents the accounting expertise fee and the amount of 200.40 lei represents the copies of the execution file no. 468/2015. It rejected as ungrounded the petition for the obligation of the intimated party to pay the amount of 1,000 lei as court costs consisting in judicial stamp fee. The decision was attacked with appeal by Conpet. Conpet also filed a request for the completion the judgment with court hearing on 31.01.2018.

**Trial stage:** Appeal

**Court hearing:** --

#### **25. Case File nr. 310/120/2016 – Dâmbovița Tribunal**

**Parties:** Conpet SA – civil party

OMV Petrom SA – civil party

SNTGN Transgaz SA – civil party

Gruia Gheorghe, Vasile Valentin, Ciobanu Viorel, Dudas Pavel, Tudorache Marius, Parvu Valentin, Georgescu Anda, Manda Marin – defendants

**Object: Constitution of an organised criminal group** (Article 367 of the PCC). Conpet constituted itself as civil party for the amount of 405,536.24 lei, representing the value of the stolen pipes.

**Clarifications:** By the Conclusion of 31.05.2016 the Dâmbovița Tribunal returned to the prosecutor's office the case started by the indictment drafted in the criminal pursuit file no. 124 / D / P / 2013 of the Prosecutor's Office within to the High Court of Cassation and Justice - DIICOT - BT Dâmbovița regarding the defendants GG, VV, CV, DP, TM, PV, GA, MM, the injured parties being OMV Petrom SA, CONPET SA, National Company for Gas transport "Transgaz" SA. Against the Conclusion the Prosecutor's Office filed a contestation, on the docket of the Ploiești Appellate Court. By the Conclusion of 13.10.2016 the Ploiesti Appellate Court admitted the contestation filed by the Prosecutor's Office within the High Court of Cassation and Justice - DIICOT - Dâmbovița Territorial Office, annulled the attacked conclusion and, by re-judging, found the legality of the Dâmbovița Tribunal's notification by the indictment no.124 / D / P / 2013 of the Prosecutor's Office within the High Court of Cassation and Justice - DIICOT - Dâmbovița Territorial Office, the administration of evidence and the execution of criminal prosecution acts. It ruled the commencement of the trial.

**Trial stage:** First court

**Court hearing:** 21.02.2018

## **26. Case File no. 1450/214/2016 – Costești Court**

**Parties:** Conpet SA – civil party

Șerban Ilie, Dobre Marin, Naicu Ion Marian – defendants

**Object: Theft.** Conpet constituted itself as civil party for the amount of 133,147.97 lei representing the equivalent of the quantity of stolen crude oil, of the repair works at the damaged pipeline and of the relevant expert's reports.

**Clarifications:** By the Conclusion of 18.08.2016 the Costesti Court rejected as ungrounded the claims and the exceptions invoked by the defendants, found the competence and the legality of the court notification, of the administration of the evidence and of the execution of the other acts of criminal prosecution and ruled the commencement of the trial. The Conclusion was attacked with contestation. By the Conclusion no. 194 / 13.10.2016 the Argeș Tribunal rejected the contestation as ungrounded.

**Trial stage:** First court

**Court hearing:** 23.02.2018

## **27. Case File no. 8529/281/2016 – Ploiești Court**

**Parties:** Conpet SA – civil party

Constantin Costel, Matei Marian, Stan Mihai Catalin, Matei Valentin Dumitru – defendants

**Object: Qualified theft.** Conpet constituted itself as civil party for the amount of 158,780.39

lei composed of:

- 24,691.2 lei (VAT included) representing the value of 30,000 litres stolen between September and October 2015 by the defendants Stan Mihai Catalin, Matei Marian and Matei Valentin Dumitru
- 128,394.0 lei (VAT included) representing the value of 156,000 litres stolen between September and October 2015 by the defendants Constantin Costel, Stan Mihai Catalin and Matei Marian.
- 5.695,19 lei (including VAT) representing the value of the pipeline rehabilitation works, necessary to bring it to the initial condition before the crime, that is to say in operational order.

**Trial stage:** First court

**Court hearing:** 25.01.2018

## **28. Case File no. 4968/317/2016 – Târgu Cărbunești Court**

**Parties:** Conpet SA – civil party

Bumbu Constantin Daniel, Roncea Ștefan Laurențiu, Elena Ionuț Gabriel, Roncea Ionuț Cătălin, Roncea Eugen, Preda Ștefan Cristian, Roncea Constantin Robert, Bumbu Florin Ionuț – defendants

Roncea Constantin, Roncea Aurica, Bumbu Florian, Bumbu Doina – Civil liable parties

**Object: Theft.** Conpet S.A. constituted itself as civil party in criminal file no. 1080056/2016 for the amount of 11,202.22 lei, representing the value of the materials and works needed to restore the pipe section in length of 36.2 m.l. stolen by the defendants, of the works necessary to restore it to the condition before the criminal deed, that is, in operation, the stolen pipe with the value of 7,178.04 lei being recovered by our company.

**Clarifications:** By the Conclusion no. 182 / 14.11.2016 the Târgu Carbunesti Court found the regularity of the indictment no. 195 / P / 2016 of 7.10.2016 of the Prosecutor's Office within the Tg-Carbunesti Court, of the evidence administration and of the pursuit of the criminal prosecution. It ruled the commencement of the trial in the case related to the defendants. By the **Court Order no. 136 / 09.03.2017** the Târgu Carbunesti Court admitted the civil action of the civil party and ruled the obligation of the defendants jointly, of the under age defendants jointly with the civil liable parties to pay the amount of 11.202,22 lei with the related legal interest until the full recovery of the debt. The Decision may be attacked with appeal after notification.

**Trial stage:** --

**Court hearing:** --

## **29. Case File no. 8902/256/2016 – Constanța Appellate Court**

**Parties:** Conpet SA – civil party

Spirea Geon, Enache Noris, Panait Petre – defendants

**Object: Qualified theft.** Conpet SA constituted itself as civil party for the amount of 6,361.52 lei representing the value of the repair works of the damaged pipeline, necessary to restore it to the condition before the criminal deed, that is, in operation.

**Clarifications:** By the Conclusion no. 98 / 14.02.2017 Medgidia Court found the material competence, according to the capacity of the person. and the territorial competence of the Medgidia Court in the resolution of the present criminal case. It found the legality of the court notification, of the evidence administration and of the conduct of criminal prosecution in the

present criminal case. It ruled the commencement of the trial.

By the **Court Order no. 2036 / 07.09.2017** the Medgidia Court admitted the civil action filed by the injured person Conpet S.A. Ploiesti and ruled the obligation of the defendants to pay, jointly and severally, the amount of 6,361.52 lei with the title of material damages compensation. The decision was attacked with appeal by the defendants.

**Trial stage:** Appeal

**Court hearing:** 01.02.2018

### **30. Case File no. 8262/281/2016 – Ploiești Court**

**Parties:** Conpet SA – creditor

Association Fotbal / Soccer Club Conpet - debtor

**Object: Dissolution of legal person.** Petition for debt admission. Conpet SA filed a petition for the admission of the debt on the estate of the debtor Association Fotbal / Soccer Club Conpet, against which the dissolution was ruled by the Civil Court Order no. 8683 / 04.10.2016 pronounced by the Ploiești Court in case file no. 8262/281/2016, requesting the court to admit the petition for registration in the creditors' table of the debtor Conpet Soccer Club with the amount of 424.94 lei, as a certain, liquid and exigible debt, born before the admission of the dissolution request, representing residual payment penalties, according to invoice no. 1653 / 31.05.2015, calculated for the late payment of the obligations arising from the Rental Contract no. ADM 366 / 23.10.2012, concluded by Conpet SA with the Association Fotbal / Soccer Club Conpet. Conpet filed a request to the liquidator and the court for the admission of penalties amounting to 1,358.84 lei owed for late payment of the invoices issued on the basis of the previously mentioned contract.

**Trial stage:** First court

**Court hearing:** --

### **31. Case File no. 8216/270/2016 – Bacău Tribunal**

**Parties:** Conpet – contestant

Comuna Dofteana – intimated party

**Object: Contestation against execution.** Conpet formulated a contestation against the execution requesting the court to rule:

- the annulment of the act entitled Executory Title no. 14962 / 12.12.2016
- the annulment of Summons no. 14961 / 12.12.2016 and of the other acts of execution carried out by the intimated party.

**Clarifications:** By the Court Order no. 1393 / 21.06.2017 the Onesti Court admitted the exception of the inadmissibility of the counterclaim / reconventional petition. It rejected as inadmissible the counter-claim made by the intimated party DOFTEANA COMMUNE. It admitted the contestation to execution made by the contestant CONPET SA. It annulled the Executory Title no. 14962 / 12.12.2016 and the Summons no. 14961 / 12.12.2016, and the other execution acts issued by the intimated party in the execution file no. 488 / 01.18.2016. The court order was attacked with appeal by the Dofteana Commune.

**Trial stage:** Appeal

**Court hearing:** 30.01.2018

### **32. Case File no. 219/281/2017 – Ploiești Court**

**Parties:** Conpet SA – claimant

Tonicelli SRL – respondent

**Object:** Conpet initiated a law suit requesting the court to rule the obligation of the company Tonicelli SRL to pay the following amounts:

- 37,017.28 lei representing the value of unpaid ferrous waste according to Contract no. ADM 79 / 06.03.2014;

- 6,737.02 lei representing delay penalties, according to Contract no. ADM 79 / 06.03.2014, calculated until 20.10.2016;

- the court costs.

**Clarifications:** By the **Conclusion no. 245 / 03.02.2017** the Ploiești Court annulled the petition formulated for the non-compliance with the obligations set by the court of law related to the completion or modification of the petition. Conpet submitted a review petition.

By the Conclusion no. 860 / 14.04.2017 the Ploiești Court admitted the review request filed by claimant CONPET S.A. It ruled to send the file back to the initial invested panel of judges.

**Trial stage:** First court

**Court hearing:** 25.01.2018

### **33. Case File no. 3666/281/2017 – Ploiești Court**

**Parties:** Conpet – claimant

GENERAL REMAT SORT SRL

**Object: Claims.** Conpet filed a lawsuit requesting the court to rule the obligation of General Remat Sort SRL to pay the amount of 7,200.9 lei (2,286 lei unpaid invoice and 4,914.90 penalties for late payments calculated until 31.12.2016).

**Trial stage:** First court

**Court hearing:** Court ruling postponed for 25.01.2018

### **34. Case File no. 2345/202/2017 – Călărași Tribunal**

**Parties:** Conpet SA – claimant

Stoian Vasile – respondent

**Object: Claims.** Conpet SA filed a law suit requesting the court to rule the obligation of the respondent Stoian Vasile to pay the sum of 15,136.23 lei for civil compensation - representing the value of the materials and works needed to replace the three potential terminals afferent to the of imported crude oil transport pipelines Bărăganu - Călăreți stolen by him in the period 17.09. - 30.09.2014, amount to which one shall add the legal interest from the date of the act (30.09.2014) until the date of the actual payment, as well as the payment of the costs advanced in the case.

**Claims:** By the **Court Order no. 1694 / 19.09.2017** the Calarasi Court admitted the request made by Conpet S.A. It ruled the obligation of the respondent to pay the claimant the amount of 15,136.23 lei as civil damages. It rejected as ungrounded the applicant 's petition to rule the obligation of the respondent to pay the court costs. The decision was attacked with appeal by Conpet. Conpet also filed an application to complete the sentence no. 1694 / 19.09.2017 requesting the admission of the petition and the completion of the sentence pronounced by the

Calarasi Court with the court's orders on the request of our company regarding the obligation of the respondent Stoian Vasile to pay the legal interest from the date of the commission of the deed (30.09.2014) until the actual payment of the main debit . The request for completion constitutes the object of the case file no. 2345/202/2017 / a1 with court hearing on 23.01.2018.

**Trial stage:** Appeal

**Court hearing:** --

**35. Case File no. 1149/228/2017 – Făurei Court**

**Parties:** Conpet – petitioner

Ianca Mayor's Office– intimated party

**Object:** Conpet SA filed a complaint against the offence finding report no. 316 concluded by the Ianca Mayor's Office, Brăila County on 27.04.2017, by which our Company was sanctioned with a fine of 210 lei, established on the basis of art. 466 para. 2 of the Law 227/2015 regarding the Fiscal Code, an act that it considers ungrounded and illegal and requested its cancellation.

**Clarifications:** By the **Court Order no. 1031 / 23.10.2017** the Făurei Court admitted the contravention complaint. It cancelled the report no. 316 concluded on 27.04.2017. The Decision may be attacked with appeal after notification.

**Trial stage:** --

**Court hearing:** --

**36. Case File no. 1656/295/2017 – Sânnicolaul Mare Court**

**Parties:** Conpet – claimant

Emiliana West Rom SRL – respondent

Zeri Andrea – respondent

**Object: Claims.** Conpet SA filed a lawsuit requesting the court to rule the joint obligation, of the respondents SC EMILIANA WEST ROM SRL and ZERI ANDREA to pay to Conpet SA the amount of 197,301.36 lei as civil compensation - representing the value of the tubular material, of the materials and works necessary for the reconstruction of the Ø 6 ½ "Valcani - Teremia" crude oil pipeline, destroyed on 07.07.2014 by the dismantling of a portion of 460 lm, amount to which will be added legal interest from the date of the criminal deed up to the date of full payment of the principal debt.

**Trial stage:** First court

**Court hearing:** 25.01.2018

**37. Case File no. 789/105/2017 – Prahova Tribunal**

**Parties:** ICIM SA through the administrator CITR Bucharest - debtor

Conpet SA- creditor

**Object:** Insolvency proceedings. Conpet requests the inscription in the creditors' table of the company ICIM SA represented by the judicial administrator CITR FILIALA BUCUREȘTI / BUCHAREST BRANCH SPRL, with a total debt in the amount of 393,934.37 lei representing delay penalties, court costs, execution costs.

A) 50,094, 8 lei representing the value of the works for remediation of the pipe Ø 6 RA

Moreni-Ploiești and of the lost crude oil, the legal interest, the court costs and the execution costs established by the executory title - the civil court order no. 1014 / 28.01.2015 ruled in Case File no. 113/281/2014, remaining final and corrected by the Conclusion of correction of the material error of 06.06.2016, by which the Ploiești Court admitted the lawsuit petition introduced by the claimant Conpet S.A.

B) 343,839.57 lei, consisting in the amount of 331,271.57 lei representing delay penalties in accordance with the provisions of art. 8.1. of the contract 0135/1995 (as amended by art. 5 of the addendum no. 9/2005 and the addendum no. 10/2006), as well as the amount of 12,568 lei representing the judicial stamp fee, judicial stamp and expert fees

Conpet was entered on the table with the requested amount. ICIM filed a contestation which constituted the object of case file no. 789/105/2017 / a1 and requested:

- in principal the partial amendment of the preliminary debts table in the sense of rejecting of petition for the inscription of the debt in the amount formulated by Conpet
- in subsidiary, the partial amendment of the preliminary debts table in the sense of inscribing the debt of Conpet under a condition.

**Trial stage:** First court

**Court hearing:** 25.01.2018

### **38. Case File no. 6575/105/2017 – Prahova Tribunal**

**Parties:** Conpet SA – claimant

The Court of Accounts of Romania – respondent

**Object:** Conpet attacked with appeal the Conclusion no. 78 / 09.08.2017 ruled by the Court of Accounts of Romania, so that the court rules:

1. The partial annulment of the Conclusion no. 78 / 09.08.2017 issued by the Romanian Court of Accounts, namely

- Consideration 2 related to Point II of Complaint no. 27718 / 10.07.2017 (regarding the measures No I.2 and I.3 of the Decision no.24 / 21.06.2017, for the removal of the deviations presented in points 2 and 3 of the same decision), the findings from letters A and B.

2. The partial annulment of the Decision no. 14 / 21.06.2017, issued by the Chamber of Accounts Prahova, namely:

- The findings set out in point 2 regarding the decommissioning and capitalization of some pipeline sections of the National Transport System (NTS) - part of the public domain of national interest, without a prior government decision to transfer from the State Public Domain to the private domain, in order to draw up the documentation for decommissioning and scrapping
- The findings presented in point 3 regarding the fact that in 2016 a recovered buried pipe was capitalised by tender for recoverable buried pipe according to the recovery procedure approved by the Regulation on the conditions for participation in the tender and the modality of organising the tender for the capitalization of buried and / or overground metal tubular material. The capitalization was made prior to the adoption of a governmental decision approving the transition from the public domain of the state to the private domain for the purpose of capitalizing, according to the law;
- Measure no. 2 regarding the execution of the inventory to identify portions of the National Transport System (NTS) that were abandoned or decommissioned as a

result of the investments made in the National Transport System (NTS) within the programs for rehabilitation, modernization and development and the transmission of the results of ANRM for the initiation of the government decision for the approval of the transfer from the public domain of the state to the private domain of the state with a view to their removal from operation. The regulation through internal procedure of the manner of dismantling, scrapping and capitalization of parts of the National Transport System (NTS) dismantled following the rehabilitation, upgrading and development work carried out by the concessionaire;

- Measure no. 3 regarding the transfer of the amount of 927,154.06 lei representing income to the state budget from the capitalization of the tubular material resulted from the decommissioning of some parts from the tangible assets belonging to the public domain of the state, together with the interest and related penalties, updated on the date of payment. The expanding of the checks to identify all net amounts arising from the capitalization of dismantled asset items belonging to the public domain of the state, decommissioned and transferred to the budget, at the updated value.

**Trial stage:** First court

**Court hearing:** 09.02.2018

**39. Case File no. 19290/281/2017 – Ploiești Court**

**Parties:** Conpet – claimant

Sima Dumitrașcu – respondent

**Object: Claims.** Conpet formulated a lawsuit requesting the court:

1. To rule the obligation of the respondent to pay the amount of 3,957.53 lei, representing the rent for the land, for the period 26.05.2014 - 13.01.2017;
2. To rule the obligation of the respondent to pay the amount of 2732,42 lei, representing late payment penalties calculated up to 31.08.2017, the amount to be updated on the date of the actual payment;
3. To rule the obligation of the respondent to pay the sum of 423.33 lei, representing damages for the lack of use of the land, for the period 14.01.2017 - 26.04.2017
4. To rule the obligation of the respondent to pay the court costs.

**Trial stage:** First court

**Court hearing:** 01.02.2018

**40. Case File no. 19873/281/2017 – Ploiești Court**

**Parties:** Conpet SA – claimant

EURONET SRL – respondent

**Object: Claims.** Conpet initiated a law suit requesting the court:

- to rule the obligation of the respondent to pay the amount of 17,400 lei representing damages in the amount of 20% of the value of the contract;
- to rule the obligation of the respondent to pay the court costs

**Trial stage:** First court

**Court hearing:** 12.01.2018

**41. Case File no. 689/42/2017 – Ploiesti Appellate Court**

**Parties:** Conpet SA – claimant

National Agency of Fiscal Administration - General Division for Complaint Resolution  
- respondent

General Regional Division of Public Finances Galați – County Administration of Public  
Finances Buzău – respondent

**Object: Contestation against a fiscal administrative act.** Conpet SA filed a law suit  
requesting the court:

1. to rule the annulment of the **Decision no. 114 / 06.04.2017** issued by ANAF - General  
Division for Complaint Resolution;
  2. to rule the cancellation of the **Tax Imposition Decision no. F-BZ 436 / 31.10.2016**,  
regarding the payment additional tax obligations established by the Tax Inspection for Legal  
Persons issued by the General Regional Department of Public Finances Galați - the County  
Administration of Public Finances Buzău;
  3. to rule the cancellation of the Tax Inspection Report no. F-BZ 584 / 31.10.2016, concluded  
by the inspectors of the National Agency for Fiscal Administration - General Regional  
Department of Public Finances Galați - County Administration of Public Finances Buzău -  
Fiscal Inspection Service.
  4. to rule the obligation of the respondents to pay the court costs
- During the period 19.10.2015-21.10.2016, based on the delegation of competencies, the  
inspectors within the Fiscal Inspection Activity Service - D.G.R.F.P. Galați - County  
Administration of Public Finances Buzău, carried out at the headquarters of the company a  
fiscal control, having as objectives:

- verification of tax returns and transactions for the tax on profit during the period  
01.01.2009-30.06.2015, the value added tax during the period 01.12.2009-30.06.2015 and  
the tax on income from dividends during the period 01.12.2009-30.06.2015;
- verification of the manner of organisation and management of tax and accounting records.

By the **Tax Imposition Decision no. F-BZ 436 / 31.10.2016** additional tax obligations  
were established in the total amount of 5,505,101 lei, which consist of: 3.088.868 lei tax on  
profit; 1,528,155 lei interest / late payment; 432,274 lei delay penalties; 283,613 lei value  
added tax; 130,782 RON interest / late payment and 41,405 lei delay penalties (the interest /  
late payments and penalties were calculated up to 31.12.2015).

**Trial stage :** First court

**Court hearing :** --

**42. Case File no. 31709/212/2017 – Constanța Court**

**Parties:** Conpet – petitioner

SPIT Constanța – intimated party

**Object: Contraventional complaint.** Conpet filed a contraventional complaint against the

report of contravention finding and sanctioning no. EPJ0001652 of 16.10.2017 concluded by the Public Service of Taxes and Fess Constanța requesting the admission of the complaint, the annulment of the report and the exoneration of our company from the payment of the fine (1,500 lei), and in subsidiary the replacement of the fine by a formal warning.

**Trial stage:** First court

**Court hearing:** --

#### **43. Case File no. 23166/281/2017 – Ploiești Court**

**Parties:** Conpet SA – contestant

Dobrogeanu Dumitru – intimated party

BEJ Goslan and Stîngă - intimated party

**Object: Reversal of execution.** Conpet initiated a law suit requesting the Court to rule the reversal of the forced execution made in accordance of the executory title represented by the Decision no. 669 of 20.12.2011 of the Prahova Tribunal in the execution file no.771 / 2012 of B.E.J. Goslan Mihai, by the partial restoring of the situation prior to the execution, in order to obligate the respondent DOBROGEANU DUMITRU (pursuant to art. 723 of the Civil Procedure Code) to pay the following amounts:

- 96,698.02 lei representing the amount unduly received by the respondent in the execution file no.771 / 2012 with the title of lack of use for the period 03.11.2006 - 15.08.2012, updated with the inflation index in the period 20.12.2011 - 15.08. 2012; (377906 lei report of Stoica Sever's expertise as paid by the executor by report of amounts issue from 04.10.2012- 281207.98 lei report of Anton Petre = 96698,02)

-3,500 lei representing the amount unduly paid in respect of expenses (lawyer's fee).

- 2,000 lei representing the amount unduly transferred to the account of the Stoica Sever expert

-1,000 lei court costs

- 1,822.32 lei representing a fee received unjustly by the Office of the Executor Judge Mihai Goslan

In subsidiary, to rule the obligation of BEJ Mihai Goslan to pay the following amounts :

- 1,822.32 lei representing unjustly received fee

- 2,000 lei representing the amount unduly transferred to the account of the Stoica Sever expert

Also, it required the legal interest rate update of the amounts of 96,698.02 lei, 3,500 lei, 2,000 lei and 1,822.32 starting with 04.10.2012 (the date of the minutes for the issuance of amounts in execution file no.771 / 2012) up to and including the actual payment.

With court costs.

**Trial stage:** First court

**Court hearing:** 22.01.2018

#### **44. Case File no. 23486/281/2017 – Ploiești Court**

**Parties:** Conpet SA – claimant

Consultanță pentru Infrastructuri terestre / Consulting for Land Infrastructures CONSIT SA

**Object: Claims.** Conpet instituted a lawsuit against the respondent Consultanță pentru Infrastructuri terestre / Consulting for Land Infrastructures CONSIT S.A. requesting the court to rule the obligation of the defendant to pay the following amounts:

- 2700 lei representing damages according to the provisions of art. 17.3 of Contract no. S-CA 85 / 21.03.2016 communicated through the notice of termination no.21580 / 30.05.2017;
- 14,715 lei representing penalties for delay, according to Contract no. S-CA 85 / 21.03.2016 calculated until 07.06.2017 the date of termination of the contract.
- court costs.

**Trial stage:** First court

**Court hearing:** --

**45. Case File no. 9696/315/2017 – Târgoviște Court**

**Parties:** Conpet SA – claimant

Crețu Cătălin – respondent

Crețu Gheorghe – respondent

Niță Ionuț – Bogdan – respondent

Roman Lucian – Marin – respondent

Vasile Andrei – respondent

Dumitrică Aurelian – respondent

**Object:** Conpet SA filed a law suit requesting the court to rule the joint obligation of the respondents to pay the amount of **37,872.18 lei** with the title of civil damages - representing the value of the replacement work of the stolen pipeline (5,472.32 lei) and the repairs of the fiber optic cable destroyed by the respondents (32.054 lei), works necessary for their restoration to the condition before the criminal deed, that is to say in operational order as well as the value of the travel to the place of the deed in order to ascertain its consequences 345.86 lei). It also required that this amount be updated at the legal rate on 10.04.2011, the date of the deed and up to the actual payment date. He also asked the respondents to pay the costs advanced in the case.

**Trial stage:** First court

**Court hearing:** 27.02.2018

**HEAD OF LEGAL DEPARTMENT**

**Legal Advisor Cornel Bănică**

*The undersigned ROȘU MONICA-DANA-CORINA, authorised interpreter and translator for English and French, based on the Authorisation no. 29548 of 2010 issued by the Romanian Ministry of Justice, I certify the accuracy of the translation performed from ROMANIAN into ENGLISH, that the text presented for translation was translated entirely, without omissions, and that by translation the document was not denatured as regards its content or meaning.*

**L.S.**





**CONPET S.A., România**

Str. Anul 1848 nr. 1-3, Ploiești, 100559, Prahova  
Tel: +40 - 244 - 401360; fax: + 40 - 244 - 516451  
CIF: RO 1350020; Cod CAEN 4950; J29/6/22.01.1991  
Capital social subscris și vărsat 28 569 842,40 lei

## **RESPONSIBLE PERSONS DECLARATION**

**within CONPET S.A. as per the provisions of Art. 30 of the Accounting Law no.82/1991  
and of Art.63 of Law no.24/2017 regarding the issuers of the financial instruments and  
market operations**

The financial statements were drafted at the date and for the financial year ended **31.12.2017** for:

Entity	CONPET S.A.
County	29 – PRAHOVA
Address	Ploiești, No.1-3, Anul 1848 Street
Trade Register Number	J29/6/1991
Type of Ownership	26 – State owned companies and private domestic and foreign owned companies
Main business (CAEN Code)	4950 – Transports by pipelines
Tax Identification Number	1350020

The undersigned: Dan-Silviu Baci, as Director General and Sanda Toader, as Economic

Director, are liable for the elaboration of the annual financial statements at **31.12.2017** and confirm that:

- The accounting policies used at the elaboration of the annual financial statement are in compliance with the applicable accounting regulations, in force at the reporting date, 31.12.2017;
- The annual financial statements fairly reflect the financial statements, the financial performance and the other information on the performed business;
- The company performs its business on a going concern;
- The annual financial statements fairly and properly reflect the reality of the assets, obligations, financial statement, loss and profit account of the company and that the administrators report includes a correct analysis of the company's development and records, as well as a description of the main risks and uncertainties specific to the performed business.

Director General  
Eng. Dan-Silviu Baci, M.B.A.  
S.s. Illegible, Stamp

Economic Director  
Econ. Sanda Toader  
S.s. Illegible

Recommended for endorsement during the BoA meeting held on 20.03.2018 and for approval in the OGMS dated 26.04.2018

Registration no. 10781/20.03.2018

## **REPORT**

### **on the discharge of administration of the administrators of the company CONPET S.A. for the financial year ended 31.12.2017**

In compliance with the provisions of art. 111 paragraph 2 letter d) of the Companies' Act no. 31/ 1990, republished, subsequent amendments and completions, corroborated with the provisions of art. 15 paragraph 3 letter i) of the Articles of Incorporation of the Company CONPET S.A., is necessary for the Ordinary General Meeting of Shareholders to make a decision on the discharge of administration of the Board of Administration.

In 2017, the Board of Administration carried out their activity in the following constituency:

#### **Period 01.01.2017 – 28.11.2017**

- **Weiler Dan**, Chairman of the Board of Administration;
- **Chiriac Cristiana**, non-executive administrator;
- **Ilași Liviu**, executive administrator - Director General;
- **Meșca Darius Dumitru**, non-executive administrator;
- **Bugică Radu**, non-executive administrator;
- **Gheorghe Roxana-Elena**, non-executive administrator;
- **Lefter Răzvan Ștefan**, non-executive administrator.

#### **Period 28.11.2017 – 31.12.2017**

- **Văduva Constantin**, Chairman of the Board of Administration;
- **Stan – Olteanu Manuela – Petronela**, non-executive administrator;

- **Iacob Constantin - Ciprian**, non-executive administrator;
- **Spînu Antonio - Adrian**, non-executive administrator;
- **Bugică Radu**, non-executive administrator;
- **Popa Claudiu – Aurelian**, non-executive administrator;
- **Lefter Răzvan Ștefan**, non-executive administrator.

In consideration of the achievement of the strategic objectives set pursuant to the operating activity, the optimization of the performance and sustainable development of the company, observing the good corporate governance principles, CONPET S.A. administrators fulfilled their duties with responsibility, efficiency, transparency and professionalism in relation to all stakeholders.

The activity performed and the economic-financial results obtained in 2017 are presented in opposition with 2015 figures in the Annual Administrators' Report, as comprised in the audited annual financial statements related to 2017 financial year.

Based on the annual administrators' report for the financial year ended 31.12.2017 and the report of the financial auditor BDO Audit SRL on the financial statements related to 2017, is recommended for the approval of the Ordinary General Meeting of Shareholders, the discharge of administration of the Company's administrators for the financial year ended 31.12.2017.

**Chairman of the Board of Administration**  
**Stan - Olteanu Manuela - Petronela**  
**S.S. Illegible, Stamp, 20.03.2018**