

Submitted for analysis and endorsement within the BoA meeting dated _____ and for approval within the OGMS meeting dated _____

**CONPET S.A.
BoA and GMS Secretariate Bureau**

Substantiation Note for the approval of the Regulation regarding the organization and carry out of GMS within the company CONPET S.A.

Following the request of the Board of Administration, the BoA and GMS Secretariate Bureau submitted for analysis and approval within the BoA meeting dated 25.10.2017 the Procedure drafted by the BoA and GMS Secretariate Bureau with regards to the organization and carry out of GMS within the company CONPET S.A.

As per Art. 16 of BoA Resolution no. 15/ 25.10.2017, namely Art.12 of BoA Decision no.16/14.11.2017, the Board of Administration postponed the discussion related to the Procedure on the organization and carry out of GMS inside the company CONPET S.A.

In the internal audit Report no.19/2017 carried out at the level of BoA and GMS Secretariate Bureau by the Management Systems and Internal Management Control, the recommendation was that the Procedure drafted by the BoA and GMS with regards to the organization and carry out of GMS within the company CONPET S.A. be elaborated as methodology or regulation and be approved by GMS in compliance with the requirements related to the corporate governance of public enterprises.

By the internal audit Report no.9/2018 was specified the fact that the recommendation formulated by the internal auditors within the Management Systems and Internal Management Control Department is under implementation.

Note that, based on section D from the Corporate Governance Code of Bucharest Stock Exchange, applicable as of 11.09.2015, the company must include on the internet page, besides the information required by the legal provisions, all the relevant information, of interest for the investors, namely also the main corporate regulations (the articles of incorporation, the procedures regarding the general meetings of shareholders – section D.I.1.).

The Board of Administration does not have the competence to approve the Regulations regarding the organization and carry out of the GMS meetings, the latter being carried out in compliance with the procedures provided by the legislation in force related to the shareholders, but, considering the good practises of corporate governance and the fact that some of the companies listed at the Bucharest Stock Exchange have such regulations approved by the GMS, it is being submitted for BoA endorsement and OGMS approval this Regulation in the form attached to the substantiation note.

Director General,
Eng. Dan – Silviu Baciu, M.B.A.
S.s. Illegible
Stamp

Head of BoA and GMS Secretariate Bureau
Eng. Adina Modoran
S.s. Illegible