



CONPET S.A., Romania
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TIN: RO 1350020; NACE Code 4950; CRN J29/6/22.01.1991
Subscribed and paid-up share capital 28 569 842.40 RON



Submitted for information in the BoA meeting dated _____ and the OGMS meeting dated _____

DEPUTY DIRECTOR GENERAL 2

ECONOMIC DIRECTORATE

NO. _____ / _____

INFORMATION

on the extension of the term for the fulfilment of the measures within Decision no.28/2013 of Prahova Court of Auditors

In 2013, the external public auditors within Prahova Court of Auditors performed the control of the “situation, evolution and administration manner of the State’s public and private patrimony, as well the legality of income achievement and incurred expenditure” at CONPET along 01.01.2010-30.06.2012.

Following the audit performed, Prahova Chamber of Audit has issued the Decision no.28/2013 from 29.03.2013 by which have been disposed a series of measures falling within the company’s task.

Following the verification on the fulfilment of the disposed measures, the Court of Auditors has issued two decisions by which have been established new terms of fulfilment of the measures that had not been fulfilled, namely 31.08.2016 and 31.03.2018.

On 30.03.2018, CONPET S.A. submitted to Prahova Chamber of Auditors address no.12361 and communicated thereto the achievement status of the unfulfilled measures, requiring at the same time a new extension term necessary for the implementation thereof.

At 07.06.2018, Prahova Court of Auditors submitted to CONPET the Decision no.2090/651/2013 from 05.06.2018 by which has extended, up to 30.06.2019 the term of achievement of the unfulfilled measures.

Measure no.I.1: *“The augmentation of the share capital of CONPET S.A., by the value of 47 lands for which have been obtained land ownership certificates.”*

As regards this measure we hereby mention that, after the issuance of Decision no.28/2013, the Board of Administration and the executive management have undertaken all the approaches provided by the law for the augmentation of the share capital with the State contribution in-kind representing the 47 lands for which have been obtained land ownership certificates. The augmentation proposal has been included on the Agenda of the General Meeting of Shareholders dated 19.05.2016, 20.05.2016 and 05.07.2016.

In the first meeting (19.05.2016) and the second call (20.05.2016), the proposal to augment the share capital did not fall under debate, as the quorum for holding the meeting was under the minimum provided by the legislation in force.

In the Extraordinary General Meeting dated 05.07.2016, the proposal to augment the share capital has been debated and following the call for vote, the augmentation of the share capital has not been approved due to the failure to meet the majority necessary for taking such a decision.

Ulterior to the EGMS meeting from 05.07.2016, upon the request of the Ministry of Energy (address no.140968/18.05.2017), CONPET has submitted a point of view on the draft Decision of the Government for the amendment of Art.6. Para (1) and Para (3) of the Government Decision no.834/1991 on the establishment and appraisal of several lands held by the state-owned commercial companies, ulterior amendments and completions and Art.143 of Decision no.577 from June 13, 2002 on the approval of the methodological Norms of application of the Government emergency Ordinance no.88/1997 on the privatization of the commercial companies, subsequent amendments and completions and Law no.137/2002 on certain measures for privatization acceleration.

The draft normative act was published on 28.02.2018, on the Ministry of Energy site, for public debate.

This project provides that augmentation of the share capital be performed at fair value determined by appraisal report drafted by authorized appraiser, as per the appraising standards.

Despite that, the proposal of augmentation of the share capital has been debated within GMS, not having been approved, the Board of Administration, within the meeting dated 25.05.2018, ordered the executive management to assess the situation and present an information with regards to the legal incidental dispositions in case of augmentation of the share capital by the

value of lands for which have been issued land ownership certificates, namely with regards to the manner and the necessary steps for the augmentation of the share capital.

Measure no.II.2: *“The application of the measures for the settlement of the level of damages and the recovery thereof, by extension of the verifications on all the contracts for decontamination services with regards to the observation of the contractual terms, to which have been ascertained damage causing deviations, the damages comprised in the audit Report being estimated at 115,922.49 RON representing penalties unrequired to the suppliers of decontamination services, following the failure to apply the decontamination services within the agreed terms.”*

This measure has been partially fulfilled, being under performance the collection of the amount of 25,728.89 RON representing the difference of penalties due to Ecprod SRL.

For the recovery of these penalties, CONPET has **undertaken all legal measures**; currently, Ecprod SRL is facing insolvency, CONPET S.A. being registered in the consolidated list of creditors with the amount of 25,728.89 RON (File no.2803/120/2013 – Dambovită Court of Law). Up to this date, the company CONPET has collected 874.78 RON out of the amount of 25,728.89 RON.

The insolvency procedure of the debtor Ecprod SRL is ongoing, file no.2803/120/2013 pending before Dambovită Law Court, the following trial date being 25.06.2018.

Measure no. II.3. *“The application of the measures for the settlement of the level of damages and recovery thereof, by extension of the verification on all the working contracts with regards to the observation of the contractual obligations to which have been ascertained damages causing deviations, the damages comprised in the audit report being estimated at 156,602 RON, representing penalties not required from the performer SC Confind SRL Câmpina, following the failure to apply the contractual provisions with regards to the calculation of the penalties for the failure to perform the contract.”*

By address no.12.361/30.03.2018, the company CONPET S.A communicated to the Court of Auditors the fact that this measure is being fulfilled, the amount due by the company Confind having been entirely collected.

DIRECTOR GENERAL
Eng. Dan-Silviu BACIU, EMBA
S.s. Illegible, Stamp

DEPUTY DIRECTOR GENERAL 2

Econ. Ioan VOICU

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ECONOMIC DIRECTOR

Econ. Sanda Toader

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Head of Bookkeeping Department,

Econ. Roxana Dăuș

S.s. Illegible