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CIF: RO 1350020; Cod CAEN 4950; J29/6/22.01.1991
Capital social subscris și vărsat 28 569 842,40 lei



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

CONPET S.A.

**ENDORSED ,
The Board of Administration
by decision no _____ dated _____**

**Chariman
of the Board of Administration
Gheorghe Cristian – Florin**

**To,
The Ordinary General Meeting of Shareholders**

Note

on the distribution of the net profit related to the financial year 2018 and of certain amounts out of the retained earnings and other reserves

As per Art. 117^{^2} of Law no.31/1990 on the companies, republished and Art.15, para (3), letter (h) of the Articles of Incorporation, the Ordinary General Meeting of Shareholders approves the distribution of the profit and sets the gross dividend.

The proposal of distribution of the net profit related to the financial year 2018 and certain amounts out of the retained earnings and other reserves has been achieved considering:

- *The Government Ordinance no.64/2001 on the profit distribution to national enterprises, national companies and trade companies fully or majority State-owned companies, subsequent amendments;*
- *Order of the Ministry of Public Finances no.144/2005 on the approval of the Clarifications for determination of the amounts subject to profit distribution as per GD no.64/2001;*
- *Law no.227/2015 with regards to the fiscal Code;*
- *The Government emergency Ordinance no.114/2018 related to the establishment of several measures in public investments domain and fiscal-budgetary measures, the amendment and completion of several normative acts and prorogation of certain terms.*

The accounting profit registered by CONPET at December 31, 2018 for which is being proposed the distribution, is of 65,766,014 RON, higher than the net accounting profit in amount of 5,090,000 RON representing the employees share of profit.

At Art. 1, Para (1), Letter e) of the Government Ordinance no.64/2001 is being provided that “the national enterprises, the national companies and trade companies fully or majority State-



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owned companies, as well as autonomous administrations that were engaged and established, by the income and expenditure budgets the share of profit obligation, following the services of their employees in relation thereto, may grant these rights within the limit of 10% of the net profit, but not more than the level of an average monthly gross salary achieved at the level of the economic agent, in the reference financial year”.

As per item 126 of the Accounting Regulations compliant with the International Financial Reporting Standards, approved by Order of the Ministry of Public Finances no.2844/2016, the amounts representing the employees share of profit are being recognized in 2018 expenditure, as provision.

Along 2018 have not been distributed dividends on quarterly basis, based of the interim financial statements.

Therefore, the proposal with regards to the distribution of the net profit of the year 2018, reintegrated with the provisions for the employees share of profit, as well as of various amounts from the retained earnings and of other reserves, on the destinations provided by the Government Ordinance no.64/2001 and the Government emergency Ordinance no.114/2018, is the following:

A. The distribution of the net profit related to the financial year 2018

Crt.no	Item	Amount (Lei)	GO provisions no.64/2001
of	Net profit of the year 2018	60,676,014	
b	Employees share of profit - provision	5,090,000	
A	The net profit, reintegrated with the provision related to employees share of profit (a+b), distributed for:	65,766,014	
c	Other reserves representing fiscal facilities provided by law - reinvested profit (account 1068)	1,433,785	Art.1, Para (1), Letter b)
d	Employees share profit	5,090,000	Art.1, Para (1), letter e)
e	Dividends due to shareholders	59,242,229	Art. 1, Para (1), letter f)

Mentioning on the distributed amounts:

- the employees share of profit amounts to 5,090,000 RON, namely 7.74% of the net profit, reintegrated with the provisions related to employees share of profit. The amount representing the employees share of profit was established considering the dispositions of Art.1, Para (1), Letter e) of the Government Ordinance no.64/2001 and within the limit of the amounts provided in the income and expenditure budget of the company.
- Other reserves representing fiscal facilities provided by the law, in amount of 1,433,785 RON, namely 2.18% of the net profit reintegrated with the employees share of profit, stand for the amount of the reinvested profit for which the company had benefits in what concerns the corporate tax exemption during 2018, as per art.22 of Law no. 227/2015 on the Fiscal Code.
- the difference of 59,242,229 RON, namely 90.08% of the net profit, reintegrated with the provision for the employees share of profit, is being proposed to be distributed as dividends due to the shareholders.

Amounts to legal reserves have not been distributed as they are being currently established within the limit of the quota of 20% of the share capital, as per the provisions of Art.183, Para (1) and (2) of Law no.31/1990 on enterprises subsequent amendments and completions.

Gross dividend/share

Considering that:

- the dividends due to shareholders, as per the 2018 profit distribution proposal amount to 59,242,229 RON;
- The dividends are being distributed to the shareholders proportionally with the stake in the share capital, and
- at 31.12.2018 the company's share capital is of 28,569,842 RON, divided in 8,657,528 ordinary, registered, non - distributable, with a nominal value of 3.3 RON,

results a value of the gross dividend of **6,84285734 RON/share**.

B. The distribution of the retained earnings representing surplus achieved from revaluation reserves

Crt.no.	Item	Amount (Lei)	GO provisions no.64/2001
B	The retained earnings representing surplus achieved from revaluation reserves, distributed for:	5,340,483	
A	Coverage of the retained earnings representing actuarial loss from the update of the benefits granted upon retirement	1,035,596	Art.1, Para (1), Letter (c)
B	Dividends due to shareholders	4,304,887	Art. 1, Para (1), letter f)

Gross dividend/share

Considering that:

- the dividends due to the shareholders, as per the proposal of distribution of the retained earnings representing surplus achieved from revaluation reserves amount to 4,304,887 RON;
- the dividends are being distributed to the shareholders proportionally with the stake in the share capital, and
- at 31.12.2018 the company's share capital is of 28,569,842 RON, divided in 8,657,528 ordinary, registered, non-distributable, with a nominal value of 3.3 RON,

results a value of the gross dividend of **0,49724205 RON/share**.

C. The distribution from other reserves of the amount of 1,105,807 RON representing 35% of the amounts distributed to other reserves, under the conditions of Art. 1, Para (1) letter g) of GO no.64/2001

Crt.no.	Item	Amount (Lei)	EGO Provision no.114/2018
C	Other reserves, distributed for:	1,105,807	
A	Dividends due to shareholders	1,105,807	Art.43

Gross dividend/share

Considering that:

- dividends due to shareholders, as per the proposal related to the distribution from different reserves are in amount of 1,105,807 RON;
- the dividends are being distributed to the shareholders proportionally with the stake in the share capital, and
- at 31.12.2018 the company's share capital is of 28,569,842 RON, divided in 8,657,528 ordinary, registered, non-distributable, with a nominal value of 3.3 RON,

*results a value of the gross dividend of **0,12772779 RON/share**.*

Common Provisions

The dividends are due to the shareholders holding shares at the registration date approved by the Ordinary General Meeting of Shareholders convened for the date of **23/24 April, 2019**.

The provisions of art. 86 Para (1) of Law no. 24/2017 regarding the issuers of the financial instruments and market operations related to the capital market show that "By derogation from the provisions of Law no.31/1990, the date when takes place the identification of the shareholders who are to benefit from dividends or other rights and who fall under the effects of the ordinary general meeting of shareholders shall be established by the latter. This date shall be at least 10 working days ulterior to the date of the general meeting of shareholders. "

We hereby propose the approval of the date of **June 11, 2019** as **registration date**, namely of identification of the shareholders falling under the effects of the ordinary general meeting of shareholders.

Dividends Payment Date

The dividends payment date will be the limit date permitted by the law, no more than 15 working days ulterior to the registration date settled by the General Meeting of Shareholders (Art.178 of ASF Regulation no.5/2018).

Considering that:

- the company, as per the provisions of Art.1 Para (3) of GO no.64/2001, is bound to pay the dividends due to the shareholders within **60 days from the legal term of submission of the annual financial statement, and**
- the term for the submission of the annual financial statements, as per the Order of the Ministry of Public Finances no.10/2019 is of..." 150 days from the completion of the financial year..."

We hereby propose the settlement, by OGMS, **of the date of dividends initiation**

payment date as June 27,2019.

The net value of dividends will be calculated as follows:

- The dividends gross value related to each shareholder will be calculated by multiplying the number of shares held at the registration date by the value of the gross dividend per share, the resulting amount being rounded plus or minus at two decimals
- the tax on dividends will be calculated and retained as per the provisions of the fiscal Code;
- the dividends net payment value shall be represented by the difference between the gross amount and the related tax

The Dividends Payment Method

The payment of dividends shall be performed in Lei only to the shareholders registered at the Shareholders Registry (held by "Depozitarul Central" S.A) at the registration date established by the General Meeting of Shareholder, and the payment manner will be acknowledged to the shareholders prior to the date of initiation of payment.

The expenses occasioned by payment of dividends are borne by the shareholders.

Considering the above-mentioned, we hereby submit for approval:

- **Distribution of net profit related to the financial year 2018 in amount of 65,766,014 RON;**
- **the distribution of the retained earnings representing surplus achieved from revaluation reserves in amount of 5,340,483 RON;**
- **Distribution of other reserves in amount of 1,105,807 RON;**
- **the settlement of the gross dividend of:**
 - **6,84285734 RON/share from the amounts distributed from 2018 year's profit (item A in this note);**
 - **0,49724205 RON/share from the amounts distributed from the retained earnings (item B in this note);**
 - **0,12772779 RON/share from the amounts distributed from Other reserves (item C in this note);**
- **the settlement of the dividends payment initiation on June 27,2019.**

Director General,
Ph.D Engineer Timur-Vasile Chiş
S.s. Illegible, Stamp

Economic Director,
Econ. Sanda Toader
S.s. Illegible

Head of Accounting Department,
Econ. Roxana Dăuş
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Endorsed,
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S.s. Illegible