

# ANNUAL REPORT OF THE ADMINISTRATORS OF THE COMPANY CONPET S.A.

for the financial year ended  
December 31st, 2018

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ANNEXES

## MESSAGE OF THE CHAIRMAN OF THE BOARD OF ADMINISTRATION

Esteemed shareholders,  
Esteemed investors,

CONPET undertakes a monopoly activity on the Romanian market, its role being to operate, safe, the crude oil National Transport System via pipelines.

CONPET is a company of strategic importance to the national power grid and Romanian economy, a provider of services to the highest standards of safety and quality and a leading player in the capital market in Romania.

If the company CONPET is today a solid business and a landmark of the Romanian energy sector, it is because the history and tradition of over 118 years of this activity and stability enjoyed in the present have contributed, over the years, to the expertise and strategic vision of the company's top management, to which the professionalism and dedication of generations of employees of the company have been added.

Beyond maintaining higher standards of quality of the core business of the company, together with the members of the Board of Administration and the company management, we will focus on implementing a strategy to adapt to permanent changes occurring in the energy market nationally and internationally, we will focus on the company's development projects and the maintenance of stable financial results.

In this regard, we will pay more attention to investment in infrastructure, in modernization of equipment and implementation of new technologies to improve business efficiency and to meet increasingly higher modern market economy.

Furthermore, we intend to identify new projects and opportunities for collaboration, targeting the improvement of the company's performance and strengthening of its positions in the business environment in Romania and abroad.

The excellent cooperation relationships with customers and corporate partners, honoring our commitments to the shareholders, investors and employees, and adapting to new market demands are major concerns leading to increased profits and business success on which we will focus thoroughly.

On the Romanian capital market, CONPET remains a stable company. In 2018 the company recorded a net profit worth 60.68 million RON.

Looking ahead, we capitalize tradition, the experience of our experts and their performance to date for the company CONPET to maintain its strategic and strong position nationally, to which to be added the status of strategic players at regional and European level. In this context, we will be open and will try to get involved in new developments available concerning the core business of CONPET and other related activities with international partners.

Sincerely yours,

**Cristian - Florin GHEORGHE**  
**Chairman Of The Board Of Administration**



## 1. COMPANY PRESENTATION

### 1.1 Report grounds

The Annual Report of the Board of Administration of CONPET SA for the year ended December 31st, 2018, was prepared in accordance with:

- Annex 1 Accounting regulations Chapter 3 of the Minister of Public Finance Order no. 2844/2016 for the approval of accounting regulations compliant with International Financial Reporting Standards;
- Articles 63 of Law no. 24/ 2017 regarding the issuers of financial instruments and market operations;
- Annex no. 15 on the requirements of the Annual Report, from Regulation no. 5/2018 regarding the issuers of financial instruments and market operations issued by the National Securities Commission;
- Art. 56 of EGO no.109/2011 *on corporate governance of the public enterprises* subsequent amendments and completions, foreseeing;
- Chapter VI Art. 7. regarding Administrator's Obligations from the Administration Contracts, valid at December 31st, 2018, concluded between administrators and CONPET S.A.;
- Art.20 Para (1) letter (e) of CONPET S.A. Articles of Incorporation:

### 1.2 SUBSTANTIATION DATA

Date of the report	Tuesday, March 19th, 2019
Issuer's Name	CONPET S.A.
Registered Offices	No. 1-3, Anul 1848 Street, Ploiesti Prahova County, Zip Code 100559,
Telephone/facsimile Number	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>
Trade Identification Number at the Trade Register Office	1350020
Trade Registry Number	J29/6/22.01.1991
The regulated market trading the issued securities	Bucharest Stock Exchange, Premium category
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	672,689,926 RON (77.70 RON/share at 31.12.2018)
Applied accounting standard	The International Financial Reporting Standards
Auditing	The Financial Statements concluded at December, 31st, 2018 have been audited

### 1.3 Main activities

CONPET is a strategic company, part of the architecture of the national energy system, being the operator of the crude oil National Transport System via pipelines. CONPET is a publicly owned company, listed at the Bucharest Stock Exchange, under COTE symbol.

CONPET was established in 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. Following the take-over of all assets and liabilities of I.T.T.C. Ploiești, CONPET became the operator of the crude oil, rich gas, condensate and ethane National Transport System.

Since 2002, CONPET is the concessionaire of the operation of the crude oil, rich gas, condensate and ethane National Transport System, based on the oil Concession Agreement concluded with the National Agency for Mineral Resources, approved pursuant to. 793/25.07.2002.

The Crude Oil, Rich Gas, Condensate and Ethane National 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. 2075/2004 and is part of the state's public property, being of strategic importance.

### 1.4 The company's mission, vision and values

**CONPET mission** is the operation of the National Transport System via Pipelines under safe and secure conditions, free access to the system's available capacity to all the inquirers, authorized legal persons, under equal conditions, on a non-discriminatory and transparent basis as well as accessing the related markets corresponding to the segments of the value chain of the oil industry.

**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.

The company's Values: professionalism, effectiveness and performance, social awareness and respect for the environment, ongoing training, adaptability and qualitative increase.

### 1.5 Shareholding

The shareholding's synthetic structure, at reference date 31.12.2018, is as follows:

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

Shareholder's Name	Number of shares	Percentage%
The Romanian State by the Ministry of Energy	5,083,372	58.7162%
Legal persons	2,481,740	28.6657%
Natural Persons	1,092,416	12.6181%
<b>Total</b>	<b>8,657,528</b>	<b>100.0000%</b>

Table 1 - CONPET S.A. Shareholding Structure at December 31st, 2018

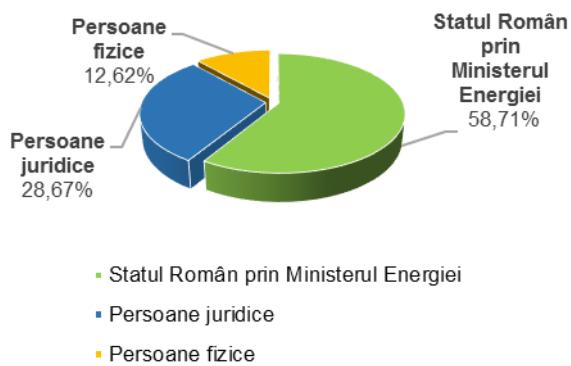


Chart 1 - CONPET S.A. Shareholding Structure at December 31st, 2018

The number of CONPET Shareholders registered at Depozitarul Central S.A. at the end of 2018 is of 12,749 RON, this increased by 2.5% as compared to the end of 2017 (12,437 shareholders). The share capital of CONPET at December 31st, 2018 is of 28,569,842.40 RON and is divided 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 2018, the company did not hold own shares.

## 1.6 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.

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

Since 2002, CONPET is the concessionaire of the operation of the crude oil, rich gas, condensate and ethane National Transport System, based on the oil Concession Agreement concluded with the National Agency for Mineral Resources, approved pursuant to 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. 238/7.06.2004 and the Methodological Norms for the Application of the Oil Law, approved pursuant to GD no. 2075/2004.

CONPET supplies transport services for its clients both via the National Transport System, leased based on the Oil Concession Agreement related to the operation of the crude oil, gasoline, condensate and ethane Pipeline National Transport System, and by rail, from the loading ramps to the refineries, for the oil areas not connected to the transport major pipelines.

## 1.7 Development Strategic objectives

The strategic objectives for the period 2018- 2022, established and assumed by the administrative management by the administration component were defined in strong correlation with the strategic directions, the vision and expectations of the tutelary authorities, namely the one of the shareholders and the contextual lines of the Energy Strategy of Romania along 2018-2030, envisaging the years 2050 and are the followings:

- increasing efficiency and improvement of the activity performance;

- development of new activities, related and non related to the core business;;
- defining the Company as a regional player;
- outstanding management of the human resources;
- implementation and development of the corporate government principles.

## 2. RELEVANT CORPORATE EVENTS IN 2018, TO DATE

### March 5th, 2018

The General Meeting of Shareholders approved:

- The Revenues and Expenditure Budget and the Investments Program related to 2018;
- Initiation of the procedure for the selection of the administrators of the company CONPET S.A. and granting mandate to the Board of Administration to initiate and perform the Company's administrators selection procedure;
- The extension, based on the provisions of Art. 64<sup>1</sup> para (5) of EGO/no.109/2011, of the Mandate of the administrators in capacity at 28.03.2018 by a period of 2 months, respectively until 28.05.2018;

### April 17th, 2018

The company DEDEMAN SRL reports 7.413% shares held in the share capital of the company CONPET SA.

### April 26th, 2018

The Ordinary General Meeting of Shareholders approved the annual financial statements for the financial year 2017 and the net profit distribution related to financial year 2017.

### May 17th, 2018

The Ordinary General Meeting of Shareholders called by the Board of Administration of CONPET SA having included in the Agenda the approval of the Board of Administration and candidate profile.

On 23.04.2018, the shareholder Societatea de Investiții Financiare Banat – Crisana SA requested the supplementation of the Agenda by 6 new Items, where from we mention:

- revocation of the Board of Administration members and
- election of a new Board of Administration formed of 7 members, by the application of the cumulative voting method and settlement of the mandate duration of the newly elected administrators to 4 months or until the completion of the selection procedure provided by the EGO no. 109/2011, if this takes place before the expiry date of the administrators' mandates.

### June 19th, 2018

The National Agency for Mineral Resources issued Order no.117/15.06.2018 regarding the approval of the transport tariffs via the Crude oil, rich gas, condensate and ethane National Transport System, published in the Official Gazette of Romania no. 500 dated 19.06.2018.

### August 22nd, 2018

The General Meeting of Shareholders approved the constituent members of the Board of Administration for a period of 4 years, respectively starting with 22.08.2018 until 21.08.2022 (inclusive of).

**September 14th, 2018**

The General Meeting of Shareholders approved the rectified Revenues and Expenditure Budget for 2018.

**November 6th, 2018**

Following the performance of the procedure for recruitment and selection of the Director General and Economic Director in compliance with the provisions of EGO no. 109/2011 on corporate governance of the public enterprises, the Board of Administration approved:

- The appointment of Mr. CHIŞ Timur - Vasile in the capacity of Director General of CONPET S.A., starting with 07.11.2018, for a 4 years' mandate, respectively until 06.11.2022.
- The appointment of Mrs. TOADER Sanda in the capacity of Economic Director of CONPET S.A., starting with 07.11.2018, for a 4 years' mandate, respectively until 06.11.2022.

**March 26th, 2019**

The Extraordinary General Meeting of Shareholders (EGMS) is convened having on the agenda approval of triggering social capital increase operation of CONPET SA with the value of land held under 48 certificates of ownership.

The Ordinary General Meeting of Shareholders (OGMS) is convened having on the agenda approval of transaction with subject "railway transportation of crude oil and rich gas from loading ramps to destinations set by CONPET SA".

**April 9th, 2019**

The Ordinary General Meeting of Shareholders (OGMS) is convened for the approval of the Revenues and Expenditure Budget and the Investment program for 2019.

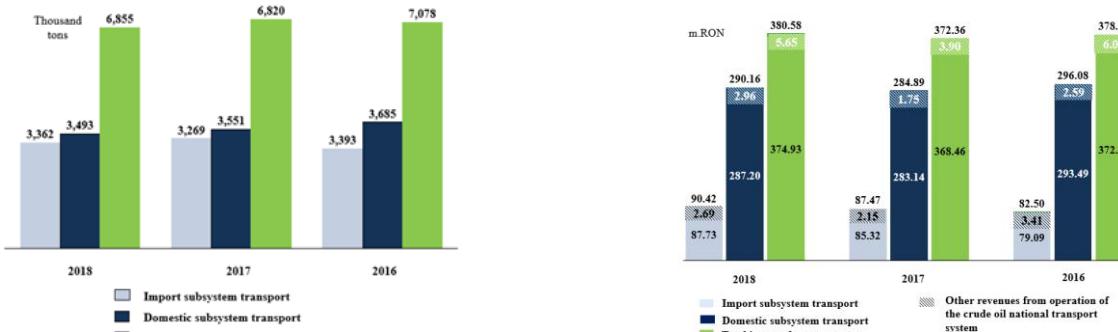
### 3. CONPET 2018– EXECUTIVE SUMMARY

#### 3.1 Operating Activity Indicators

The evolution of the product volumes (crude oil, condensate and rich gas), transported via the National Transport System (NTS), during 2016-2018 and 2018 vs. 2017 and 2016, by transport subsystems, is presented below:

Indicators	M.U.	2018	2017	2016	Variation%	Variation%
					2018/2017	2018/2016
Quantities transported on the domestic subsystem	Thousand tons	3,493	3,551	3,685	▼1.6%	▼5.2%
Quantities transported on the import subsystem	Thousand tons	3,362	3,269	3,393	▲2.8%	▼0.9%
<b>TOTAL TRANSPORTED QUANTITIES</b>	<b>Thousand tons</b>	<b>6,855</b>	<b>6,820</b>	<b>7,078</b>	<b>▲0.5%</b>	<b>▼3.2%</b>
Revenues on the domestic transport subsystem	mRON	290.16	284.89	296.08	▲1.9%	▼2.0%
Revenues on the import transport subsystem	mRON	90.42	87.47	82.50	▲3.4%	▲9.6%
<b>Total operating revenues</b>	<b>mRON</b>	<b>380.58</b>	<b>372.36</b>	<b>378.58</b>	<b>▲2.2%</b>	<b>▼1.6%</b>

Table 2 - Evolution of the transported quantities and transport related revenues during 2016 -2018



Evolution of the transported quantities on thousand tons  
Evolution of the transport revenues by subsystems import and domestic subsystems 2016-2018 (thousand tons)  
2016-2018 (mRON)

The decrease of domestic transport subsystem was due to disruption production at Petrobrazi refinery during April 13th, 2018 - May 26th, 2018, for the scheduled technological overhaul.

#### 3.2. Financial Results Key Indicators

The economic and financial activity of CONPET SA in 2018 was performed based on the indicators included in the revenues and expenditure budget approved by the General meeting of Shareholders.

Indicators (mRON)	2018	2017	2016	Variation	
				% 2018/2017	% 2017/2016
<b>Turnover</b>	<b>385.14</b>	<b>376.69</b>	<b>381.65</b>	<b>▲2.2%</b>	<b>▼1.3%</b>
Operating revenues, of which:	418.71	411.18	410.93	▲1.8%	▲0.1%
Transport revenues	380.58	372.36	378.58	▲2.2%	▼1.6%
Operating Expenses	352.47	328.09	330.62	▲7.4%	▼0.8%
<b>EBIT (operating profit)</b>	<b>66.24</b>	<b>83.09</b>	<b>80.31</b>	<b>▼20.3%</b>	<b>▲3.5%</b>
Amortization	44.50	44.47	40.31	▲0.1%	▲10.3%
<b>EBITDA</b>	<b>110.74</b>	<b>127.56</b>	<b>120.62</b>	<b>▼13.2%</b>	<b>▲5.8%</b>
Financial Result	5.45	3.57	3.72	▲52.7%	▼4.0%
<b>EBT (gross profit)</b>	<b>71.69</b>	<b>86.66</b>	<b>84.03</b>	<b>▼17.3%</b>	<b>▲3.1%</b>
<b>NET PROFIT</b>	<b>60.68</b>	<b>74.39</b>	<b>71.55</b>	<b>▼18.4%</b>	<b>▲4.0%</b>

Table 3. – Evolution of the results from the operating and financial activity 2016-2018 (mRON)

The financial results of the company in 2018 YoY is as follows:

- The turnover achieved in 2018 accounted for 385.15 mRON is increasing by 2.2% as compared to 2017;
- EBITDA recorded a decrease by 13.2%, from 127.56 million RON in 2017 to 110.74 million RON in 2018;
- The Operating Profit (EBIT) decreased by 20.3%, from 83.09 million RON in 2017 to 66.24 million RON in 2018. The decrease has been determined mainly by the increase of payment for assets by 7.4% as compared to 2017.

CONPET is a company paying substantial contributions to the consolidated State budget. The total amounts paid to the State budget in 2018, here-included the VAT, were in amount of 139 million RON, out of which, the most important are represented by:

- VAT 44 mRON;
- Tax on salaries and related contributions 52 mRON;
- Income tax 13 mRON;
- Oil royalty 29 mRON.

### 3.3 Investment Activity Indicators

The investment program took into account 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.

During 2018, CONPET made investments in amount of 69.65 million RON, as compared to 49.20 million RON declared in 2017.

Investment s (mRON)	2018			2017			2016		
	Program	Achieve d	Degree of achievement %	Program	Achieve d	Degree of achievement %	Program	Achieve d	Degree of achievement %
<b>Total investment s, out of which:</b>	<b>76.63</b>	<b>69.65</b>	<b>90.9%</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>

Public domain	68.03	63.39	93.2%	51.65	38.94	75.4%	42.58	36.87	86.6%
Operating domain	8.60	6.26	72.8%	12.62	10.26	81.3%	14.40	8.54	59.3%

Table 4 – Evolution of total investments achieved as compared to program 2016-2018

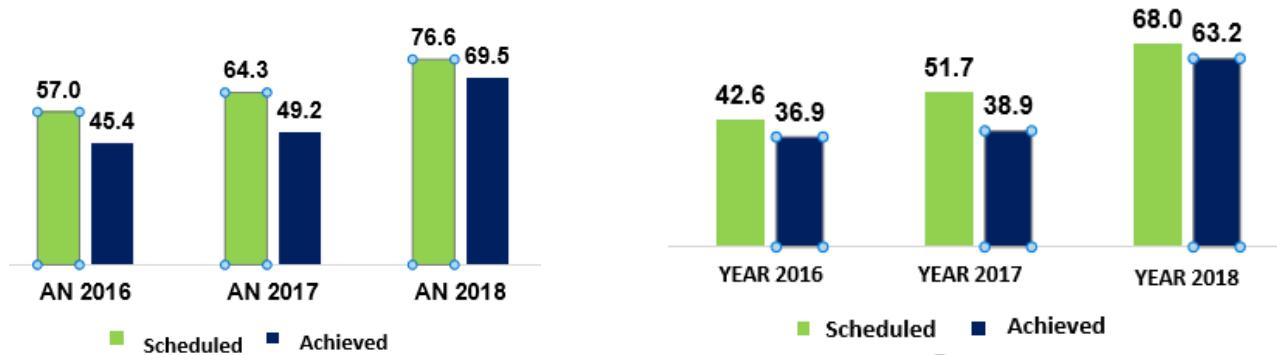


Chart 4 - Evolution of total investments achieved as compared to program 2016-2018 (mRON)

Chart 5 - Evolution of investments achieved in the public domain as compared to program 2016-2018 (mRON)



Chart 6 - Evolution of investments in the operating area achieved as compared to program 2016-2018 (mRON)

During 2016-2018, have been replaced 94.91 km of pipeline:

Indicator (km)	2018	2017	2016	Total
Replaced pipeline	32.46	38.22	24.23	94.91

Table 5 - No. of km of replaced pipeline during 2016-2018

### 3.4 Company's Stock Market Indicators

The market capitalization amounted to 672.69 million RON (77.70 RON/share) at 31.12.2018 and respectively 860.56 million RON (99.40 RON/share) at 31.12.2017.

The evolution of COTE share and market capitalization during 2014 - 2018 is as follows:

Indicators	M.U.	31.12.2014	31.12.2015	31.12.2016	31.12.2017	31.12.2018
COTE closing price	RON/share	55.05	77.00	78.80	99.40	77.70
Market capitalization	mRON	476.60	666.63	682.21	860.56	672.69
	Million Euro	106.30	147.21	150.23	184.68	144.23

Table 6 - Evolution of COTE share and stock capitalization during 2014-2018

Currently, the company CONPET S.A. is included in 7 out of the total of 9 stock indices, respectively in **BET**, **BET-TR**, **BET-XT**, **BET-XT-TR**, **BET-BK**, **BET-NG** and **BET Plus**. This

achievement of the company indicates performance, economic and financial stability, transparency, visibility and increased interest of investors in the capital market in Romania, but also from capital markets abroad.

On 20.06.2018, the company FTSE Russell decided to include in the FTSE Frontier Markets index the company CONPET SA the FTSE Frontier Markets Index follows the development of border markets and consists of approximately 400 companies.

The net profit per share related to 2018 amounts to 7.01 RON/share, registering 18% increase versus 8.59 RON/share recorded in 2017.

### 3.5 Financial and Non-Financial performance indicators of Administrators

Financial and non-financial performance indicators of directors have been approved in the OGMS meeting dated December 18th, 2018.

In line with the Administration plan of CONPET, Chapter 7 "Indicators and Performance Criteria" in the period 2018 - 2022 performance indicators and targets are defined and scheduled as follows:

Crt. no.	Performance indicator	PERFORMANCE OBJECTIVES	M.U.	Target values					KPI weights for the settlement of the remuneration ratio
				2018	2019	2020	2021	2022	
<b>A. Financial Key Performance Indicators: 25%</b>									
1.	Outstanding payments	Level zero	Thous and RON	0	0	0	0	0	2%
2.	The decrease of the operating expenses = (Operating expenses - Impairments of assets and impairments of provisions)/ Turnover	The maintenance of the share of expenses in the turnover at the level assumed by the Administration Plan	%	80.8%	82.6%	82%	81.5%	81.3%	8%
3.	Adjusted EBITDA = Operating profit - write-back of the reserve out of the modernization quota + Expenses regarding the settlement of the modernization quota + Impairments of tangible and intangible assets, here included the revaluation differences.	The realization of adjusted EBITDA target assumed by the Administration Plan	Thous and RON	108,443 thousand RON	90,316 Thousand RON	95,987 Thousand RON	98,872 Thousand RON	101,785 Thousand RON	10%
4.	Labor Productivity	Realization of the labor productivity level provided in the annual approved Budget	Thous and RON pers	100% According to Annual Budget	100% cf. Annual Budget	100% According to Annual Budget	100% According to Annual Budget	100% According to Annual Budget	5%

<b>B. NON-FINANCIAL KEY PERFORMANCE INDICATORS: 75%</b>									
<b>B1 OPERATIONAL: 25%</b>									
5.	Framing within the specific consumptions for the crude oil transport (does not include the crude oil quantity lost during provoked breakdowns or in case of breakage resulting in contamination, where the owners do not ease access for remedy).	The target value lower than the value of the maximal technological consumption, for crude oil	%	Domestic crude oil ≤ 0.361% Lukoil imported crude oil ≤ 0.29% Petrom imported crude oil ≤ 0.143% Midia imported crude oil ≤ 0.108%					3%

6.	Monitoring of the annual electricity average specific consumption for technological purposes	Maintenance of the annual electricity average specific technological consumption at a level of Max 3.3 Kwh/to	Kwh/to	Max 3.3 Kwh/to	Max 3.3 Kwh/to	52 3.3 Kwh/to	Max. 3.3 Kwh/to	Max. 3.3 Kwh/to	2%
7.	Achievement of the investments financed out of the modernization quota	Min. Realization 95% of the annual Investments Plan financed out of the Modernization Quota	%	≥95 %	≥95%	≥95%	≥95%	≥95 %	20%
<b>B2 OF CORPORATE GOVERNANCE: 50%</b>									
8.	Implementation/development of the internal management/audit system in compliance with the legal requirements in force	100% achievement of the actions included in the program	%	100%	100%	100%	100%	100%	20%
Cr. no.	Performance indicator	PERFORMANCE OBJECTIVES	M.U.	Target values					KPI weights from the settlement of the remuneration ratio
				2018	2019	2020	2021	2022	
9.	Timely reporting of the achievement of the performance indicators of the company	Framing within the reporting due deadlines	%	100%	100%	100%	100%	100%	20%
10.	Increase of the institutional integrity by including measures to prevent corruption as part of the management plans	Minimum 90% achievement of the measures assumed by the approved Integrity Plan	%	≥90 %	≥90 %	≥90 %	≥90 %	≥90 %	10%

Table 7 - Performance indicators and objectives

Achievement of the key performance indicators between 01.01.2018-31.12.2018 presents as follows:

#### A. KEY PERFORMANCE INDICATORS - FINANCIAL

Crt. no.	Performance indicator	M.U.	(Period 01.01.2018-31.12.2018)	
			According to Annex 1 from the Contract of Mandate	Achievements
1.	Outstanding payments	Thousand RON	0	0
2.	The decrease of the operating expenses = (Operating expenses - Impairments of assets and impairments of provisions) / Turnover	%	80.80%	78.52%
3.	Adjusted EBITDA = Operating profit - write-back of the reserve out of the modernization quota + Expenses regarding the settlement of the modernization quota + Impairments of tangible and intangible assets, here included the revaluation differences).	Thousand RON	108,443	123,740
4.	Labor Productivity	Thousand RON/person	251	256

Table 8- Financial Key Performance Indicators

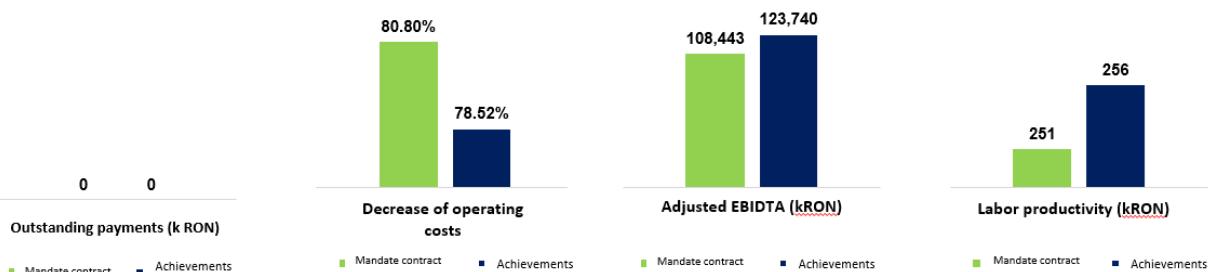


Chart 7- Financial Key Performance Indicators

B. NON- FINANCIAL KEY PERFORMANCE INDICATORS					
B1 OPERATIONAL					
Crt . no.	Performance indicator	MU	(Period 01.01.2018- 31.12.2018)		Achievements
5.	Framing within the specific consumptions for the crude oil transport (does not include the crude oil quantity lost during provoked breakdowns or in case of breakage resulting in contamination, where the owners do not ease access for remedy).	%	Domestic crude oil $\leq 0.361\%$	0.318 % *)	Domestic crude oil $\leq 0.309\%$
			Lukoil imported crude oil $\leq 0.29\%$		Lukoil imported crude oil $\leq 0.115\%$
			Petrom Imported crude oil $\leq 0.143\%$		Petrom Imported crude oil $\leq 0.138\%$
			Midia imported crude oil $\leq 0.108\%$		Midia imported crude oil $\leq 0.097\%$
6.	Monitoring of the annual electricity average specific consumption for technological purposes	Kwh /to	Max 3.3 Kwh/to	3.3	2.85
7.	Achievement of the investments financed out of the modernization quota	%	$\geq 95\%$	95%	100%
(Period 01.01.2018- 31.12.2018)					
Crt . no.	Performance indicator	MU	(Period 01.01.2018- 31.12.2018)		Achievements
B2 OF CORPORATE GOVERNANCE					
8.	Implementation/development of the internal management/audit system in compliance with the legal requirements in force	%	100%	100%	100%
9.	Duly reporting of the degree of achievement of the performance indicators of the company	%	100%	100%	100%
10.	Boost institutional integrity by inclusion of the measures to mitigate corruption as an element of the management plan	%	$\geq 90\%$	90%	100%

\*) Average technological consumption (calculated according to each type of transport)

Table 9 - Non-financial Key Performance Indicators (operational and governance)

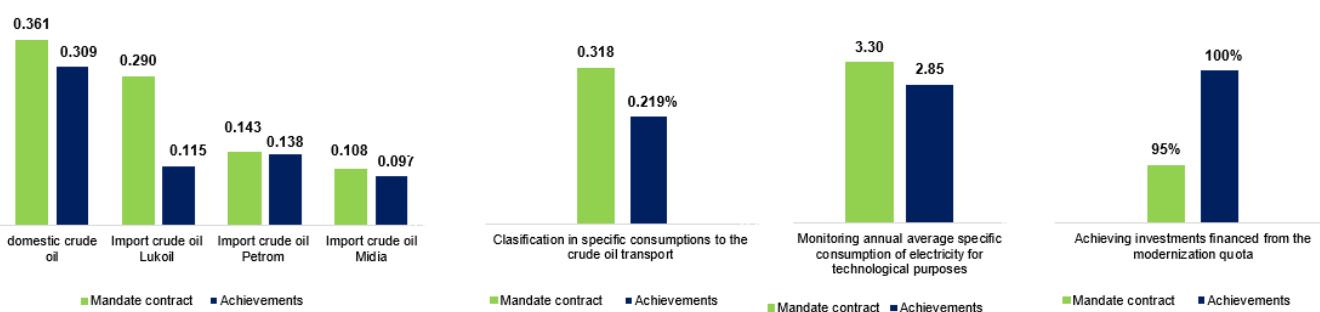


Chart 8- Operational non-financial Key Performance Indicators

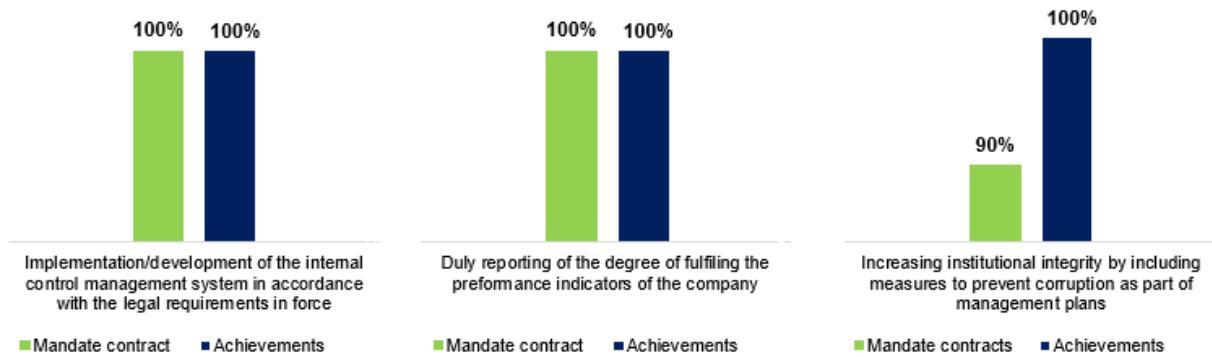


Chart 9- Financial Governance Key Performance Indicators

For the year 2018, the total degree of achievement of the performance indicators is: of 102.67 %

In Annex 4 of the REPORT OF THE ADMINISTRATORS is presented the calculation of the total degree of fulfillment of key performance indicators.

## 4. ANALYSIS OF THE COMPANY'S BUSINESS

### 4.1 Analysis of the operating activity

#### 4.1.1 The regulatory Framework

CONPET S.A. is the operator of the Crude Oil, Rich Gas, Condensate and Ethane Pipeline Transport System (NTS) as defined and regulated by Law no. 238/07.06.2004 - Oil Law and the Methodological Norms for the enforcement of the Oil Law approved under GD no. 2075/2004.

CONPET S.A. Supplies transport services for its clients both via the National Transport System concessioned according to the Oil Concession Agreement of the National Transport System of crude oil, gasoline, condensate and ethane, as well as via railway tanks, from the loading ramps to the refineries, for the oil areas not connected to the transport major pipelines.

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 activity

CONPET 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 major transport lines.

The available throughput represents the difference between the total physical throughput of the system and the crude oil scheduled for transport in the given year.

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 Transport System via pipelines has in composition transport subsystems, grouped according to the transported products, as follows:

- the domestic crude and condensate transport subsystem, having in composition pipelines covering approx. 1,540 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 domestic crude oil and condensate production is transported via pipelines, by railway tanks, or combined (rail and pipelines).
- the rich gas transport sub-system is meant for the rich gas transport from the rich gas separation units in Ardeal and Oltenia to Petrobrazi refinery.
- the ethane transport sub-system provides the ethane transport from Turburea ethane separation platform to Arpechim Pitesti refinery. Currently, due to the lack of operability 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 incumbent on CONPET from its own 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 approved by NAMR and provides the legal framework for the supply of the transport services.

The crude oil transport throughput is being performed from the sites of delivery by the producers/importers, from the extraction areas, or from Oil Terminal, to the processing plants (refineries) by the use of certain facilities both in the pumping sites, as well as all in the receipt sites.

These facilities are the crude oil and condensate storage tanks from the warehouses, storage tanks for the storage of rich gas, technological pipes from the pumping/receipt warehouses, pumping aggregates (booster pumps, main pumps, actuators), major pipelines, crude oil and rich gas loading and unloading ramps, tank cars.

The transport activity by products: crude oil, rich gas and condensate, programmed and achieved in 2018 as compared to 2016 and 2017, is as follows:

Transport Subsystems	Indicators and products	2018	2017	2016	Variation % 2018/2017
<b>Domestic crude oil, condensate and light condensate</b>					
	- programmed quantities (thousand tons)	3,443	3,503	3,642	▼ 1.7%
	- achieved quantities (thousand tons)	3,473	3,531	3,650	▼ 1.6%
	- degree of achievement	100.9%	100.8%	100.2%	+0.1 p. p.
	- degree of use of the transport throughput	56.7%	57.7%	55.9%	-1.0 p. p.
<b>Rich gas</b>					
DOMESTIC	- programmed quantities (thousand tons)	21	16	41	▲ 31.3%
	- achieved quantities (thousand tons)	20	19	35	▲ 5.3%
	- degree of achievement	95.2%	119.0%	86.1%	-24.0 p.p.
	- degree of use of the transport throughput	17.4%	9.8%	18.5%	+7.6 p.p.
<b>Total domestic subsystem</b>					
	- programmed quantities (thousand tons)	3,464	3,519	3,683	▼ 1.6%
	- achieved quantities (thousand tons)	3,493	3,551	3,685	▼ 1.6%
	- degree of achievement	100.8%	100.9%	100.1%	-0.1 p. p.
	- degree of use of the transport throughput	56.0%	56.2%	54.8%	-0.2 p.p.
<b>Crude oil</b>					
IMPORT	- programmed quantities (thousand tons)	3,210	2,945	3,070	▲ 9.0%



Transport Subsystems	Indicators and products	2018	2017	2016	Variation % 2018/2017
	- achieved quantities (thousand tons)	3,362	3,269	3,393	▲2.8%
	- degree of achievement	104.8%	111.0%	110.5%	-6.2 p.p.
	- degree of use of the transport throughput	28.5%	27.7%	28.8%	+0.8 p.p.
TOTAL	- programmed quantities (thousand tons)	6,674	6,464	6,753	▲3.3%
	- achieved quantities (thousand tons)	6,855	6,820	7,078	▲0.5%
	- degree of achievement	102.7%	105.5%	104.8%	-2.8 p.p.
	- degree of use of the transport throughput	38.0%	37.6%	38.2%	+0.4 p.p.

Table 10 - Transported quantities by types of products 2016-2018

Contracted and completed transport services in 2018, on Clients, are as follows:

Customer name	Contract Date and No.	Object of the contract	Duration months	Contracted quantity (tons)	Quantity Achieved (tons)
OMV - PETROM S.A.	BC 27/29.01.2018	Domestic crude oil transport, import crude oil, rich gas and condensate	12	3,714,235	4,132,981
Rompetur Rafinare S.A. - Petromidia Refinery	BC 810/07.12.2017	Import crude oil transport	12	76,000	40,569
Petrotel-Lukoil S.A	BC811/07.12.2017	Import crude oil transport	12	2,670,000	2,642,384
Petrotel-Lukoil S.A	BC181/03.04.2018	Domestic crude oil transport, rail	2	38,200	39,015

Table 11- Contracted transport services and carried out in 2018

The use of the transport system in 2018 was 38%, slightly higher than in 2017 (37.6%), as an effect generated by the slight increase of the transported volume, with approximately 0.5%, and by reducing the available transport capacity by approximately 0.4% due to interruption of the rich gas separation from Oltenia area.

Between January - December 2018, from the total amount of crude oil, rich gas and condensate from the indigenous production transported and delivered, that of 3,493 thousand tons, 1,148 thousand tons were transported by rail, (32.9 % of the total transported quantity on the domestic sub-system), of which:

- directly to the refineries - 1,019 thousand tons, (88.8% of the transported quantity by rail);
- from Barbatesti ramp- -129 thousand tons, (11.2% of the transported quantity by rail).

The technological consumptions recorded were admitted within the limits, provided in the transport contracts.

The evolution of the technological consumption on the standardized products carried out in 2016-2018, is as follows:

Products	2018			2017			2016		
	Standardized	Achieved	Variation	Standardized	Achieved	Variation	Standardized	Achieved	Variation
Import crude oil:	0.256%	0.120%	-0.1 p.p.	0.248%	0.112%	-0.1 p.p.	0.261%	0.107%	-0.2 p.p.
Domestic crude oil, condensate and light condensate	0.371%	0.327%	-0.04 p.p.	0.372%	0.284%	-0.1 p.p.	0.359%	0.280%	-0.1 p.p.
Rich gas	7.383%	3.455%	-3.9 p.p.	7.383%	3.451%	-3.9 p.p.	7.383%	3.584%	-3.8 p.p.

Table 12- The evolution of technological standardized consumption as compared to achieved 2016-2018

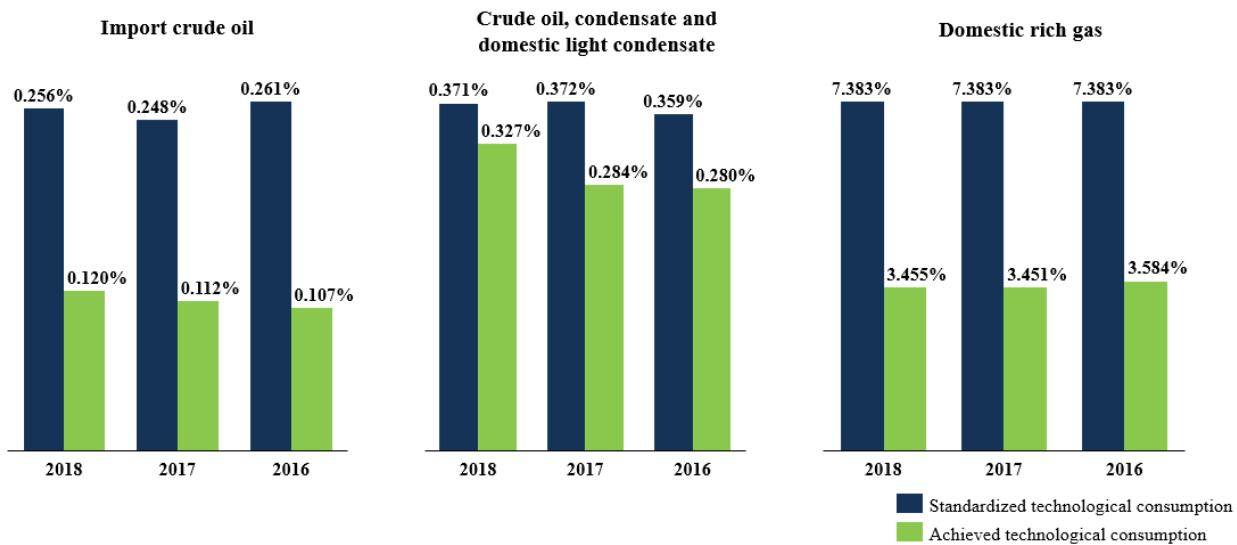


Chart 10 - Evolution of technological consumption on products 2016-2018

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

- the tariff of 79.75 RON/ton for transport service on domestic subsystem was established by NAMR Order no. 32/2016 and has been practiced until June 18th, 2018;
- the tariff of 84.37 RON/ton for transport service on domestic subsystem was established by NAMR Order nr.117/2018 and has been practiced until June 19th, 2018;
- the tariffs for transport services on import transport subsystem approved by NAMR Order no. 32/2016 were applied until June 18th, 2018;
- the tariffs for transport services on import transport subsystem approved by NAMR Order nr.117/2018 were applied until June 19th, 2018;

The tariffs for the import transport subsystem varies depending on the transported installment quantity practicing the bracketing tariff model, and refinery-transfer point. The tariffs applied during 2018 were as follows:

Period	Installments	Arpechim Refinery	Ploiești Basin (Petrobrazi and Petrotel Lukoil refineries)	Petromidia Refinery
	Thousand tons/month	RON/ton	RON/ton	RON/ton
January 1st, 2018 - June 18th, 2018	< 100	38.85	38.00	8.00
	>100	16.60	16.00	7.33
Starting June 19th, 2018	< 120	38.85	38.00	27.00
	> 120	16.60	16.00	24.74

Table 13 - Import transport tariffs on installments and 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 transport services, VAT excluded, invoiced to the beneficiaries in 2018 is amounting 380.58 mRON. The evolution of revenues between 2016 - 2018, on each beneficiary, is presented below in chart 14.

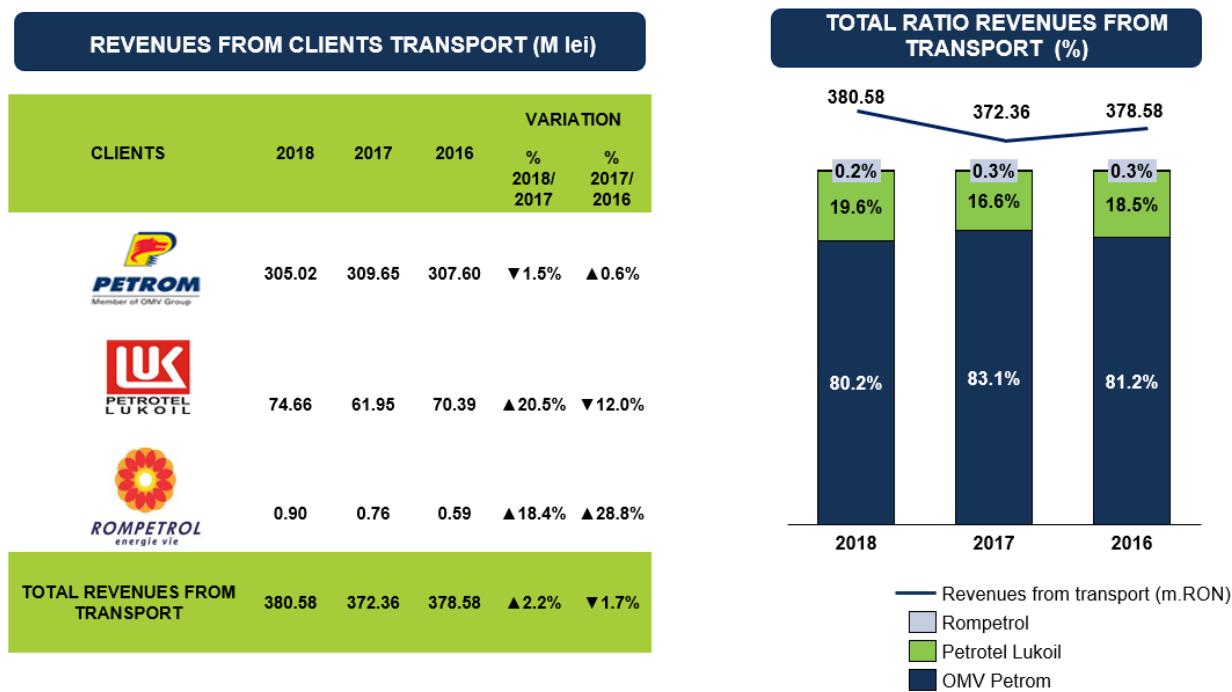


Chart 11 - Share of transport revenues per refineries in total transport revenues

The company holds a monopoly position on the market of crude oil transport via pipelines, having no competitors in its core business.

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 are addressed 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 situation of significant dependency 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 1.2% to the company's turnover, are represented by leases of lands and telecommunication equipments, rail shunting, sale of pipe material etc.

#### 4.1.4 Assessment of the operating activity

In the table below is presented the evolution of the transport services supply and other services, for the period 2016-2018:

Indicators	2018	2017	2016	Variation %2018/2017	Variation %2017/2016
[Thousand RON]					
<i>Revenues from transport services Domestic Subsystem</i>					
<i>Thousand tons</i>	3,493	3,551	3,685	▼ 1.6%	▼ 3.6%
<i>Thousand RON</i>	290,159	284,890	296,077	▲ 1.9%	▼ 3.8%
<i>Revenues from transport services Import Subsystem</i>					
<i>Thousand tons</i>	3,362	3,269	3,393	▲ 2.9%	▼ 3.7%
<i>Thousand RON</i>	90,420	87,466	82,498	▲ 3.4%	▲ 6.0%
<b>Total revenues from transport services</b>					
<b>Thousand tons</b>	<b>6,855</b>	<b>6,820</b>	<b>7,078</b>	<b>▲ 0.5%</b>	<b>▼ 3.6%</b>
<b>Thousand RON</b>	<b>380,579</b>	<b>372,356</b>	<b>378,575</b>	<b>▲ 2.2%</b>	<b>▼ 1.6%</b>
Revenues from rents	1,483	1,399	1,231	▼ 6.0%	▲ 13.7%
Other revenues	3,078	2,930	1,840	▲ 5.1%	▲ 59.2%
<b>Turnover</b>	<b>385,140</b>	<b>376,685</b>	<b>381,646</b>	<b>▲ 2.2%</b>	<b>▼ 1.3%</b>

Table 14 - Evolution of turnover revenues during 2016-2018

#### 4.1.5 Analysis of the supply activity

##### *The procurement activity*

The procurement activity performed in compliance with the provisions of the Internal Procurement Norms of CONPET S.A.– revision 2.

During January - December 2018, based on the requests formulated by the entities within the company, 174 procurements were initiated.

136 procurement procedures were completed (of which 11 launched in 2017) by concluding a number of 144 contracts totaling 69,361 thousand RON and 1,049 thousand EUR and 6 addenda worth 549.6 thousand RON and 1.4 thousand EUR.

At the end of December a number of 5 acquisitions were in progress, in the total estimated value of 1,508.94 thousand RON, respectively:

- 1 tendering procedures in total estimated amount of 780 thousand RON;
- 3 simplified procedures in total estimated amount of 678.94 thousand RON;
- 1 direct acquisition in total estimated amount of 50 thousand RON.

*The tracking and recording of the procurement contracts and contract conclusion for realization of revenues*

At 31.12.2018, the structure of the contracts in pursuit is as follows:

- 131 works contracts (o/w 32 in progress, the rest being completed in terms of execution, but still covered by the guarantee period);
- 185 services contracts (out of which 108 in progress, the rest being completed in terms of execution, but still covered by the guarantee period);
- 126 product supply contracts (including 37 in progress, the rest being completed as execution, but still covered by the guarantee period);
- 70 revenues contracts;
- 82 utility contracts.

#### **4.1.6 Company mergers and reorganizations, procurements and disposals of assets during financial year 2018**

During financial year 2018 there were no mergers. The company has no open subsidiaries in Romania or abroad.

In 2018 there have not been made purchases of assets consisting of buildings.

Purchases of tangible and intangible assets in 2018 were made in accordance with the investment program and the approved revenues and expenditure budget and are intended for deployment and modernization.

Also, there were no disposals of assets, except of the ones decommissioned under the law.

#### **4.1.7 Implementation/development of the internal control management system**

- ***Implementation/development of the internal control management system***

During 2018 the Order of the Government Secretary General no. 600 approving the Internal Control Management Code of public entities, which replaces OGSG no. 400/2015 as amended and supplemented.

According to the provisions of this order, the company CONPET SA is a public entity applying the internal control management code approved by OSGG no. 600/2018.

CONPET SA does annual self-assessments of the degree of implementation of the internal control management standards and reports in accordance with the legal requirements.

As a result of legislative changes relating to the internal control management code of public entities, respectively on the occurrence of OGSG no. 600/2018 and for matching with the requirements of GD no. 583/2016 on the approval of the National Anticorruption Strategy for the period 2016-2020, the code of ethics was updated/completed and in November 2018 the "Code of Ethics and Integrity of Conpet SA" entered into force. Within the company was appointed an ethics counselor by decision of

The Director General and the personnel of the organization signed a personal commitment to respect the rules of ethics and integrity contained in the Code of ethics and integrity of CONPET SA.

To ensure a formal framework for reporting irregularities and management deviations, as defined in OGSG no. 600/2018 and in accordance with the actions provided in the program of development of the internal control management system, the Integrated Management System Manual was revised in November 2018 with the addition of chapter "Report irregularities, management deviations".

According to the provisions of the system procedure "Setting the objectives of CONPET", SMART objectives are set, to the levels and relevant functions.

The risks of not achieving annual targets are annually identified and assessed and control measures for mitigation are established, according to the "Risk management" system procedure.

The processes identified since 2007 to the implementation of the integrated management system and the activity-based procedures were used as tools to audit, develop and implement new procedures for activities with risks being a practice known by all employees.

In order to implement the provisions of OGSG no. 600/2018 approving the Internal Control Management Code of public entities, the Regulation of organization and functioning of the monitoring committee of the internal control management system was updated. The Committee has the following duties:

- Draws up the Development Program of the internal control management system covering the objectives of Conpet SA in internal audit management and for each standard of internal control management - activities, officers in charge and deadlines, and submits it for approval to the Director General;
- highlights, distinctly, in the program, the actions of professional development, both for persons with management positions and for those with executive positions;
- aims to achieve and provides updating of the development program of the internal control management system;
- coordinates the process of updating the general and specific objectives, the procedure activities, the risk management process, the system performance monitoring, the procedure situation and the monitoring reporting system, respectively information to the Director General;
- summarizes the significant risks based on identification of risks by the risk management teams constituted by use of the "Risk management" system procedure;
- analyzes and gives priority to significant risks that might affect achieving the objectives of Conpet SA by establishing risk profile and risk tolerance;
- analyzes and gives annual priority to the risk profile and the risk tolerance limit and submits to approval of the Director General;
- analyzes the annual plan of implementation of the control measures for the significant risks within Conpet S.A and submits to approval of the Director General
- analyzes, in order to be approved, the information on the deployment of the risk management process and performance monitoring within CONPET SA, prepared by the Technical Secretariat of the Commission on the basis of annual reports on risk management and performance monitoring from the directorates, departments, services and offices directly reporting to the Director General.

The Decision of the Director General on which the Monitoring Committee was constituted, was

updated during 2018, given the changes in the organizational structure.

The Commission shall cooperate with all organizational entities so as to implement and develop the internal audit management system. Each member of the Monitoring Committee is responsible for fulfilling the tasks from the development program of the internal control management system and for the settled deadlines met.

The Internal Audit Office shall advise the Monitoring Commission and attends its meetings. The Internal Audit Office monitors the activities of the Monitoring Commission and regularly informs the Director General on the activity of the Monitoring Committee and the problems facing it and which may affect the process of implementing and maintaining the internal control management system.

The Development Program of the internal control management system of CONPET is analyzed annually, on the self-evaluation of the implementation degree, according to OGSG no. 600/2018.

Across all organizational entities there were defined and agreed specific objectives for 2018. Corresponding to the changes in the organizational structure during 2018 the specific objectives of the entities affected by these changes were updated.

Between March-April 2018 there took place meetings of all teams of risk management (RMT), in which each team has reviewed the corresponding risks to the set objectives (including the targets of all processes identified in the organization) and analyzed the status of implementation of control measures maturity, and where appropriate, new control measures for risk mitigation, as well as new deadlines for their implementation have been proposed.

Following these meetings, the situation off the risks identified in the risk management team is as follows:

Crt. no.	Risk Management Team Name	Level of tolerance of identified hazard				Total number of identified hazards
		Number of tolerable hazards (1-4)	Number of hazards with high tolerability (5-8)	Number of hazards with low tolerability (9-12)	Number of hazards intolerable (15-25)	
1	EGR, Transport Operations Direction	24	8	1	-	33
2	EGR, Economic Direction	4	8	2	-	14
3	EGR, TRADE, ENVIRONMENT AND ADMINISTRATIVE UNIT	9	-	3	-	12
4	EGR, Maintenance Development Unit	5	24	13	-	42
5	EGR, Audit Department	1	1	1	-	3
6	EGR Management Systems and Internal Control Management Department	4	8	5	-	17
7	EGR Deputy Director General 1	4	6	6	-	16
8	EGR Deputy Director General 2	9	6	4	-	19
9	EGR Internal Public Audit Office	3	6	2	-	11
10	EGR Financial Control Management Department	2	1	-	-	3
11	EGR BOA and GMS Secretariat Bureau	3	-	-	-	3

Table 15 - Statement of risks identified in 2018

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

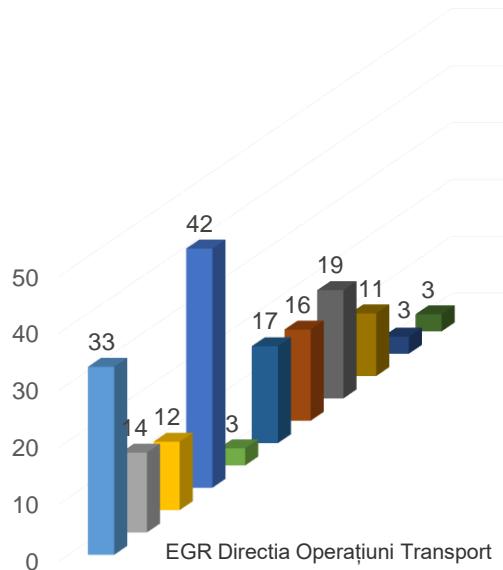


Chart 15 - Statement of risks within the company

The Technical Secretariat of the Monitoring Committee has developed the Significant Risk Register within CONPET SA (with a tolerance level greater than or equal to 9). The actions of significant risks treatment were centralized and the annual implementation plan of control measures for significant risks was developed, as required by the provisions of OGSG no. 600/2018, approved by the Director General.

The development plan of the internal control management system for the period 2018-2019, registered under no. 38946/08.10.2018 has been revised in November and approved by the Director General. This program is registered with no. 44583/16.11.2018.

Under this program it was developed "The inventory of sensitive positions in Conpet SA", registered under no. 49531/19.12.2018 and during the month of December 2018 there were identified and inventoried situations of discontinuity in the activities carried out in Conpet SA and that could harm the objectives set.

Following the evaluation of the internal control management system in accordance with OGSG no. 600/2018, it has been declared compliant at 31.12.2018 with all 16 standards implemented. The report on the internal control management system at 31.12.2018 is registered under no. 3843/31.01.2019. The self-assessment results are submitted annually to the guardianship authority.

- **Integrated management system**

Certification of the Integrated management system quality - environment - occupational health and safety was held for the first time in September 2007 with recertification every three years, in September 2010, September 2013 and September 2016. Surveillance audits conducted by auditors of the certification body Det Norske Veritas, Germanischer Lloyd occur annually.

In September 2016 the energy management system certification took place, in accordance with the requirements SR EN ISO 50001: 2011, implemented and integrated with previous

management systems. The certification audit was conducted by the same body Det Norske Veritas, Germanischer Lloyd.

As reference standards for quality management systems and environment were reviewed, during 2018 a program to implement the new/modified requirements of these standards was carried out. During the annual surveillance audit conducted by Det Norske Veritas, Germanischer Lloyd in July 2018 there has been evaluated the way the organization has made the transition to the revised standards requirements, respectively SR EN ISO 9001: 2015 and ISO14001: 2015. There were no non-conformities to the requirements of the reference documents.

The certificates in force, issued by Det Norske Veritas, Germanischer Lloyd for the implemented management systems are:

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

Starting with 2010, within the organization CONPET SA the railway safety management system is implemented and maintained in accordance with Directive 2004/49/EC, transposed in Romania by Law no. 55/2006 on railway safety. The field of application of this system includes the railway ramps where CONPET carries out railway shunting.

For the railway ramps, the Romanian Railway Authority (RRA) (Ro. AFER) granted the company The license for carrying rail services(railway shunting) and Safety Certificate Part A

For railway ramps in which CONPET performs railway shunting for third parties or self-interest, on industrial railways not owned by the company, RRA granted safety certificates Part B as follows:

- Safety Certificate Part B ramp CF Salonta;
- Safety Certificate Part B ramp CF Suplacu of Barcău.

During 2018, there was GD no. 361 on the procedure for licensing in transport by rail, whereby all the company railway ramps in which CONPET SA performs shunting with its own personnel, safety certificates part B must be issued by RRA, CONPET SA Company took all the necessary steps to obtain these certificates.

Within the Integrated Management System, the Director General conducts the analysis meetings of the management. (MAM) (Ro. AEM).

The Management review, in order to determine the effectiveness of the integrated management system quality - environment - health and occupational safety - energy, took place on 05.15.2018 (AEM no. 24) and on 17.12.2018 (AEM No .25). The actions agreed following such analysis refers mainly to the following:

- Review of Environmental Management Program in conjunction with the action directions from the policy related to quality. environment, occupational health and safety and organizational regulations in force.
- Integrated revision management system documentation (procedures, sheets processes instructions ) appropriate organizational structure changes.
- Analysis based on energy management team reporting, of the following: of the components of electricity consumptions (for a technological purpose, purpose technology

support, administrative purpose) by redefining them as technological and administrative, of the effectiveness of actions implemented in the Action Plan for achieving the objectives and energy targets 2016, of the consumption recorded in 2017 and of the upward trends of electricity consumption in technological support and administrative purposes.

- The analysis of specific diesel consumption for railway shunting to include an indicator associated with this type of energy in the energy objectives and targets list.
- Review of the Monitoring and measurement plans and the Plans for Operational Control of the use of energy and equipment to include all items that are measured and all uses of energy.
- Review of the process sheet "Investments" to include an indicator of physical realization of the investment objectives with a deadline in the reporting year.
- Updating the List of significant environmental aspects and impacts associated to the Action Plan for meeting environmental objectives.
- Identification of technical and economic solutions on problems in maintenance of locomotives property of CONPET SA and reporting to management.
- Training managers and leaders of work sites in sectors using container compliant with the requirements of operating the storage of petroleum products.
- Review of system procedure "Compliance assessment in SSO" for completing checklists in OSH, prepared by HSEQ officials with specific OSH issues of current activities and to verify the compliance schedules revisions equipment of location.
- Revision of the Framework Convention on occupational health and safety, emergency situations, environmental protection, energy management to include provisions on compliance by contractors of specific legislation for work with asbestos.
- Revision of the scope and limits of the energy management system to include locations Mislea and Slobozia.
- Development of the implementation program of the gaps and emerging requirements in ISO 45001: 2018 - Management systems of occupational health and safety. Requirements and guidelines for use.
- Revision of documents of the process Management review process to change the frequency for conducting analyzes.

During 2018 the objectives and energy targets have been updated. The document "List of energy objectives and targets for 2018" includes the following objectives and targets:

Energy objective	Energy target
O1: Maintaining energy efficiency for electricity use.	O1/T1: Maintaining power consumption in Transport Operations Directorate - Domestic Crude Oil Transport System reduced by 10% compared to the reference period 2014. O1/T2: Limitation of the growth of electricity consumption in Transport Operations Department - Import Crude oil Transport System by reducing administrative consumption. O1/T3: Maintaining electricity consumption in Conpet administrative buildings reduced by 5.3% compared to the reference period 2014.
O2: Increased energy efficiency for uses of natural gas.	O2/T1: Reducing natural gas consumption at CONPET by 20% compared to the reference period 2014.
O3: Increased energy efficiency for uses of	O3/T1: Reduction of diesel consumption for



Energy objective	Energy target
diesel.	railway shunting within Conpet by 25% over the reference period 2014.
O4: Increased energy efficiency for the uses of automotive fuels.	O4/T1: Maintaining the auto fuel consumption in Conpet reduced by 15% compared to the reference period 2014.

Table 16 - Energy objectives and targets

Also it has been developed and approved the document: "Action plan for achieving energy objectives and targets". The document was registered within the company with no. 24882 of 26.06.2018.

The stage of achieving objectives and energy targets for 2018 and the stage of the action in "Action Plan for achieving energy objectives and targets" will be reviewed in 2019 in the meeting of analysis conducted by the management no. 26.

The internal audit of the integrated management system provides information on compliance with the requirements referential and applicable legal requirements. The internal audits were conducted in accordance with the approved program for the year 2018 and the audit criteria established in the audit plans. The results were communicated to the audited by distributing the audit reports, which were attached reports of non-compliance and corrective action (RNAC/P) opened during audits. The company annually provides resources to develop adequate internal audit, mandatory requirement of the reference standards SR EN 9001:2015, SR EN ISO 14001:2015, SR OHSAS 18001:2008 and SR EN ISO 50001:2011.

#### 4.1.8 Risk management

Within CONPET SA the Internal Control Management System has been implemented and developed. Implementation of Standard 8 requirements "Risk Management" was a priority in the organization by documentation and application of provisions of PS-MI-18 "Risk management" system procedure. There were identified, evaluated and centralized risks that may affect the achievement of processes, specific objectives, compliance obligations and significant environmental aspects. Within CONPET a Register of these risks has developed, with measures for keeping them under control, responsible persons and deadlines for implementation of measures.

Complex processes and activities carried out within Conpet SA may generate risks coming from various areas such as:

➤ **Operational risk**

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

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 and identification of new potential beneficiaries of the services delivered by the company.

The results and the company's business may be influenced by specific operational risks, including the following:

- escalation of the criminal behavior of attack to the pipelines with significant impact on the National Transport System via Pipelines and the environment;
- degradation of the National Pipeline Transport System due to the low level of utilization (small quantities, reduced frequency).
- impossibility of railway transport programs exclusively due to the railway operator.

Closing of an oil extraction point attracts each time the start of a procedure for identifying additional opportunities to exploit the NTS.

#### ➤ **The Market Risk**

The Market risk arises from reducing the amount of crude oil transported to the refineries. This makes the utilization of the transport system to be very low. The company must identify new opportunities leading to increased use of the system.

The Company is dependent on the level of crude oil processing in Romania.

Following the petrochemical industry restructuring in Romania, the crude oil, condensate and rich gas transported quantities lowered, thing that negatively influenced the system's degree of use. Given the conditions, by the support of the major stakeholder, the Ministry of Energy and the National Authority for Mineral Resources (NAMR), CONPET pays efforts to identify new opportunities that lead to the increase of the degree of use of the system, nevertheless involving into regional projects started in its business area.

#### ➤ **Credit risk**

Credit risk is the risk that the company bear the financial loss due to the failure of contractual obligations by a customer or counterpart to a financial instrument, and this risk results mainly from trade receivables, cash and cash equivalents and short-term investments of the company.

The company carries out trade relations only on contractual basis with recognized third parties, that warrants credit financing.

Financial assets which may subject the Company to risk are mainly trade receivables collection.

The company has implemented a series of policies that ensure that the sale of services are made to customers with a rapid collection.

Credit risk related to trade receivables is low because of the regular collection of counter transport services. Even though there are significant concentrations, the customer base is extremely low, the management considers that the commercial credit risk is low.

#### ➤ **Risk related to the regulation and authorization**

Risk related to the regulation and authorization, which is significant given that the company must periodically shall regularly obtain and renew a number of opinions, permits, certifications (for railway shunting activity). The Company is subject to a large amount of regulations in various fields, aspects which sometimes leads to additional costs and delays in the commencement or completion of works, with possible negative effects (such as technical failures followed by loss of product shipped which give rise to sanctions from the authorities).

The core business of CONPET, namely transport via pipelines and railway tanks has a significant

environmental impact, which involves obtaining and renewing permits that regulate the activity of the company, obtaining building permits, based on all the necessary permits for work subcontracted from repair and investment programs, permits and certifications (AFER) for railway shunting activity, obtaining the INSEMEX authorization for all sectors etc.

The company's activity is subject to a large amount of regulations in various fields, which, if not respected, can lead to sanction or suspend the operations of the company.

#### ➤ **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 providing, 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 liquidities meant to cover the settlement of the due financial liabilities.

The level of this analyzed risk was low, it 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 Leu (RON). At present, 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 liquidation of the liability.

The Company's exposure to the exchange rate risk expressed in RON was insignificant. The analyzed level of this risk was negligible; it is a tolerable risk for which no necessary special measures are needed to keep it under control.

#### ➤ **Risk of disputes**

The Risk related to litigation, which comes from the faulty manner in which the legal status of under/over crossed land by major pipeline transport has been regulated. 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 the company.

One of the major risks the company is currently exposed to, as concessionaire of the Crude oil, rich gas, ethane and condensate national 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 the legal regime of the lands under/over crossed by the transport major pipelines has been regulated, 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. Moreover, even some public authorities have laid claim pecuniary about the presence of components belonging to NTS, on the lands owned or managed by them.

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. Essentially, these proposals are based on the following assumptions:

- public property (of the major pipelines) must coexist with private ownership of land, which leads to the conclusion that the state must be acknowledged the exercise free of charge to certain categories of rights real (encumbrances etc.) for the presence of the pipes on the ground;
- CONPET must fully compensate the landowner for any action that would require temporary occupation of land for repair or damage suffered by owners due to damage.

#### ➤ **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 business, as well as 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 events on the world market bear significant impact on the specific economic climate where CONPET is carrying out its business.

#### ➤ **Capital Market Risk**

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. This risk might be determined by fortuity events specific to a frontier market, considered a highly volatile market, particularly in the current global context.

As regards the level of transactions performed or market capitalization, the Bucharest Stock Exchange is being defined as a limited size stock exchange, therefore occurring risks related to the limited liquidity of the market, as well as the high volatility of the price of the traded stocks.

The reduced liquidity of the market may determine the incapacity to buy or sell of shares of the company, without bearing a significant impact on the price of that share, thus generating also a fluctuating evolution of the shares price.

#### ➤ **Legislative-related Risks**

The frequent amendment of the normative acts, here included those that bear direct impact on CONPET business may trigger risks for the company.

CONPET effort to constantly comply with the legislative requirements facing 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. 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 lines: in the decrease of the crude transported quantities and over the pump price of the finite products resulted from the crude oil processing.

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 Personnel Risk and the Waging System

On December 31st, 2018, 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 51-60 years old (40.86%), followed by the category where the age is ranging between 41-50 years old (37.54%) and between 31 - 40 years old (12.07%).

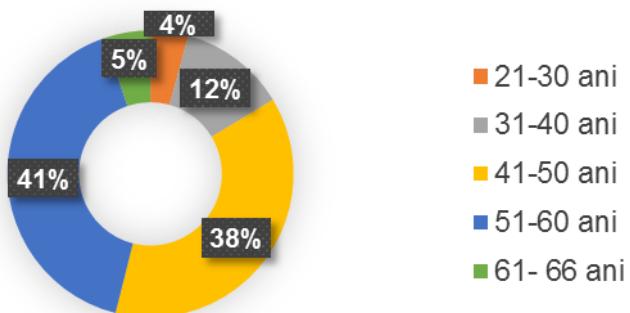


Chart 13 - Personnel structure by age groups

The average age of CONPET personnel is high enough (48-62 years old), the advantage being that 54.25% of the personnel has over 20 years of experience in the company, which stands for the stability and professionalism of the company's employees, but also accumulation of knowledge and skills, some take many years of experience to be gained.

However, the risk of personnel in the future is the company to deal with staff shortages due to staff departures experienced natural causes.

The level of this analyzed 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). In this regard, the urgent need of vacant posts occupancy is carefully monitored, according to the needs required by organizational entity, the complexity and diversity of activities, skills needed and the responsibility related posts.

#### 4.1.9 Internal and external audit

##### ***Internal audit***

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

The internal public audit activity in 2018 was performed based on the Internal Public Audit Plan approved by the Director General of CONPET SA and endorsed by the Audit Committee, as well as on the basis of the BOA Decisions to conduct ad-hoc audits required.

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 8 internal audit missions have been performed in 2018, where 28 recommendations have been formulated.

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

- *Missions according to the Internal Public Audit Plan:*
  - Achievement/recognition of repairs versus investment works;
  - Conditions of decommissioned pipes;
  - Providing advice and legal assistance in Conpet SA;
  - Drafting the budget of the East and West Divisions and monitoring employment in the budget allocation for the activities under their control;
  - Employment, remuneration and granting rights of salary;
  - Definition and analysis of cost centers for each activity type.
- *Ad-hoc missions:*
  - The manner in which the purchase of products, services and works in 2018 was performed;
  - The manner in which the purchase of products, services and works was performed in the period 26.04.2018 - 22.10.2018.

The Auditors findings revealed the existence of failures that were brought to the attention of management who ordered appropriate action to eliminate them. The recommendations made by the internal auditors have been implemented or are being implemented and there were no cases of refusal of the management in the implementation thereof.

The Internal audit department constantly monitors the implementation status of the recommendations in the internal audit.

## External audit

The annual financial statements of 2017 and 2018 were audited by the independent financial auditor BDO Audit SRL appointed by GMS Decision no. 3/29.11.2016 for three years starting from the financial year 2016. The financial auditor fulfilled the mission to review the interim quarterly financial statements both for the first half of 2017 and the first quarter of 2018.

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

The number of employees on December 31st, 2018 was of 1,657.

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 2018, the number of higher education employees was 538, increasing by 9 persons compared to 2017, and the number of secondary or general education employees has decreased from 1,182 people to 1,119 persons.

Studies	Total	%	Women	% in total employees	Men	% in total employees
General education (8-10 grades)	132	7.96%	12	0.72%	120	7.24%
Secondary education	987	59.57%	90	5.43%	897	54.14%
Higher education	538	32.47%	195	11.77%	343	20.70%
<b>Total</b>	<b>1.657</b>	<b>100%</b>	<b>297</b>	<b>17.92%</b>	<b>1.360</b>	<b>82.08%</b>

Table 17 - Structure of personnel share by categories of studies and gender

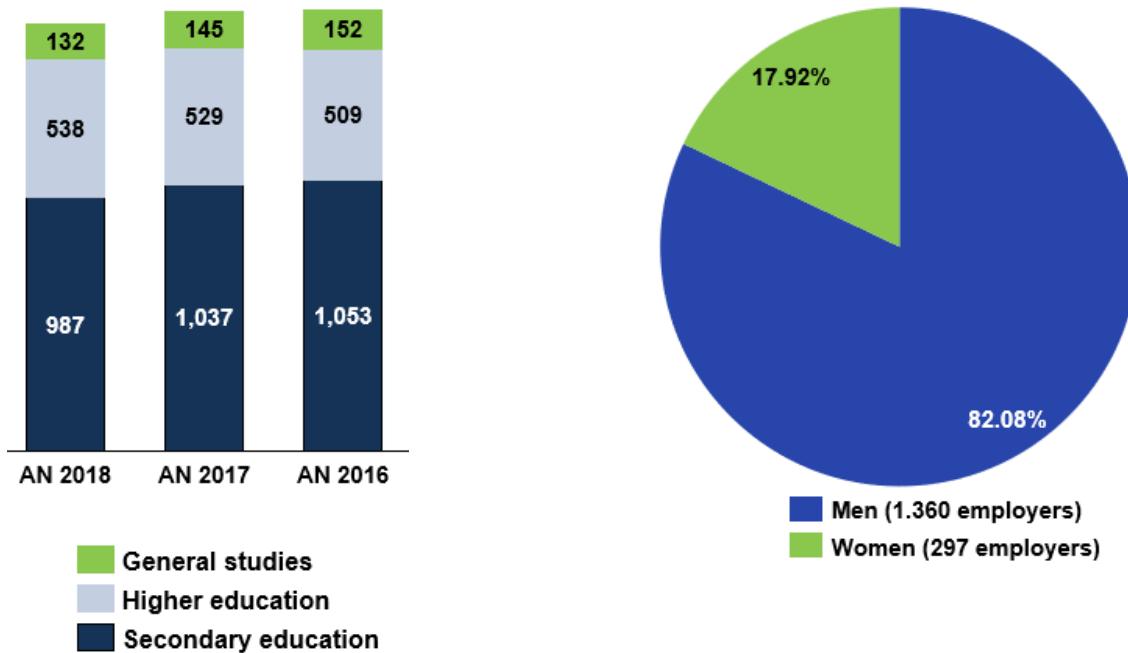


Chart 14 - The evolution of employees by level of education

Chart 15 - Personnel structure by gender

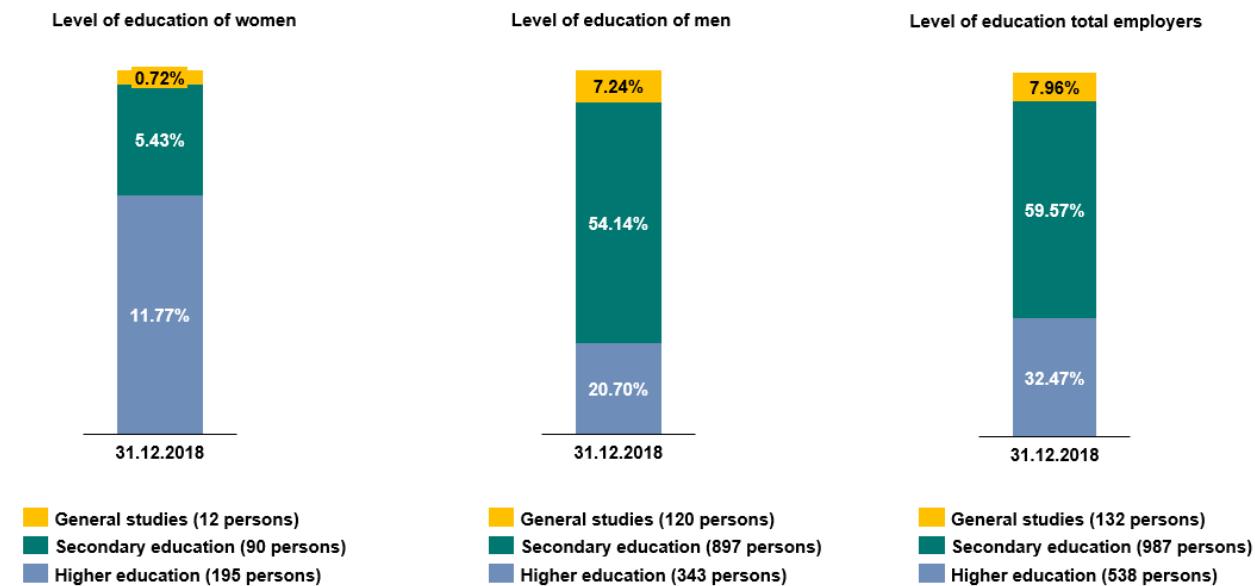


Chart 16 - Personnel share structure by categories of studies and gender

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 5.7% of the total number of employees and the executive staff amounts to 94.3%.

In 2018 the structure of employees by categories was the following:

- Directly productive 630 employees;
- Technically productive 329 employees;
- Indirectly productive 304 employees;
- Administrative 258 employees;
- General service 136 employees.

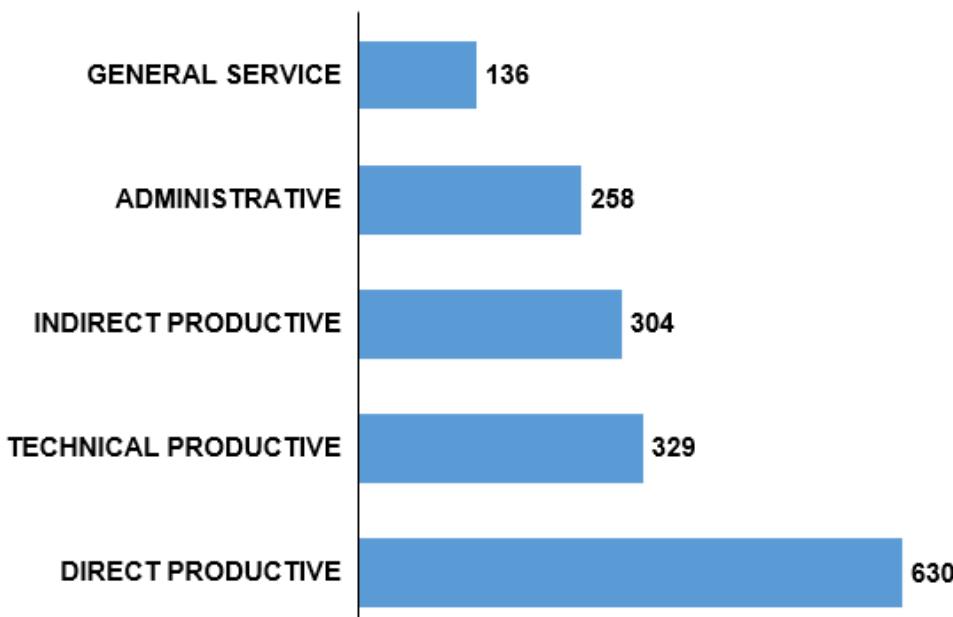


Chart 17 - The structure of employees by category in 2018

The degree of unionization of the workforce for the first semester of 2018 is 99.64 %. During 2018, there have been no elements of a conflicting nature between employees and the management of the company.

### **The Negotiation and Conclusion of a new Collective Labor Agreement**

The new Collective Labor Agreement approved in August 2017 and registered with the Prahova Labor Inspectorate under no. 420/31.08.2017 was valid for a period of one year, ending on 31.08.2018.

Before the expiry date of that contract, CONPET SA Board of Administration has mandated the Director General for the negotiation and conclusion of the Free Trade Union of Conpet of an addendum to the contract for the purposes of its extension until 31.12.2018.

Between November 15th to December 19th, 2018, meetings were held between the social partners to negotiate a new Collective Labor Agreement applicable within CONPET SA.

The new Collective Labor Agreement was approved by Decision of the Board no. 33/18.12.2018 for a period of two years, starting on 01.01.2019 and was registered with the Inspectorate of Labor Prahova no. 341/27.12.2018.

### **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 priorities setting of the CONPET SA staff training needs.

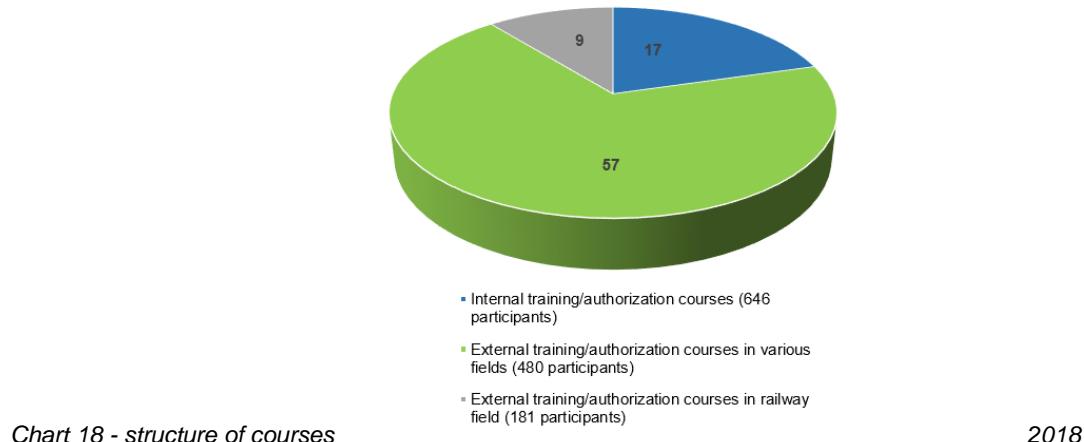
Training of company personnel is achieved mainly through participation in external courses, organized in collaboration with certified trainers for all fields of activity within the company. Also, training is conducted internally by trainers and/or experts of the company, with a good knowledge and experience relevant to the activity of the company. They hold training sessions and trainings to update knowledge and skills specific to the job.

Training of the employees has two components: training (technical, economic and other specialties) necessary to perform duties in the job description and a general one on training and/or professional licensing in various fields.

CONPET management assures annually by the Revenues and Expenditure Budget for the provision of training sources. Special attention is paid to the training of technical staff (maintenance and operations), mainly for new skills necessary to carry out the work safely the National Transport System.

Crt. No.	Category	Courses	Employees participants
1.	internal training/authorization courses	17	646
2.	external training/authorization courses in various fields (specific of activity)	57	480
3.	external training/authorization courses in railway field	9	181
<b>TOTAL</b>		<b>83</b>	<b>1307</b>

Table 18 - Structure of training/professional authorization courses ion 2018



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

At the end of 2018 the action on the revision of the Regulation of assessment of the performance evaluation of employees it has been initiated, in terms of identifying and establishing individual objectives and performance indicators (KPI - Key Performance Indicators) for management positions so that they are in full compliance and ensure that the objectives and performance indicators set out in the Management Plan of Conpet SA for the period 2018 - 2022.

The new regulation on the evaluation of the employee performance, is to be submitted for approval by the Board as an annex to the Internal Regulations.

### 4.1.11 Analysis of the HSEQ activity

- *Identification of environmental aspects and environmental impact assessment*

Due to the occurrence of a new version of the standard ISO 14001, for ensuring the transition from ISO 14001:2004 to ISO 14001:2015, during 2018 has been revised the entire documentation related to the environmental management system, focusing on the understanding of the organizational context, the identification of the environmental aspects, the manner of treating the risks and opportunities related to the environmental aspects in order to prevent and reduce the consequences thereof on health and environment.

Considering the amendments brought by the new version of the standard ISO 14001 there have been reviewed the following plans:

- The Environmental Management Program containing: the commitments associated to the environmental policy, general objectives and measurable environmental targets, the performance indicators on environmental protection, as well as the positions responsible for the achievement of the environmental targets;
- The actions plan for the achievement of the environmental objectives that took into account the significant environmental aspects identified inside Conpet, the measures from the inspection reports/protocols - authorities, regarding the compliance with the legal requirements and other applicable requirements.

In August 2018 was performed the external audit for transition to the requirements of the new version of the standard, being outlined the progress made in the ongoing implementation and improvement, compared to

the previous years, therefore being recommended the environment related certification ISO 14001:2015.

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

The assessment of the compliance with the legal requirements and other requirements applicable to the environmental aspects, was provided by: internal audits performed by the internal auditors within the company, inspections in all working sites and various installations (tanks, pipelines, keyboards etc) performed by the environmental authorities (representatives of the central and local environment and water management) and by the HSEQ responsible in the sectors.

The environment and water management authorities are carrying out scheduled audits in CONPET sites, unscheduled and thematic with regards to the observance of the legal requirements and other environmental regulations, not having been found major incompliances. The personnel within the sectors, namely the HSEQ responsible perform scheduled inspections, as per the annual Chart of inspection with regards to the compliance of the legal requirements and other applicable requirements, but also unscheduled inspections as per the attributions of the job description. In order to check the compliance with the legal requirements, at the level of year 2018 have been recorded 77 inspections and following the occurrence of the certain environmental events there have been carried out 27 inspections of the environmental authorities.

- *Pollutions bearing significant impact on the environment*

While pumping the crude oil, on the transport pipelines accidental pollutions may occur, triggering the contamination of the geological environment. Therefore, in 2018 there have been reported accidental pollutions in the areas: Castelu, Poarta Albă, Cumpăna (județul Constanța), Dragalina (județul Călărași), Bucșani, Adâncă, Gura Ocnei, Bâldana (județul Dâmbovița), Coada Malului, Parepa, Auchan (județul Prahova), Armășești, Balta Ialomiței (județul Ialomița), Roata de Jos (județul Giurgiu), Batogu (județul Brăila), Chilia (județul Olt). 2018 expenses for the decontamination of the affected areas reached 409,358 RON.

For compliance with the regulations required by the national legislation on environment in force, regarding the execution of cleaning, collection, transport services in view of capitalization/removal of the dangerous wastes, CONPET not being authorized to carry out this activity is bound to contract these services thus avoiding contravention penalties provided by EGO no. 195/2005 on environmental protection, Law no.211/2011 on the waste regime, GD no. 1061/2008 on the transport of dangerous wastes on the Romanian territory.

Over time, from the activity of crude oil storage in tanks the mechanical impurities in the crude oil settle resulting in the “tank sludge”, requiring regular discharge in order to ensure the necessary space for crude oil storage and for tanks “repair/calibration”. In 2018, the following objectives have been cleaned: the decanter from the automated oil pumping station Barbatesti, the network of shelters and gutters from the old loading ramp Barbatesti and R1 tank from the oil pumping station Bărăganu.

Following the execution of internal cleaning of the major and/or local pipelines, of related keyboards, of pumps filters or skids is generated paraffin. In 2018 paraffin was taken in the following locations: Băicoi station, Buda Pigging railway station, km 5 Ploiești pigging station, Lukoil warehouse, Moreni station, Siliște station, Poiana Lacului station, Arpechim warehouse.

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 2018" has been developed, which has included the performance of the following parameters:

- concentration of pollutants in the exhaust emissions from the water surface into the water in the sewer network and the concentration of pollutants in the groundwater (existing monitoring wells) determining the level of pollution in the event of accidental pollution of rivers;
- the concentration of pollutants in atmospheric emissions of stationary sources and/or movable (thermal power stations, oil storage tanks), and the concentration of pollutants in the ambient air;
- concentration of specific pollutants from soil samples;
- noise level.

To determine the level of pollution for the environmental factors water, air, soil and noise analyzes are conducted by certified laboratories. Thus, follow-up activities have been carried out on environmental factors: air, water, soil, groundwater and no exceedance from the maximum permissible concentrations have been found. In 2018, the costs for environmental factors monitoring amounted to 25,792 RON.

## 4.2 Analysis of the corporate activity

### 4.2.1 Main components of the NTS infrastructure

The Crude Oil, Rich Gas, Condensate and Ethane Pipeline Transport System has in composition 4 transport subsystems, grouped according to the transported products as follows:

#### 1. The domestic crude oil and condensate subsystem transport

The subsystem contains pipelines describing approx. 1,700 km, for the transport of crude oil and condensate from the production units of OMV Petrom and third parties, operating areas throughout the country, to the refineries.

This sub system has the following main components:

- **Ardeal component**, used to transport crude oil from the deposit to the railway loading ramps in rail tanks and from here to the refineries in Ploiesti or to Barbatesti unloading ramp. this component covers the following operations:
  - the crude oil received in Suplacu de Barcau is loaded in railway tanks at Suplac loading ramp and is transported to Petrobrazi refinery. the loading capacity of Suplac ramp is of 1,500 t/day;
  - the crude oil in Petreiu deposit is pumped in Marghita loading ramp, is loaded in railway tanks and transported to the railway ramp of Petrobrazi refinery. the loading capacity of Marghita ramp is of 1,000 t/day;
  - the crude oil in Turnu and Bodrog deposits is pumped in Pecica loading ramp, is loaded in railway tanks and transported to Barbatesti unloading ramp. the loading capacity of Pecica railway ramp is of 1,200 t/day.
  - the crude oil in Sat Chinez deposit is pumped in Biled loading ramp, is loaded in railway tanks and transported to Barbatesti unloading ramp. the loading capacity of Bile ramp is 800 t/day.
  - the crude oil in Tinca deposit is transported to Salonta loading ramp, is loaded in railway tanks and transported to Barbatesti unloading ramp;

By 2010, the Ardeal component included transport activities of crude oil from the Teremia deposit to the loading ramp Valcani. As a result of the reduction and restructuring of OMV Petrom activity, the operations from this place of business 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. Currently, as the processing plants of crude oil from Rafo Onesti and Dărmănești refineries do not operate anymore, the pumping of the crude oil transport is taken to the warehouse loading ramp Moinești. From here the oil is transported by rail tanks to Petrobrazi, Petrotel- Lukoil refineries or other destination, depending on customer requests. During 2017, following the takeover of the concession by Mazarine of several oil fields in the region of Moldova, the Cerdac store was closed. The crude oil extracted from it is being transported by the storage trucks to Ghelința deposit. From the Ghelința storage warehouse the crude oil is pumped to the loading dock Imeci, loaded into railway tanks and transported to Petrobrazi refinery.
- **Ghercesti - Ploiesti component** includes takeover fo the curde oil from the production units related to Ghercești, Lact, Râca, Izvoru, Videle, Poeni, Roata and Potlogi pumping stations and transport of crude oil by pipeline to Petrobrazi refinery in Ploiesti. The transport is carried out as follows:
  - By major pipeline  $\varnothing 10\frac{3}{4}$ " x 145 km. Ghercești – Icoana – Cartojani, with connections  $\varnothing 6\frac{5}{8}$ " x 5,5 km from LACT, connection  $\varnothing 6\frac{5}{8}$ " +  $4\frac{1}{2}$ " x 8,3 km from Izvoru (the pipeline belongs to OMV Petrom);
  - from Poeni deposit, the crude oil is transported by pipe  $\varnothing 10\frac{3}{4}$ " Icoana – Cartojani, to Cartojani station;
  - from Cartojani station, it is pumped to Ploiesti by the two pipes  $\varnothing 12\frac{3}{4}$ " x 80 km. and  $\varnothing 14\frac{3}{4}$ " x 80 km. with connection  $\varnothing 10\frac{3}{4}$ " x 7.8 km from Potlogi station;
  - pumping from Videle deposit is made by pipe of 10", in pipe of  $\varnothing 14\frac{3}{4}$ " simultaneously with the pumping of transit crude oil from Cartojani;
  - between the pipes  $\varnothing 12\frac{3}{4}$ " and  $\varnothing 14\frac{3}{4}$ " from Cartojani to Ploiesti and the pipes  $\varnothing 14\frac{3}{4}$ " and  $\varnothing 20$ " Calareti – Pitesti (related to the import crude oil transport subsystem) there are links to the manifold in Ghimpachi, in order to transport Petromar or import crude oil to Petrobrazi refinery.

The maximum transport capacity by the pipe  $\varnothing 14\frac{3}{4}$ " 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 of 2,500 t/day. A maximum of two pumps can be used to pump in the pipe  $\varnothing 12\frac{3}{4}$ ", the maximum capacity being of 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 of 2,000 t/day;

The major pipeline thread II collects crude oil and condensate from Ticleni, Madulari, Orlesti, Otesti, Poiana Lacului, Oarja, Saru, Siliste and Bucsan 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 major pipeline is of 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, as follows:

- from Teis, Ochiuri, Moreni and Aricesti deposits, the crude oil is transported through the pipe 6" RA Moreni-Ploiesti to Petrobrazi refinery; the nominal transport capacity is of 1,200 t/day;
- from Grindu deposit, the crude oil is transported through pipeline on Urziceni – Albesti – Ploiesti route; from Urlati deposit, crude oil is transported through pipeline Urlati – Albesti – Ploiesti route; the nominal transport capacity to Ploiesti is of 550 t/day;
- from Surani, Predealul Sarari, Gura Vitioarei, Pacureti and Boldesti deposits, crude oil is transported through Boldesti-Ploiesti pipeline, 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 pipeline, with the nominal transport capacity of 1,000 t/day.
- **local pipeline component used to transport crude oil from deposits to the loading ramps in railway tanks, and from here to the refineries in Ploiesti, as follows:**
  - the crude oil from Lascăr 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 Monteoro 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

The 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:

- major pipeline thread I Ticleni-Ploiesti;
- local piping in Ardeal.

Rich gas transport via 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 rail to Petrobrazi refinery.

By the local pipeline from Ardeal - Calacea, rich gas is taken over and pumped by pipeline Ø 6<sup>5/8</sup>" x 15 km to Biled railway loading ramp, with a loading capacity of 150 tons/day. Rich gas taken over from the recovery plant Abramut is pumped on a 4<sup>1/2</sup>" x 4 km pipeline to Marghita railway loading ramp, with a lo capacity of 100 tons/day.

## 3. Ethane transport subsystem

This subsystem is assigned to 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. We mention that a portion of this pipeline (11 km) is used to transport condensate from Totea deposit to Petrobrazi refinery, with the approval of NAMR.

#### 4. Import crude oil transport subsystem

The 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. The import crude oil transport subsystem includes Constanta Nord, Constanta Sud, Mircea Voda, Baraganu, Dragos Voda, Calareti, Mavrodin and Martinesti pumping stations.

Domestic crude oil from Petromar crude oil deposit is pumped through the pipe Ø10" Petromar-Nisipari (pipe belonging to OMV Petrom). Nisipari is the interconnection point with the main lines Ø14", Ø20" and Ø28" Constanta – Baraganu.

From Baraganu station may be pumped to Rafo Onesti refinery, via pipeline Ø20" Baraganu – Martinesti – Rafo Onesti. Currently, the pipeline is drained from product at the request of Rafo Onesti, with the approval of N.A.M.R. From Baraganu, one can also pump, by means of the stations related to each pipe, through the pipelines Ø14", Ø20" and Ø 24" to Calareti station.

From Calareti, one can pump to Ploiesti via two pipes Ø 12" Thread I and II, to Petrotel refinery, and via a pipe Ø 24" to Petrobrazi refinery. At this point, the Ø 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 via the Ø 14" pipe and the Ø 20" pipe. Currently, the pipe Ø 20" Calareti – Pitesti was drained from product at the request of OMV Petrom, with the approval of N.A.M.R.

Depending on the chosen pumping method, 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 via the Ø28" pipe to Baraganu station and from here, via pipe Ø24" Baraganu – Calareti, at a pumping rate of 650 t/h. From Calareti deposit, E station pumps via the Ø 24" pipe to Ploiesti, up to Pietrosani manifold, where routing is made through the two threads of Ø 12<sup>3/4</sup>" to Petrotel refinery, with flow rates of 650 t/h. The annual crude oil transport capacity for Petrotel refinery is of 4 million tons.
- for crude oil supply to Petromidia refinery, the crude oil received in Constanta Sud deposit is pumped via the pipe Ø 24" Constanta – Midia, using two booster pumps carrying a rate of 850 cb.m/hour, 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 Petrobrazi refineries, is done via the Ø 20" pipe, Constanta – Baraganu, and via the Ø 20" pipe, Baraganu – Calareti. From Calareti, it is possible to pump via the Ø 14" pipe up to Ghimpati manifold and, from here, in the Ø 12" pipe Cartojani to Petrobrazi refinery. From Calareti it is also possible to pump via the Ø 14" pipe up to Arpechim refinery. The maximum flow of crude oil discharge from Petromar is 200 cb.m/hour, through the 10" pipe Petromar – Poarta Alba. From Calareti, the crude oil discharge flow rates to the two refineries are 250 cb.m/hour to Petrobrazi and 220 cb.m/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 via pipeline, either by rail tanks, or combined (rail and pipeline).

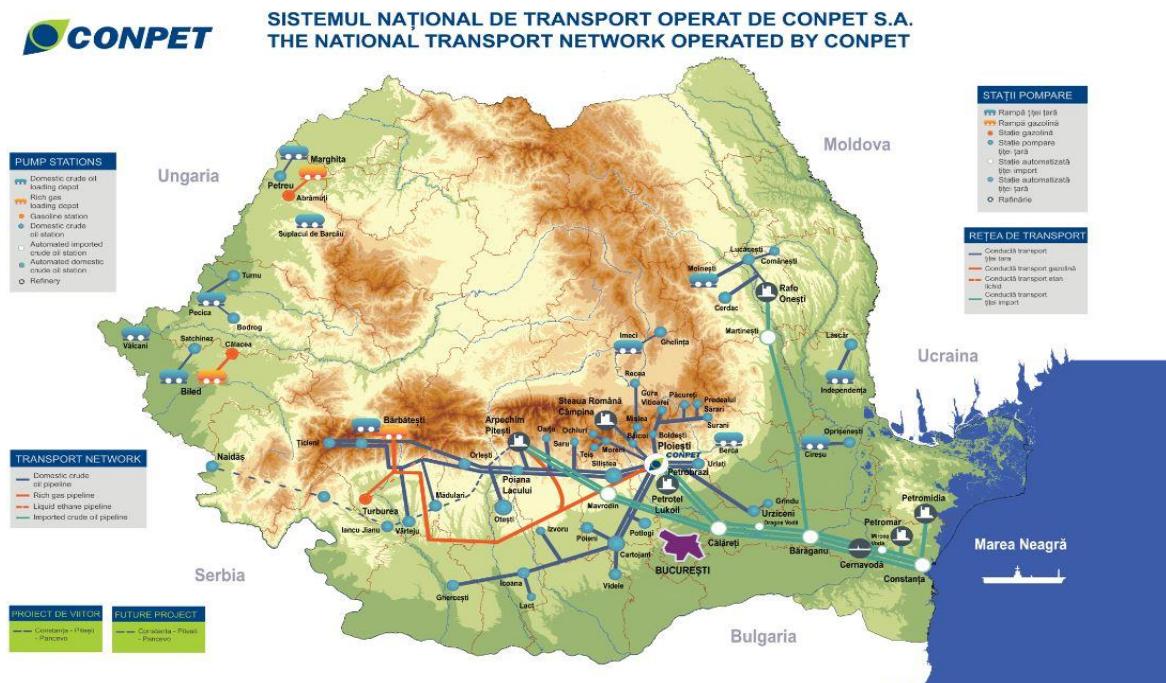


Chart 16- The National Transport System operated by CONPET

Given the natural distribution of the oil fields spread over the entire Romanian territory, the National Transport System was built so 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.

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 has also a fleet comprising 240 vehicles; its structure by functional destinations on December 31st, 2018 is as follows:

- 76 - passenger cars and off-road vehicles for business purposes;
- 73 - other vehicles means and of intervention: bulldozer-excavators, crawler type excavator, mini excavator road tractors, tankers, digger trucks, special trailers, prover trailer, compressor trailer, trailer for equipment transport, forklifts;
- 70 land vehicles and vehicles for human and merchandise transport, work teams, interventions;
- 20 Special vehicles vidanja, crane vehicles, UDS, PRB diggers, trucks.

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

In order to perform the transport of crude oil, rich gas and ethane, from and to all its business partners, in conditions of maximum operation, 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 of 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.

This project has targeted:

- pipelines rehabilitation;
- rehabilitation of the pumping stations on the major pipelines 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 2017, the emphasis has been mainly placed on the further modernization of the pipeline system. For correct determination of the portions to be replaced, most transport major pipeline have been inspected with smart pig. During 2003-2018, 519 km of pipeline have been replaced.

Furthermore, for safe operation, monitoring and maintenance of the National Transport System via pipeline, 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 comprising the crude oil National Transport System are crossing various watercourses in two constructive solutions: above and underground.

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

- low weirs;
- bank protections upstream and downstream of the low weir;
- wave crushers;
- piles foundation consolidation;
- bank protections on the route of the pipelines which are parallel with the river bed (damaged bank);
- other works related to pipeline consolidation.

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

The improvement of the technical status of the transport system, led to:

- 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 Crude Oil National Transport System via pipelines 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 2018 as compared to programmed 2018

The current pipeline replacement frequency is given by the inline inspection thereof, the statistics of the technical and the provoked breakdowns. The pipeline replacements within the last few years, amounting approximately to 519 km in length, were performed on the pipelines with the highest degree of utilization.

The total number of technical and provoked breakdowns decreased from 184 in 2013 to 36 in 2018.

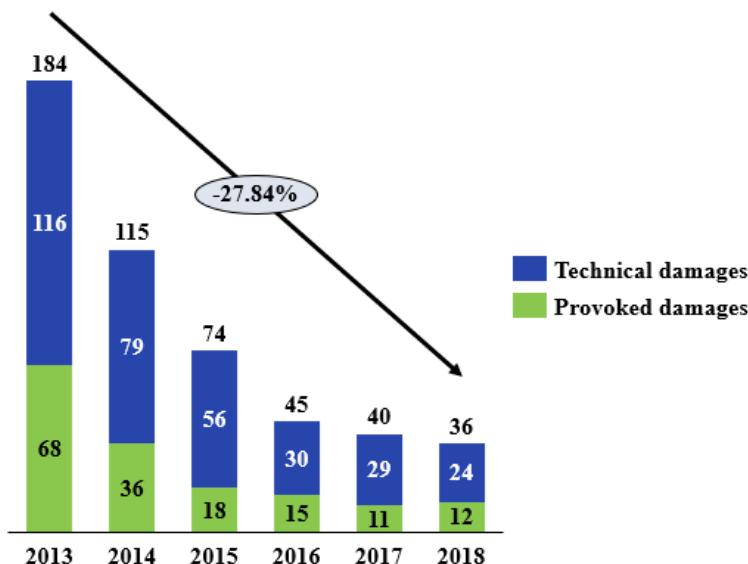


Chart 19 Evolution of the technical and provoked breakdowns during 2013-2018

The achievement of the investment program in 2018, as compared to the level scheduled for 2018 is the following:

Crt. no.	Name of the element (thousand RON)	2018 Program	Achieved 2018	%
	<b>Grand total, out of which:</b>	<b>76,625</b>	<b>69,649</b>	<b>91%</b>
I	<b>Investments related to the goods in the public domain</b>	<b>68,030</b>	<b>63,392</b>	<b>93%</b>
1.	Pipelines rehabilitation, out of which:	32,379	30,435	94%
1.	Pipeline replacement	22,519	21,398	95%
1.2	Safe disposals	9,860	9,037	92%
2.	Modernization and monitoring of the cathodic protection system related to the NTS domestic and import	5,000	4,410	88%
3.	Pilot system for the identification and location of product leaks from the crude oil major transport pipelines Poiana Lacului-Siliste-Ploiești;	3,265	3,263	100%
4.	Technical support and consultancy	50	0	0%

Crt. no.	Name of the element (thousand RON)	2018 Program	Achieved 2018	%
5.	Tanks	14,565	13,653	94%
6.	Energy works	2,878	2,848	99%
7.	Telecommunication works	292	291	100%
8.	Pumping systems upgrade	3,150	2,797	89%
9.	Stations/ramp modernization	1,629	1,005	62%
10.	Buildings, station fencing	134	87	65%
11.	Automation and SCADA works	3,951	3,881	98%
12.	Other works	472	469	99%
13.	Projects, Studies, Technical Appraisals	265	253	96%
<b>II</b>	<b>Operating domain investments</b>	<b>8,595</b>	<b>6,257</b>	<b>73%</b>
1.	Pipelines rehabilitation	330	322	98%
2.	Buildings, station fencing	850	363	43%
3.	LDH and tank cars	2,142	1,590	74%
4.	Energy works	120	87	73%
5.	Other works	603	120	20%
6.	Intangible investments	2,270	2,249	99%
7.	Independent facilities and equipment	2,280	1,525	67%

Table 19 - The achievement of the investment program 2018

In 2018, a number of 37 projection works were in progress, being completed and endorsed in the Economic-Technical Committee (Rom.CTE) of CONPET a number of 29 works with a total investment value of **94,888 thousand RON**, as follows:

- Replacement of a section of the Ø10¾" F1 pipeline Barbatesti-Orlesti in Bucsani area – Cerna river left bank, Fartatesti commune, Valcea County – 500 m from the Suvar garden -V.S. Cerna river right bank, value estimated by the designer of **422 thousand RON**.
- Safe disposal works pipeline Ø4" Izvoru-Joint Ø10¾" Icoana-Cartojani in Teleorman river area, value estimated by the designer of **200 thousand RON**.
- Replacement of the 24" crude oil pipeline Constanta - Midia in the area of Navodari bridge - start of the aerial route on a length of 405m., with a value estimated by the designer of **1,238 thousand RON**;
- 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, with a value estimated by the designer of **614 thousand RON**;
- Replacement of the 12" and 14" crude oil pipeline Cartojani-Ploiesti in the area Crivat-Catunu 550 m + 30 m horizontal drilling undercrossing National Road DN 1A Bucuresti - Ploiesti, Cornesti commune, Dambovita county, with a value estimated by the designer of **1,364 thousand RON**.
- Upgrade of the system for monitoring the vibrations and temperatures of the pumping machineries in the automated stations Calareti si Constanta Sud, with a value estimated by the designer of **573 thousand RON**;
- Rehabilitation of the cathodic protection system and earthing for leak tank,500 cubic meters - Constanta Sud pumping station, with a value estimated by the designer of **61 thousand RON**;
- Technical economic documentation (PT - technical report, CS - scope of work, Work quantities, DDE - detail execution documentation, DE - economic documentation) for 6

cathodic protection stations of the domestic and import crude oil transport pipelines (SPC Independența, SPC Lucianca, SPC Chiroiu, SPC Poieni, SPC Parc 9 and SPC Parc 7 Roata) by a value estimated by the designer of **1,534 thousand RON**;

- Replacement of Ø10 3/4" F1 and F2 crude oil pipeline Silistea Ploiesti, L= 2 x 3481m, in the areas Ilfoveni-Padure Iuda, Racovita valley way, Habeni-Comisani, Mija, with a value estimated by the designer of **4,454 thousand RON**;
- Safe disposal of the Argeș river aerial crossing Rătești area, Argeș county, with a value estimated by the designer of **3,722 thousand RON**;
- Thermal power plant for technological steam production used in the automated warehouse Barbatesti, with a value estimated by the designer of **4,707 thousand RON**;
- Hydro technical works for safety disposal of Prahova river aerial crossing by the crude oil transport pipelines belonging to CONPET S.A. - works of emergency intervention for the safety disposal of the metal piles supporting the aerial crossing of Prahova river, Stejaru area, Brazi commune, of the crude oil transport major pipelines ø12 3/4" and ø14 3/4", with a value estimated by the designer of **5,377 thousand RON**, out of which have been executed under emergency conditions works in amount of **2,773,837.68 thousand RON**; further on, will be submitted to tender works in amount of **2,602,849.21 thousand RON**;
- Replacement of the Ø10 3/4" F1 crude oil pipeline Orlesti – Poiana Lacului, L=295m, Negrea Izlaz – Poiana Lacului area, Arges county, with a value estimated by the designer of **428 thousand RON**.
- Optimization of SCADA system and Hardware and Software of the automation data transmission units, with a value **15,210 thousand RON**.
- Replacement of two pipeline sections of the Ø 6 5/8" Urziceni - Claviatura Albești Paleologu pipeline, section valve Jilavele-Milepost 1,1900 m in length and Milepost 2 - valve road Armășești 400 m in length, value of **884 thousand RON**.
- Replacement of the Ø 14 C2 – C3 crude oil pipeline, on 8 sections in Balta Ialomitei area, Ialomita County, on a length of approximately 4037 m, with a value of **4,490 thousand RON**;
- Systematization of technological keyboards of the Ø10 3/4" F1 and Ø10 3/4" F2 pipelines Siliste-Ploiesti, respectively Ø 8" + Ø 10" Ploiesti Beltway and mounting of the cleaners reception installation on the Ø10 3/4" F1 crude oil pipeline Siliste-Ploiesti in the area of Gara de Vest Railway Station, Ploiesti city, Prahova County, value of **849 thousand RON**.
- Modernization of PSI tank with a throughput of about 1100 m<sup>3</sup>, in Calareti pumping Station, with a value of **679 thousand RON**.
- Modernization of the crude oil pumping systems in Madulari pumping stations - Valcea County, Moreni - Dambovita County, Oprisenesti - Braila County: Oprisenesti pumping station - collection of tank leaks Oprisenesti - 5 cubic meters, with a value of **135 thousand RON**;
- Rehabilitation of 5 crude oil loading ramps: Ciresu, Berca, Imeci, Marghita, Suplacu de Barcau, with a value of **22,548 thousand RON**;
- Replacement of crude oil pipeline F1+F2 10 3/4 Ticleni-Ploiesti, Scaiosi locality area, Orlești commune, Valcea County, 300 m on every line, with a value of **658 thousand RON**.
- " Replacement of a section of 1250 m in length with a diameter of Ø 4 1/2 "oil transport pipe joint of Izvoru Ø 65/8" + Ø 41/2 Izvoru station - 103/4 inlet pipe" Icoana - Cartojani in the area Izlaz Izvoru, Arges county with the identification of a new route to avoid deviations made by the old pipeline", with a value of **527 thousand RON**.
- Transmission and of electricity consumption in CONPET SA locations, with a value of **3,387 thousand RON**.

- Modernization of thermal power plant and district heating network crude oil station Baicoi Centru, with a value of **1,754 thousand RON**.
- "Replacement of the Ø10" F2 crude oil pipeline Siliste-Ploiești, in the Brazi Stadium area-inside Petrobrazi Refinery, Prahova county, on an approximately 1170 m length and replacement of cleansing installation", with a value of **3,491 thousand RON**.
- "Replacement of Ø8" crude oil pipeline NEW Vega-Brazi Refinery, in Petrobrazi Refinery area - Skiduri keyboard, Prahova county, on an approximately 800 m length and replacement of cleansing installation", with a value of **1,313 thousand RON**.
- "Replacement of F1 Ø 103/4" crude oil transport pipeline Bărbătești-Ploiești, Gâlcești area, on a lenght of 1.1 km (section A) and in Budele area on a lenght of 1.4 km (section B), as well as safe disposal of the crude oil and ethane pipelines in Budele area on a length of approx. 0.15 km". Section B: "Replacement of crude oil pipeline Ø 103/4 "Bărbătești-Ploiești in Budele area over a length of 1.4 kilometers", with a value of **2,429 thousand RON**.
- "Construction of new oil tank (V = 2,500 cbm), Orlești –Vâlcea pumping station, Arges", DDE phase, with a value of **5,894 thousand RON**.
- "Construction of new oil tank (V = 2,500 cbm),- Poiana Lacului - Argeș pumping station, Arges", DDE phase, with a value of **5,947 thousand RON**.

### Significant investment objectives completed in 2018

- Replacement of the crude oil pipeline Ø 14" Constanta - Baraganu, Castelu - Cuza Vodă - Mircea Voda area, Constanta County, on a length of approximately 12580m;
- Safe disposal works of pipelines Ø6 5/8" Urlați-Ploiești and Ø4 optical fiber support at Teleajen river undercrossing–stage 2;
- Automation of R6 tank Barbatesti;
- Replacement of crude oil transport pipeline 14" Baraganu - Calareti resulted following the smart pigging in length of 7.5 km (by sections);
- Upgrade of the system for monitoring the vibrations and temperatures of the pumping machineries in the automated stations Calareti and Constanta Sud.
- Modernization of the external lightening installations by using the sources in LED technology West Division and Import Division;
- Replacement of the Ø 24" crude oil pipeline Constanta - Midia, in the area of Ovidiu city, county Constanta;
- Upgrade of the thermal power plant and heating network Marghita;
- Upgrade of the exterior lighting installations, by using LED technology sources, East and South Divisions;
- Safe disposal works of the crude oil pipeline Ø 10<sup>3/4</sup>" F1 Bărbătești-Orlești in Orlesti locality, Orlesti commune, Valcea county;
- Microwave radio relay transport capacity increase on Baraganu-Constanta section and displacement of Constanta Nord location + microwave radio relay system software upgrade.

### Significant investment objectives in progress on 31.12.2018

- Safe disposal works for the aerial crossing of Prahova river with the 12 3/4" and 14 3/4" pipelines Cartojani-Ploiești, Stejaru village, Brazi commune, Prahova.
- Safe disposal works for Arges river crossing, Cateasca area, Arges County, stage 2;
- Modernization and monitoring of the cathodic protection system related to the NTS domestic and import.
- Pilot system for the identification and location of product leaks from the crude oil major transport pipelines Poiana Lacului-Siliste-Ploiești;.

Commissioning achieved within the first six months of 2018 amounted to 44,277 thousand RON, out of which, per financing sources:

- 36,384 thousand RON out of the modernization quota;
- 7,893 thousand RON out of other own sources;

#### **4.2.4. Developments projects**

The main investment projects started in the previous years which still continue in 2018 are the followings:

##### **➤ Leak Detection and Location System**

In the period of 1995-2007, our company conducted a Modernization Project, co-financed by the World Bank, consisting of rehabilitation and modernization/refurbishment works of the Crude Oil National Transport System, by:

- pipelines rehabilitation;
- rehabilitation of the pumping stations on the major pipelines and two crude oil and rich gas loading/unloading ramps;
- automation of the transport system and introduction of the SCADA system;
- introduction of crude oil tax measurement systems;
- development of a telecommunication 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 within this project.

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

Within the study a comparative analysis of the systems of this kind existing on global level has been made, 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 mathematical shaping of the pipeline profile, relevant for low debit losses.

The proposal of implementation of the project is to be carried out in two stages, namely, in first stage to implement a pilot project on the pipelines subsystem Poiana Lacului-Siliște-Ploiești to track the post-implementation advantages, compared to the initially estimated ones, as well as to monitor maintenance costs. The second phase is to install the system on the rest of the operational pipelines of NTS.

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 21.5 months from the location hand-over (18.09.2017).

During 2018 were delivered equipment locations and have completed the installation operations and calibration tests.

##### **➤ Optimizing the SCADA system and hardware and software upgrade for the Remote Transmission Unit (RTU)**

SCADA and Automation initially implemented in 2002 has a life expectancy of 15 years. Close to the expiry of the life span, it was made an analysis of the technical system and found that it is necessary both to change data transmission, automation and optimization equipments, as well as SCADA system optimization by updating all their documents, review and implementation of a

database of "Historian". Thus, the changes to be made to the SCADA system will lead to: increase safety in the operating system, providing analysis and automatic reporting and centralized, efficient tracking and archiving of process parameters for all locations unmonitored until now.

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 date of signing. The execution of the contract comprises the following stages:

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

- drafting of the automation documentation and achievement of an analysis study and optimization of the automation;
- drafting 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 of 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, installation and site testing in 9 stations – within 8 months from the completion of stage II.

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

Stage V - Procurement, configuration/testing in the factory, installation and site testing in 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 – in 6 months from the date of completion without objections of the reception protocol on commissioning.

In 2018 stage II of the contract was finalized.

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

During 2018 CONPET SA was involved in a number of 144 litigations, out of which a number of 46 have been settled final and irrevocable. None of these litigations present risks related to the stability and continuity of the company's business.

### **a) Disputes concerning the ownership of the tangible assets of the company**

During 2018 Conpet SA was involved in two lawsuits for claiming ownership of some buildings out of which one was settled irrevocably and one is pending, as follows:

#### **1. File no. 2378/105/2009 - final and irrevocably settled**

Parties: Cojocaru Irinel Alexandru (Bojboiu Marilena) - plaintiff  
CONPET S.A.– defendant

Object: Bojboiu Marilena make application for summons calling:

- 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 neighboring properties;
- grant court charges;

The plaintiff 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 favor 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 plaintiff Cojocaru Irinel bought the litigious rights from the former claimant Bojboiu Marilena. Therefore, the claimant remained only Cojocaru Irinel.

**Mentions:** By the court resolution from 24.05.2011, the court suspended the case pursuant to art. 244 para. 1 from the Civil Procedure Code. On 22.10.2014, the file was re-docketed.

By the sentence no. 5872/18.12.2017 the Prahova Tribunal rejected the action as unfounded. The sentence was appealed by Cojocaru Irinel.

By decision no. 317/20.12.2018 the Court of Appeal Ploiesti rejects the appeal as unfounded. Final.

## 2. The file no. 2782/229/2018 - Ploiesti Court - in the course of settlement

**Parties:** CONPET S.A.– plaintiff

Zacon Trandafir - respondent

**Object:** Conpet SA has filed a sue petition against Zacon Trandafir so that, based on the evidence to be administered, the court shall pronounce a decision by which:

to find the absolute nullity of the sale-purchase agreement no. 1047/03.02.1999, concluded between Conpet SA as the seller and Zacon Rose as buyer;

- compel the defendant to pay the court charges.

In subsidiary, the respondent Zacon Trandafir is required to pay the value of the property at the fair market value determined by the report of a judicial technical expertise.

**Procedural status:** Merits

**Trial date** 07.03.2019

### b). *Disputes related to the structure of the share capital of CONPET*

#### File no. 33317/3/2007 - Bucharest Court - renumbered by the Court in File no. 5555/2/2014\*

- irrevocably settled the High Court of Cassation and Justice

**Parties:** AUTHORITY FOR MANAGING STATE ARCHIVES (Ro. AVAS) - plaintiff

CONPET S.A., Fondul Proprietatea S.A., Regisco S.A., National Securities Commission– Defendants

**Object:** Action for recovery of 524,366 of the share capital of Conpet promoted by A.V.A.S.

**Solution:** The case took three procedural cycles being irrevocably settled by Decision no. 1370/03.10.2017 by which the High Court of Cassation and Justice dismissed as unfounded the appeal filed by the appellant-plaintiff Ministry of Energy successor in rights and obligations of the applicant initially AVAS.

#### File no. 3715/105/2007 - Prahova Court - irrevocably settled by the Court of Appeal Ploiesti

**Parties:** Fondul Proprietatea S.A. - plaintiff

CONPET S.A.– defendant

**Object:** Fondul Proprietatea 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 order the respondent to pay the court costs.

**Solution:** By Decision no. 151/17.01.2018, the Prahova Tribunal admits the request made by

Fondul Proprietatea and annulled art. 4 of OGMS Resolution no. 2 of 25.04.2007; Conpet is ordered to pay the plaintiff the amount of 10,765.84 RON as court costs. By Decision no. 210/27.04.2018, rendered the appeal of Conpet SA, the Court of Appeal Ploiesti resolved the dispute irrevocably changing the ruling party called, the admission of lack of interest plea for annulment of the OGMS no. 2 25.04.2007 - Article 4 pt. c) ordering the reduction of costs from 10,765.84 RON to 5000 RON.

**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:

**File no. 2671/281/2012 - final and irrevocably settled**

**Parties:** CONPET S.A.– defendant

Liviu Ilași - plaintiff

**Object: Claims.** Liviu Ilasi files suit asking the court that by the decision ruled, to oblige Conpet SA to pay the amount of 196,552 RON to-date inflation to the date of actual payment as an annual award due to the complainant for 2008 for meeting the obligations and objectives and performance indicators set for 2008 under term contracts no. 1/20.07.2007 and no.1/30.10.2008 and costs amounting to 5,542 RON stamp fee and 5 RION legal judicial stamp.

**Mentions:** On 12.12.2012, Ploiesti Court upheld the action. Orders the defendant to pay the applicant the sum of 194,793 RON, representing annual award due for 2008. Orders the defendant to pay the costs of the applicant in the amount of 13,643.5 RON representing attorney fees, expert fees, stamp fee and legal stamp.

The decision was appealed by the plaintiffs. By decision no. 8/12.09.2013 Ploiesti Court rejects the appeal as unfounded. The judgment became final through non-recurrence.

**File no. 1269/105/2014\* - Definitions**

**Parties:** CONPET S.A. - defendant

Tudora Dorin - plaintiff

**Object:** Tudora Dorin queries the lawsuit asking the court that the judgment which will decide should: 1. Order the defendant to pay a sum equivalent to "the counter value to 36 salaries, corresponding to the last gross salary of HSEQ director, corrected for inflation"; 2. Order the defendant to pay an amount equivalent to the difference between "salary for executive function" and 9/10 of "the maximum salary paid by the company for executive function"; 3. Order the defendant to pay interest due for the amount to the equivalent of 36 salaries and the amount representing the difference between the salary paid to executive function and 9/10 of the maximum salary paid for an executive function, calculated from HSEQ director dissolution date function; Compel the defendant to pay the court charges.

**Mentions:** By sentence no.746/08.04.2015, Prahova Court takes note of surrender to trial. Final judgment by the non-recurrence.

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

**State of the lands not included in the share capital**

At December 31th, 2018, Conpet has recorded in the company patrimony lands in surface of 733,648 sqm. with a fair value amounting to 22,584,099 RON, held based on the Ownership Certificates (709,949 sq.m.) and sale-purchase contracts (23,699 sq.m.).

The lands held by the Company are located in Ploiești at the company's administrative offices and in the 24 counties covered by the transport pipelines or where are being located the crude oil tanks loading ramps.

The Company's share capital was not augmented by the value of the lands held pursuant to the 48 ownership certificates, in surface of 554,538 sqm. The Land Ownership Certificates for the lands not included in the share capital, have been obtained during 2001-2005, and the appraised value at the date of obtaining the certificates, set in compliance with GD no. 834/1991, is of 26,255,918 RON. These lands have been obtained in the company patrimony on the expense of other equity reserves.

The fair value of these plots on 31.12.2018 is of 12,348,115 lei.

In 2013, the Court of Accounts performed an audit of the status of the public patrimony; subsequently, disposed, under Decision 28/2013, the augmentation of CONPET share capital by the value of the lands for which have been obtained land ownership certificates, measure that was not fulfilled within the initial deadline (30.09.2014) and which was initially extended more than once, up to 30.06.2015, 31.08.2016 and 31.03.2018. Pursuant to decision no. 2090/651/2013 dated 05.06.2018, Prahova Chamber of Accounts granted a new deadline for the achievement of the measures unfulfilled by CONPET, respectively 30.06.2019.

Regarding this measure, the proposal to augment the share capital by the value of these land plots was included in the Agenda of the General Meeting of Shareholders dated 19.05.2016, 20.05.2016 and 05.07.2016.

In the first call (19.05.2016) and in the second call (20.05.2016), the proposal to augment the share capital was not submitted to debate, as the quorum for holding this meeting was below the minimum level stipulated by the legislation in force.

During the Extraordinary General Meeting of Shareholders dated 05.07.2016, the proposal to augment the share capital was debated and, following the voting, the augmentation of the share capital was not approved due to the failure to meet the majority necessary to make such a decision.

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

#### *Land Tabulation Situation*

By the reporting date were completed and registered at the Land Registry for land registration documentation representing approximately 98.5% of the total area of 733,648.92 square meters. The not registered land area of 11,169.79 square meters (1.5%) was rejected from registration due to overlap with other neighboring land, already registered in the Land Registry, owned by OMV Petrom.

The working point oil loading ramp Suplacu de Barcau is located on the land.

At this date, the situation of the land adjacent to the crude oil loading ramp Suplacu de Barcau is being under the amicable settlement with OMV Petrom.

Regarding the unused lands, following the abolition of some work points, we note that, in this situation are the lands in total area of 10,835.5 square meters related to Frasin - Suceava County (1241 sqm) and Frunzeasca - Galați county (9594.5 square meters) work sites.

### Building Tabulation Situation

The company has a number of 302 heritage buildings for which pays tax on buildings, of which a total of 226 buildings qualify to be tabulated.

At the time of reporting, from the total of 226 immovables that meet the conditions to be tabulated, a number of 165 constructions are tabulated, accounting for 73% of the total.

The company holds in patrimony two buildings that can not be tabulated, as follows:

- Apartment consisting of two rooms, Fetesti, is in dispute-Litigation proceedings no.132/229/2012;
- Buildings Vointa complex can not be tabulated due to the fact that the company does not have ownership/lease/concession on the land.

For the not registered properties, the company authorized in land registry works 3D CAD SOLUTIONS SRL Oradea, contracted by Conpet, is performing the necessary works required to prepare registration documentation.

Buildings that do not qualify for registration, but are subject to taxation (76 buildings) are: campus modules, metal shacks, cabins shaft covers, environmental toilets, ramps, containers, cabins SRM, tilting cab, metallic towers, etc.

### 4.3 Analysis of the financial activity

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)	2018	2017	2016	Variation %	Variation %			
				2018 /2017	2017 /2016			
<b>ASSETS</b>								
<b>Non-current assets</b>								
Tangible assets	430,599	407,275	403,469	▲5.7%	▲0.9%			
Intangible assets	2,844	1,463	1,971	▲94.4%	▼25.8%			
Financial Assets	861	974	657	▼11.6%	▲48.3%			
Long-term related to the deferred corporate tax	3,047	970	-	▲214.1%	-			
<b>Total non-current assets</b>	<b>437,351</b>	<b>410,682</b>	<b>406,097</b>	<b>▲6.5%</b>	<b>▲1.1%</b>			
<b>Current assets</b>								
Inventories	9,168	9,024	8,548	▲1.6%	▲5.6%			
Trade receivables and other receivables	43,156	46,753	42,356	▼7.7%	▲10.4%			
Short-term investments	0	70,624	163,054	-	▼56.7%			
Cash and cash equivalents	259,682	209,847	244,598	▲23.8%	▼14.2%			
Prepaid expenses	1,771	1,843	256	▼3.9%	▲619.9%			
<b>Total current assets</b>	<b>313,777</b>	<b>338,091</b>	<b>458,812</b>	<b>▼7.2%</b>	<b>▼26.3%</b>			
<b>TOTAL ASSETS</b>	<b>751,128</b>	<b>748,773</b>	<b>864,909</b>	<b>▲0.3%</b>	<b>▼13.4%</b>			
<b>SHAREHOLDER'S EQUITY 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	-	-			

Indicator (thousand RON)	2018	2017	2016	Variation % 2018 /2017	Variation % 2017 /2016
Revaluation reserves	25,811	31,017	32,958	▼16.8%	▼5.9%
Other reserves	496,092	478,500	536,239	▲3.7%	▼10.8%
Retained Earnings	44,689	40,211	120,685	▲11.1%	▼66.7%
Result of the period	60,676	74,388	71,547	▼18.4%	▲4.00%
<b>Total shareholders' equities</b>	<b>661,552</b>	<b>658,400</b>	<b>795,713</b>	<b>▲0.5%</b>	<b>▼17.3%</b>
<b>Deferred income</b>					
Investment Subsidies	1,178	1,314	1,468	▼10.4%	▼10.5%
Deferred income	10	12	16	▼16.7%	▼25.0%
<b>Total deferred revenues</b>	<b>1,188</b>	<b>1,326</b>	<b>1,484</b>	<b>▼10.4%</b>	<b>▼10.6%</b>
<b>Long-term liabilities</b>					
Deferred corporate tax	-	-	1,671	-	-
Long-term provisions	14,760	12,818	3,543	▲15.2%	▲261.8%
Long-term liabilities	893	0	0	-	-
<b>Total long-term liabilities</b>	<b>15,653</b>	<b>12,818</b>	<b>5,214</b>	<b>▲22.1%</b>	<b>▲145.8%</b>
<b>Current liabilities</b>					
Trade liabilities	19,154	30,654	20,658	▼37.5%	▲48.4%
Current income tax	3,786	3,780	3,902	▲0.2%	▼3.1%
Other liabilities	36,699	32,264	26,516	▲13.8%	▲21.7%
Short-term provisions	13,095	9,531	11,422	▲37.4%	▼16.6%
<b>Total current liabilities</b>	<b>72,735</b>	<b>76,229</b>	<b>62,498</b>	<b>▼4.6%</b>	<b>▲22.0%</b>
<b>Total liabilities</b>	<b>88,388</b>	<b>89,047</b>	<b>67,712</b>	<b>▼0.7%</b>	<b>▲31.5%</b>
<b>Total equity and liabilities</b>	<b>751,128</b>	<b>748,773</b>	<b>864,909</b>	<b>▲0.3%</b>	<b>▼13.4%</b>

Table 20-Company's Statement of the financial standing during 2016-2018

**The total assets** of the company increased by 0.3% (2,355 thousand RON) as compared to the level recorded at December 31st, 2017 following the increase of the fixed assets.

**The fixed assets** have registered an increase of 6.5 % than December 31st, 2017, The increase is determined by higher investment inflows in 2018 compared to 2017 by 20.5 mRON and the value of amortization recorded in 2018.

**The current assets** lowered by 7.2% (24,314 thousand RON), from 338,091 thousand RON, value achieved at the end of 2017, to 313,777 thousand RON, value registered at 31.12.2018. The decrease was mainly driven by lower cash and cash equivalents due to increased cash outflows for payments of property - investments, higher than in 2017, and the dividends paid from the profit of 2017 (approx. 69 mRON).

At 31.12.2018, the availabilities in the modernization quota in bank accounts were amounted to 183,452 thousand RON, lower by 28,400 thousand RON as compared to 31.12.2017 (211,852 thousand RON). The cash representing the modernization quota has a special regime, provided by GD no. 168/1998, this being destined exclusively to the financing of the modernization works and development works related to the goods belonging to the public domain.

**The equity capital** registered a slight increase of 0.5% (3,152 thousand RON) to December 31st, 2017 reaching 661.552 thousand RON.

The long term liabilities have increased by 2,835 thousand RON from December 31st, 2017 as a

result of the increase of the long-term established provisions.

**The current liabilities** in amount of 72,735 thousand RON are dropping by 3,494 thousand RON as compared to December 31st, 2017.

#### 4.3.2. The global result

The evolution of the main financial indicators of the profit and loss account, during 2016-2018, is presented below:

##### **Profit and Loss Account**

Indicator (thousand RON)	2018	2017	2016	Variation % 2018/2017	Variation % 2017/2016
<b>Operating Revenues</b>					
Turnover revenues	385,140	376,685	381,646	▲2.2%	▼1.3%
Other revenues	33,507	33,548	29,284	▼0.1%	▲14.6%
Gain from disposal of assets	64	945	-	▼93.2%	-
<b>Total operating revenues</b>	<b>418,711</b>	<b>411,178</b>	<b>410,930</b>	<b>▲1.8%</b>	<b>▲0.1%</b>
<b>Operating Expenses</b>					
Expenditure on stocks	7,012	7,079	6,266	▼0.9%	▲13.0%
Expenses with energy and water	11,163	9,535	9,695	▲17.1%	▼1.7%
Personnel expenses	140,266	112,053	111,505	▲25.2%	▲0.5%
Value adjustments on fixed intangible, tangible assets	44,502	44,474	40,315	▲0.1%	▲10.3%
Value adjustments on the current assets	1,266	(1,234)	576	-	-
Expenses related to external services	99,058	99,196	103,807	▼0.1%	▼4.4%
Other expenses	44,931	55,468	62,919	▼19.0%	▼11.8%
Provision adjustments	4,273	1,517	(8,094)	-	-
Loss from disposal of assets	-	-	3,635	-	-
<b>Total operating expenses</b>	<b>352,471</b>	<b>328,088</b>	<b>330,624</b>	<b>▲7.4%</b>	<b>▼0.8%</b>
<b>Operating profit</b>	<b>66,240</b>	<b>83,090</b>	<b>80,306</b>	<b>▼20.3%</b>	<b>▲3.5%</b>
Financial revenues	5,462	3,614	3,836	▲51.1%	▼5.8%
Financial expenses	11	45	109	▼75.6%	▼58.7%
<b>Financial profit</b>	<b>5,451</b>	<b>3,569</b>	<b>3,727</b>	<b>▲52.7%</b>	<b>▼4.2%</b>
<b>Profit before income tax</b>	<b>71,691</b>	<b>86,659</b>	<b>84,033</b>	<b>▼17.3%</b>	<b>▲3.1%</b>
Expenses with the current income tax	12,760	14,271	12,571	▼10.6%	▼13.5%
Expenses with (revenues from) deferred income tax	(1,745)	(2,000)	(85)	-	-
<b>Profit of the period</b>	<b>60,676</b>	<b>74,388</b>	<b>71,547</b>	<b>▼18.4%</b>	<b>▲4.0%</b>
Actuarial loss from update of benefits granted upon retirement	(1,036)	(4,928)	-	-	-
Gain/(Loss) from reevaluation	-	1,375	(269)	-	-
<b>Total other global result elements</b>	<b>(1,036)</b>	<b>(3,553)</b>	<b>(269)</b>	<b>-</b>	<b>-</b>
<b>TOTAL GLOBAL RESULT OF THE YEAR</b>	<b>59,640</b>	<b>70,835</b>	<b>71,278</b>	<b>▼15.8%</b>	<b>▼0.6%</b>
<b>Result per share</b>	<b>7.01</b>	<b>8.59</b>	<b>8.26</b>	<b>▼18.4%</b>	<b>▲4.0%</b>

Table 21 - Statement of the Global Result

The synthesis of the results, in evolution 2016-2018, is as follows:

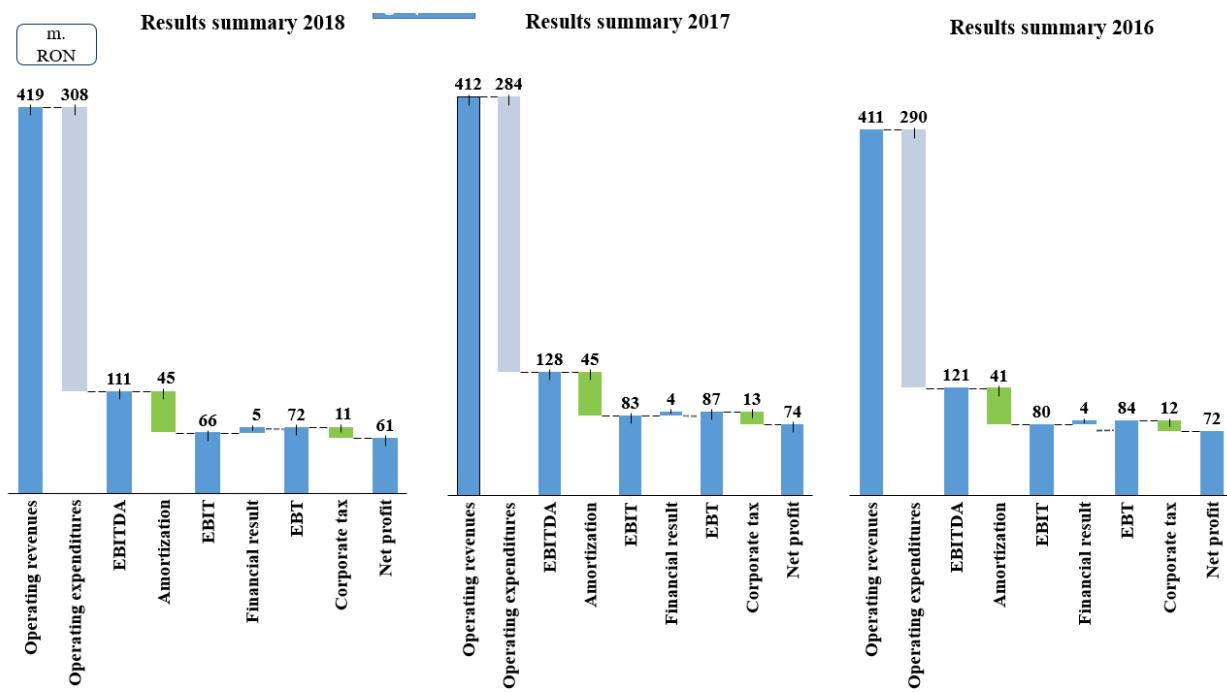


Chart 20 - Synthesis of the financial results during 2016-2018

## Operating Revenues

As compared to the approved budget and the previous period, the total revenues of the operating activity in 2018 is as follows:

Achieved 2018	Income and Expenditure Budget-2018	Variation % 2018/IEB	Indicators	2018	2017	2016	Variation % 2018/2017	Variation % 2017/2016
			[Thousand RON]					
			Revenues from transport services Domestic Subsystem					
3,493	3,464	▲0.8%	Thousand tons	3,493	3,551	3,685	▼1.6%	▼3.6%
290,159	290,328	▼0.1%	Thousand RON	290,159	284,890	296,077	▲1.9%	▼3.8%
			Revenues from transport services Import Subsystem					
3,362	3,210	▲4.7%	Thousand tons	3,362	3,269	3,393	▲2.9%	▼3.7%
90,420	86,771	▲4.2%	Thousand RON	90,420	87,466	82,498	▲3.4%	▲6.0%
			Total revenues from transport services					
6,855	6,674	▲2.7%	Thousand tons	6,855	6,820	7,078	▲0.5%	▼3.6%
380,579	377,098	▲0.9%	Thousand RON	380,579	372,356	378,575	▲2.2%	▼1.6%
1,483	1,402	▲5.8%	Revenues from rents	1,483	1,399	1,231	▲6.0%	▲13.7%
3,078	2,580	▲19.3%	Other revenues	3,078	2,930	1,840	▲5.1%	▲59.2%
385,140	381,080	▲1.1%	Turnover	385,140	376,685	381,646	▲2.2%	▼1.3%
28,826	29,277	▼1.5%	Write-back to revenues of reserve constituted based on the expenses	28,826	29,813	27,664	▼3.3%	▲7.8%

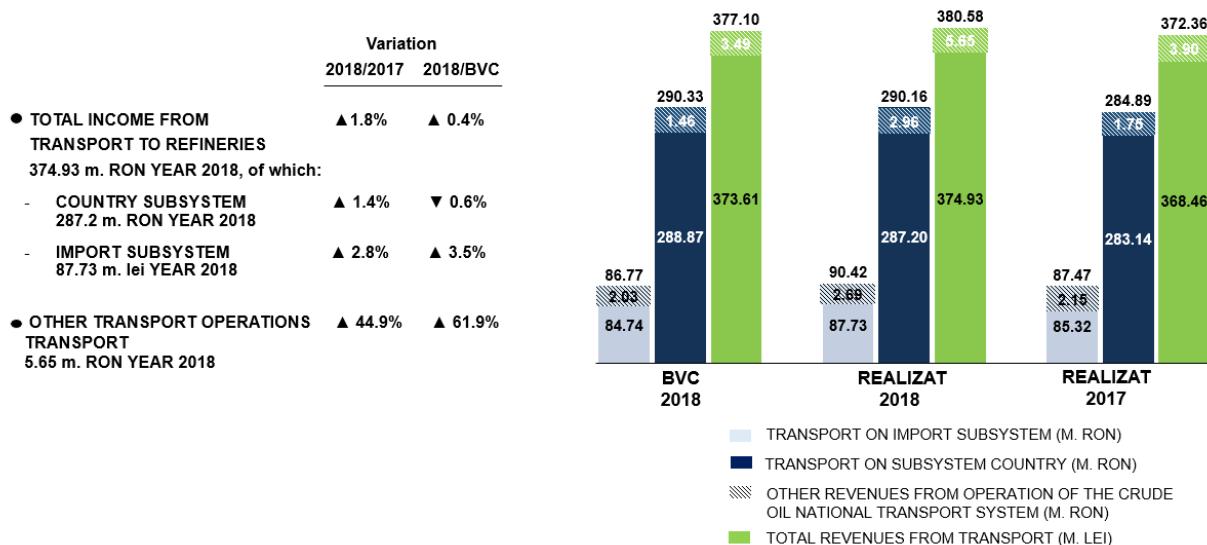
Achieved 2018	Income and Expenditure Budget-2018	Variation % 2018/ IEB	Indicators	2018	2017	2016	Variation % 2018/2017	Variation % 2017/2016
			[Thousand RON]					
			<i>with the modernization quota</i>					
64	53	▲20.8%	<i>Gain from disposal of assets</i>	64	945	-	▼93.2%	-
4,405	2,353	▲87.2%	<i>Other revenues</i>	4,405	3,735	1,620	▲17.9%	▲130.6%
33,571	31,683	▲6.0%	<b>Other operating revenues</b>	33,571	34,493	29,284	▼2.7%	▲17.8%
418,711	412,763	▲1.4%	<b>Total operating revenues</b>	418,711	411,178	410,930	▲1.8%	▲0.1%

Table 22 - Operating income statement year 2018 compared to the IEB and as compared to the period between 2016-2018

The transport revenues hold a share of 98.82% in turnover, the difference of 1.18% (4,561 thousand RON) representing revenues from various activities such as: leases of lands and telecommunication equipments, rail shunting, sale of pipe material, etc.

The revenues achieved on subsystem transport in 2018, compared to the budget and the ones achieved in 2017 are as follows:

Chart 21 - Revenues achieved from subsystems transport



Compared to the budget, the achieved transport revenues were higher by 0.9% (3.48mRON).

The operating revenues increased by 1.4% as compared to the budgetary provisions.

The increase of the transported volume by 181 thousand tons as compared to the contracted and budgeted quantities led to an increase of the transport revenues by 0.9%.

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

- revenues decrease by 0.1% from the transport on the domestic subsystem;
- revenues increase by 4.2% from the transport on the import subsystem;

The company achieved revenues from other activities, accounting for land rental and telecommunications equipment, rail shunting, sale of pipe material, etc., worth 4.56 million lei.

In the operating revenues is recognized monthly also part from reserves - share modernization, the depreciation of tangible assets financed from this quota. In 2018, the value of these revenues is of 28,826 thousand RON.

## Operating Expenses

Operating expenses made in 2018, as compared to the last 2 years and the budget provisions is as follows:

2018	Income and Expenditure Budget -2018	Variation n% 2018/ Budget	Indicators (thousand RON)	2018	2017	2016	Variation % 2018/ 2017	Variation % 2017/ 2016
7,012	7,591	▼7.6%	<b>Material expenses, out of which:</b>	7,012	7,079	6,266	▼0.9%	▲13.0%
3,620	3,858	▼6.2%	-expenses with consumables	3,620	3,393	3,251	▲6.7%	▲4.4%
1,930	2,045	▼5.6%	- fuel expenses	1,930	1,737	1,643	▲11.1%	▲5.7%
11,163	11,547	▼3.3%	<b>Other external expenses (with energy and water)</b>	11,163	9,535	9,695	▲17.1%	▼1.7%
140,266	141,019	▼0.5%	<b>Personnel expenses, out of which:</b>	140,266	112,053	111,505	▲25.2%	▲0.5%
113,578	113,770	▼0.2%	- salaries expenses	113,578	75,611	74,094	▲50.2%	▲2.0%
4,511	7,318	▼38.4%	- expenses related to insurances, social protection and other legal obligations	4,511	21,754	23,169	▼79.3%	▼6.1%
22,177	19,932	▲11.3%	- other personnel expenses	22,177	14,688	14,243	▲51.0%	▲3.1%
44,502	44,308	▲0.4%	<b>Value adjustments on property</b>	44,502	44,474	40,315	▲0.1%	▲10.3%
99,058	103,430	▼4.2%	<b>Expenses with external services , out of which:</b>	99,058	99,196	103,807	▼0.1%	▼4.4%
1,921	3,663	▼47.6%	-Maintenance (maintenance, current and capital repairs )	1,921	1,456	2,279	▲31.9%	▼36.1%
54,440	53,770	▲1.3%	- expenses with the crude oil transport by rail	54,440	56,389	57,599	▼3.5%	▼2.1%
440	1,699	▼74.1%	- expenses with decontamination works	440	410	1,393	▲7.3%	▼70.6%
29,560	29,384	▲0.6%	- oil royalty	29,560	28,637	29,162	▲3.2%	▼1.8%
12,697	14,914	▼14.9%	-other services performed by third parties	12,697	12,304	13,374	▲3.2%	▼8.0%
1,265	(19)	-	<b>Value adjustments on the current assets</b>	1,265	(1,234)	576	-	-
4,273	7,576	▼43.6%	<b>Provision adjustments</b>	4,273	1,517	(8,094)	▲181.7%	-
-	-	-	<b>Loss from disposal of assets</b>	-	-	3,635	-	-
44,932	44,495	▲1.0%	<b>Other operating expenses, out of which:</b>	44,932	55,468	62,918	▼19.0%	▼11.8%
41,825	40,596	▲3.0%	- modernization quota expenses	41,825	52,191	53,878	▼19.9%	▼3.1%
352,471	359,947	▼2.1%	<b>Total operating expenses</b>	352,471	328,088	330,624	▲7.4%	▼0.8%

Table 23 - Operating income statement year 2018 compared to the IEB and as compared to the period between 2016-2018

The operating expenses achieved in 2018 increased by 7.4% YoY, from 328.09 million RON to 352.47 million RON and are 2.1% below the Budget (359.95 million RON).

The operating expenses records an increase by 7.4% YoY, mainly due to increased personnel costs and provisions expenses for employee benefits (leave of rest and worker participation in profit).

In 2018 there were recorded expenditures below the budgeted level, to the costs of external services (4,372 thousand RON), materials (579 thousand RON) and energy and water costs (384 thousand RON).

The operating costs triggered by the operation of the two transport sub-systems (domestic and import) in 2018 were 7.24% higher than 2017. The cost per transported ton incurred in 2018, as compared to 2017, has increased by 6.70% (from 43.39 RON/ton 2017 to 46.29 RON/ton in 2018).

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

- the domestic subsystem incurs in 2018 a cost/ton higher by 8.08%, from 67.41 RON/ton to 72.86 RON/ton, generated, mainly by the decrease of the transported volumes by 58 thousand tons but also by the increase of the operational costs;
- the domestic subsystem incurs an increase of cost/ton by 8.04%, from 17.29 RON/ton to 18.70 RON/ton, generated, by the decrease of the transported volumes by 93 thousand tons but also by the increase of the operational costs;

The profitability of the transport subsystems is as follows:

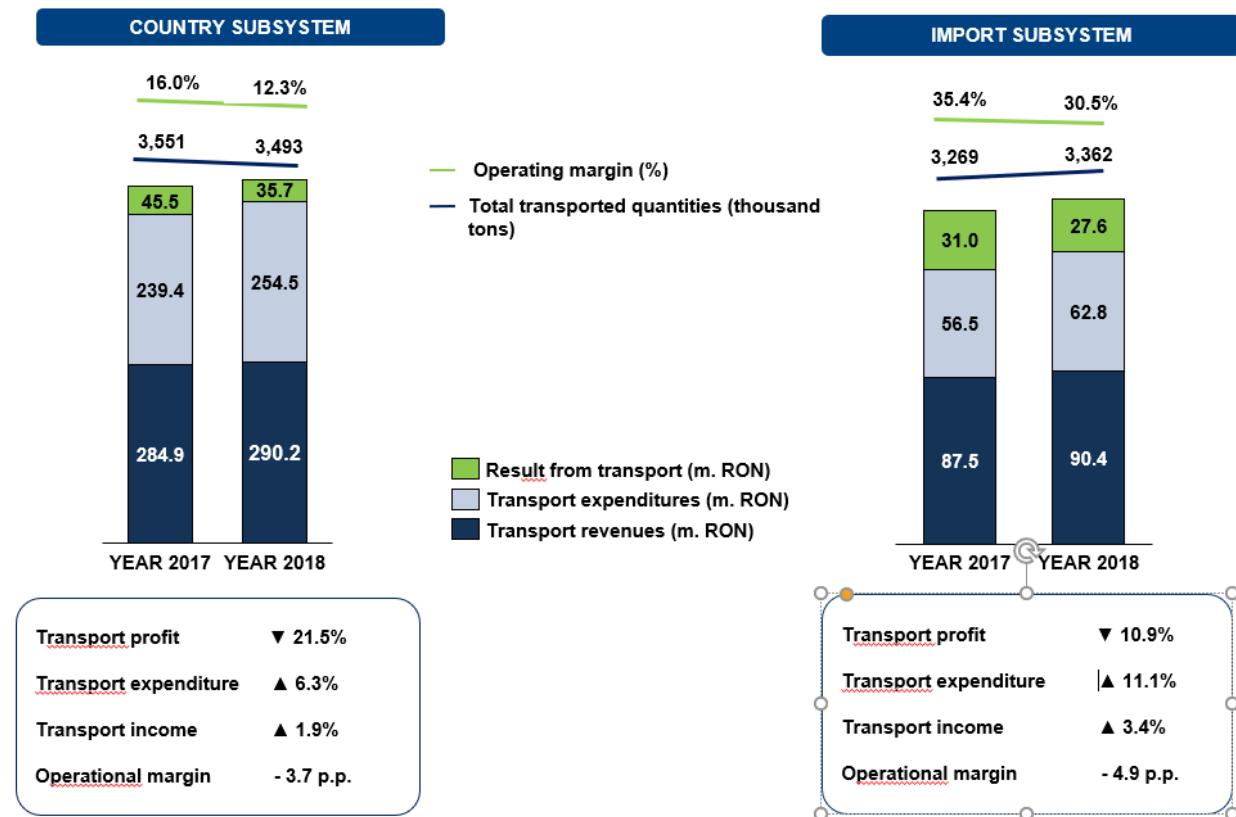


Chart 22 - Profitability of the transport subsystems

The **operating profit** achieved in 2018, of 66,240 thousand RON, as compared to the same period of 2017, decreased by 16,850 thousand RON (20.3%), mainly due to the increase of the personnel expenses. As compared to the budget provisions, the operating revenues increased

by 25.4%.

## Financial Result

Indicator (thousand RON)	2018	2017	2016	Variation 2018/2017	Variation 2017/2016
Revenues from interests	4,853	2,634	1,960	▲84.3%	▲34.4%
Revenues from operations with securities and other financial instruments	609	947	1,815	▼35.7%	▼47.8%
Other financial revenues	0	33	61	-	▼45.9%
<b>Total financial revenues</b>	<b>5,462</b>	<b>3,614</b>	<b>3,836</b>	<b>▲51.1%</b>	<b>▼5.8%</b>
<b>Total financial expenses</b>	<b>11</b>	<b>45</b>	<b>109</b>	<b>▼75.6%</b>	<b>▼58.7%</b>
<b>Financial Result</b>	<b>5,451</b>	<b>3,569</b>	<b>3,727</b>	<b>▲52.7%</b>	<b>▼4.2%</b>

Chart 24 - Financial results during 2016-2018

The financial revenues have increased by 51.1% in the year 2018 as compared to 2017 due to the increase of yields for banks deposits and other investments.

Based on this evolution the financial result has increased by 52.7% in 2018, as compared to 2017.

The company ended 2018 with a **net profit amounting to 60,676 thousand RON, with 14,865 thousand RON higher than budgeted.**

### 4.3.3 Economic-financial Indicators

Indicators	2018	2017	2016	Variation 2018/2017	Variation 2017/2016
<b>Margin</b>					
Gross sales margin	17.2%	22.1%	21.1%	▼4.9 pp	▲1.0 pp
Net sales margin	15.8%	19.7%	18.7%	▼3.9 pp	▲1.0 pp
Operating profit margin (EBIT)	15.8%	20.2%	19.5%	▼4.4 pp	▲0.7 pp
<b>PROFITABILITY INDICATORS</b>					
Profitability of equity (POE)	9.2%	11.3%	9.0%	▼2.1 pp	▲2.3 pp
Profitability of assets (POA)	8.1%	9.9%	8.3%	▼1.8 pp	▲1.6 pp
<b>Indicators per share</b>					
Net profit per share (RON/share)	7.01	8.59	8.26	▼18.4%	▲4.0%
<b>LIQUIDITY INDICATORS</b>					
Current liquidity - <i>number of times</i>	4.3	4.4	7.3	▼2.3%	▼39.7%
Current liquidity - <i>number of times</i>	4.2	4.3	7.2	▼2.3%	▼40.3%
<b>Business indicators (management)</b>					
Stocks rotation (number of days)	479	457	536	▲4.8%	▼14.7%
Stock rotation speed (number of times)	0.76	0.80	0.68	▼5.0%	▲17.7%
Rotation speed of the clients debits (days) Average clients balance, VAT excluded/Turnover) x 365 days	28	29	29	▼3.4%	-
Rotation duration of the clients debits (no of times)	12.94	12.74	12.77	▲1.6%	▼0.2%
Rotation speed of the suppliers debits (days)	28	30	30	▼6.7%	-

Indicators	2018	2017	2016	Variation 2018/2017	Variation 2017/2016
(Average suppliers balance, VAT excluded/ procurement of goods and services x 365 days)					
Rotation duration credits - suppliers (no of times)	13.24	12.19	12.37	▲8.6%	▼1.5%

Table 25- Economic-Financial Indicators

#### 4.3.4 Cash-flow

Indicators (thousand RON)	2018	2017	2016	Variation % 2018/2017	Variation % 2017/2016
<b>Cash flows from operating expenses:</b>					
+ Proceeds from services supply	415,157	397,530	402,605	▲4.4%	▼1.3%
+ Proceeds from interests related to banking investments	4,332	2,584	1,817	▲67.7%	▲42.2%
+ Other proceeds	4,618	7,458	10,811	▼38.1%	▼31.0%
- Payments to the suppliers of goods and services	111,031	107,780	114,569	▲3.0%	▼5.9%
- Payments to and on behalf of the employees	134,420	110,190	110,485	▲22.0%	▼0.3%
- VAT Payments	44,488	49,602	50,609	▼10.3%	▼2.0%
- Corporate tax payments	12,718	16,186	16,577	▼21.4%	▼2.4%
- Other payments regarding operating activities	37,407	45,054	39,197	▼17.0%	▲15.0%
<b>A Net cash from operating activity</b>	<b>84,043</b>	<b>78,760</b>	<b>83,796</b>	<b>▲6.7%</b>	<b>▼6.0%</b>
<b>Cash flows from investment activities:</b>					
+ Proceeds from sale of tangible assets	450	4,000	1,064	▼88.8%	▲275.9%
+ Proceeds from modernization quota	41,825	52,191	53,878	▼19.9%	▼3.1%
+ Proceeds from short-term financial investments	70,310	165,666	263,545	▼57.6%	▼37.1%
+ Proceeds from interests related to government securities	917	1,798	3,461	▼49.0%	▼48.1%
- Payments for purchase of tangible assets	87,517	44,991	54,576	▲94.5%	▼17.6%
- Payments for short-term financial investments	0	74,087	172,095	-	▼57.0%
<b>B Net cash from investment activities</b>	<b>25,985</b>	<b>104,577</b>	<b>95,277</b>	<b>▼75.2%</b>	<b>▲9.8%</b>
<b>Cash flows from financing activities:</b>					
+ Proceeds dividends transferred to Depozitarul Central	9,479	2,710	2,044	▲249.8%	▲32.6%
- Paid dividends	69,672	220,798	60,639	▼68.4%	▲264.1%
<b>C Net cash from financing activities</b>	<b>(60,193)</b>	<b>(218,088)</b>	<b>(58,595)</b>	<b>▼72.4%</b>	<b>▲272.2%</b>
<b>Net increase of the cash and cash equivalents</b> <b>=A+B+C=D2-D1</b>	<b>49,835</b>	<b>34,751</b>	<b>120,477</b>	<b>▲43.4%</b>	<b>▼71.2%</b>
<b>D1 Cash and cash equivalents at the beginning of the period</b>	<b>209,847</b>	<b>244,598</b>	<b>124,121</b>	<b>▼14.2%</b>	<b>▲97.1%</b>
<b>D2 Cash and cash equivalents at the end of the period</b>	<b>259,682</b>	<b>209,847</b>	<b>244,598</b>	<b>▲23.8%</b>	<b>▼14.2%</b>

to which is being added:

Government securities as government bonds and treasury bills	-	70,310	161,889	-	▼56.6%
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Indicators (thousand RON)	2018	2017	2016	Variation % 2018/2017	Variation % 2017/2016
<b>Total availabilities at the end of the period</b>	<b>259,682</b>	<b>280,157</b>	<b>406,487</b>	<b>▼7.3%</b>	<b>▼31.1%</b>

Table 26 - Statement of cash flows in 2016 -2018

Cash equivalents at 31.12.2018 diminished compared to those at 31.12.2017 (including government bonds) from 280 mRON to 260 mRON. The decrease has been determined mainly by the increase of payment for assets by 195% as compared to 2017.

The effects of the three activity areas (operation, investment and financing) over the cash in the 12 months period of 2018 reveal the followings:

- - the operating activity triggered a cash-flow in amount of 84 mRON;
- - the investments activity triggered a positive cash-flow in amount of 26 mRON;
- The financing activity lowered the total cash flow by 60 mRON due to the cash outputs for the payment of dividends in amount of 69 mRON.

As compared to the previous year, the net cash flow generated from operating activities in 2018 exceeded that of 2017 by 5 mRON due to increased revenues from transport or receipts from customers.

The cash from investment activities has registered a decrease in 2018 due to the significant increase in payments for purchases of tangible assets.

The cash flow from financing activities registers negative values, down from the previous year due to lower dividend payments in 2018. In 2017, the company distributed dividend both from profit for the year and other elements of capital (retained earnings and own sources of funding). The total amount of dividends paid in 2017 was of 221 mRON and in 2018 the dividends paid amounted 69 mRON.

#### 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. The objective aims to ensure that accounting, financial and management information communicated or published are complete and accurately reflect the activity and situation of the entity;
- 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, 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 ;

- Identification of risks 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 communication of the shortcomings identified, to the Board of Administration ;
- 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 2018 transactions with SNTFM CFR Marfă SA București, to which the State holds majority stake.

### 4.4 Analysis of the corporate activity

#### 4.4.1 Capital market business

##### Evolution of “COTE share”

The shares issued by CONPET S.A. are traded on the regulated market administered by Bucharest Stock Exchange, on Main segment, at Equity sector - category Premium, under “COTE” symbol.

At the end of 2018, the trading price of CONPET shares recorded a decrease by 21.9 % compared to the closing price of the first trading day of the year.

In summary, the transactions recorded with CONPET shares on Bucharest Stock Exchange in 2018 are as follows:

- In 2018, a number of 12,338 transactions were performed, 40% fewer than in 2017 (20,800 transactions);
- the total volume of the shares traded in 2018 was of 2,412,109 shares, twice higher as the one recorded in 2017 (1,148,250 shares);
- the total value of the transactions performed in 2018 was RON 229,946,467, almost double than the value recorded in 2017 (RON 125,732,385).
- the average trading price was of 95.33 RON/share, lower by 14.17 RON/share versus the average price of the shares registered during 2017 (109.50 RON/share);
- the trading price registered the maximum value, respectively that of 120 RON/share, at the beginning of 2018, both in the last week of January, as well as in the first day of February;
- A peak of the transactions was recorded on 23.10.2018, when a total volume of 725,532 shares was traded, (representing approx. 30% of the total volume of COTE shares traded during 2018), in amount of 61,525,014 RON;
- the Market capitalization at the end of December 2018 was of 672,689,926 RON, decreasing by 187,868,357 RON as compared to the value recorded at the end of 2017 (860,558,283 RON).

The main trading indices of 2018 for the shares issued by CONPET are presented in the following table:

Month	Indices	Average price (RON/share)	No. of transactions	No. of traded shares	Value of trades (RON)
January		112.39	1,596	54,932	6,173,638
February		102.53	2,175	707,740	72,566,976
March		113.36	965	39,158	4,438,997
April		101.34	507	541,175	54,840,244
May		97.94	1,162	50,813	4,976,778
June		94.61	1,153	51,756	4,896,659
July		88.09	591	21,669	1,908,830
August		89.99	688	25,712	2,313,775
September		87.14	752	46,008	4,009,208
October		84.82	725	759,159	64,391,379
November		87.06	719	48,805	4,248,947
December		79.49	1,305	65,182	5,181,030
<b>Cumulated</b>		<b>95.33</b>	<b>12,338</b>	<b>2,412,109</b>	<b>229,946,461</b>

Table 27 - Main trading indices

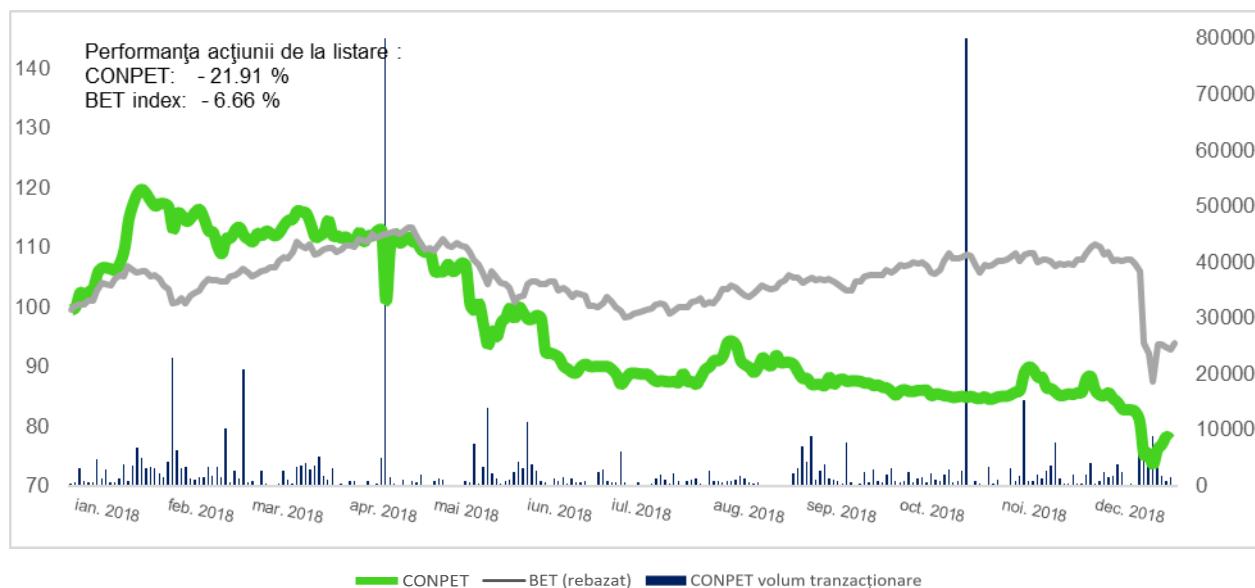


Chart 23 - Evolution of COTE share vs. BET index (rebased)

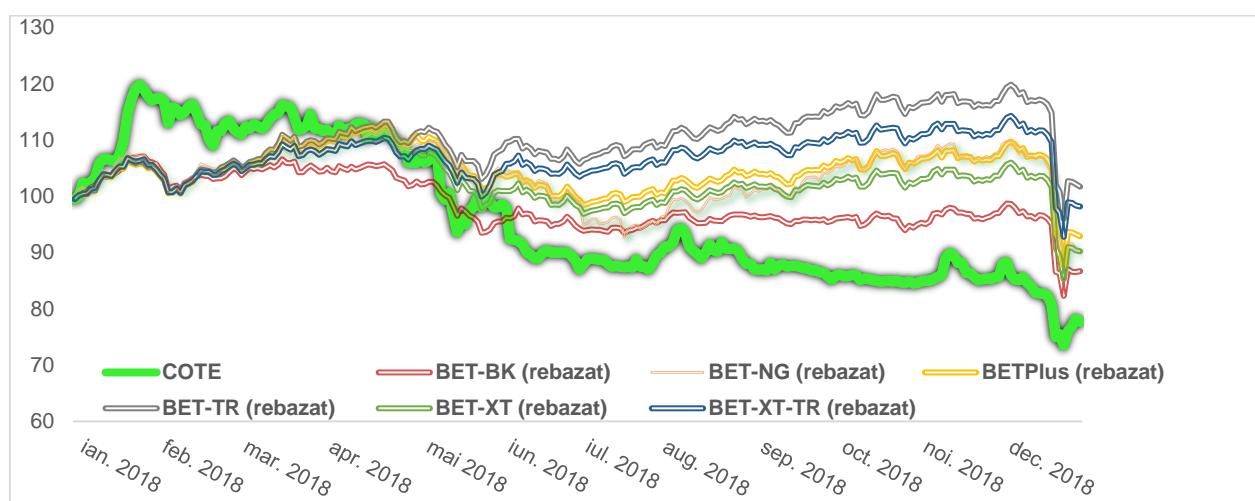


Chart 24 - Evolution of COTE share vs. stock indices (rebased) where it is included in 2018 (RON)

Chart, The evolution of the trading price of CONPET S.A. Shares, along 2018 is the following:

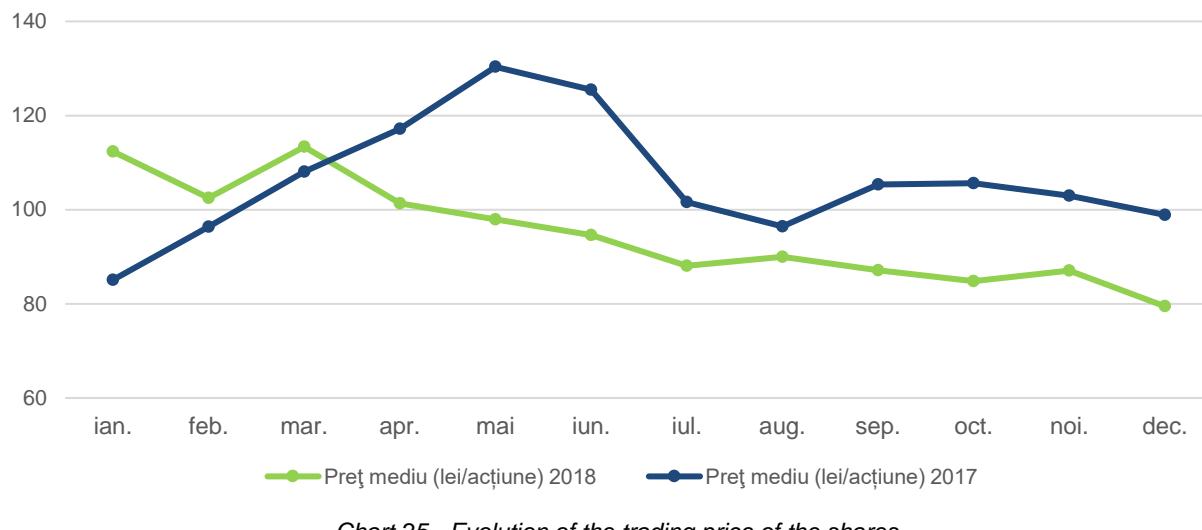


Chart 25 - Evolution of the trading price of the shares

Stock Market indicators	Year			
	2015	2016	2017	2018
PER	12.96	10.79	12.03	9.04
P/BV	0.92	0.89	1.08	1.02
EPS	5.94	7.30	8.26	8.59
DIVY (dividend yield)	7.72	9.26	26.56	10.35

Table 28 - Main stock performances indices

On 31.12.2018, according to the TOP 100 Issuers by capitalization, CONPET ranked the 19th, with a market capitalization of RON 672,689,926 (EUR 144.2 mEUR), which represents a share of 0.47% in the total market capitalization.

### 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 91.5% to 93.5% 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 net 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 Law 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 2015 – 2017 is as follows:

Distribution of profit for the year	GMS date	SUBSTANTIATION DATA	Total gross dividends due - RON-	% of net profit	Gross dividend/share - RON-	Paid dividends - RON-	Net dividends accumulated on 31.12.2018
2015	28.04.2016	06.07.2016	63,198,986	93.3%	7.29	60,839,655.42	2,359,330.58
2016-Dividend from profit of the period	26.04.2017	30.06.2017	69,836,604	91.5%	8.07		
2016-Dividend from reserves and retained earnings	25.10.2017	10.11.2017	158,725,670		18.33	219,790,649.73	8,771,624.27
2017-Dividend from profit of the period	26.04.2018	12.06.2018	69,621,097	93.5%	8.04	66,831,938.53	2,789,158.47

Table 29 - Evolution of dividends distributed in the period 2015-2017

The return on investment and dividend yield in the period 2014-2018 are shown in the chart below:

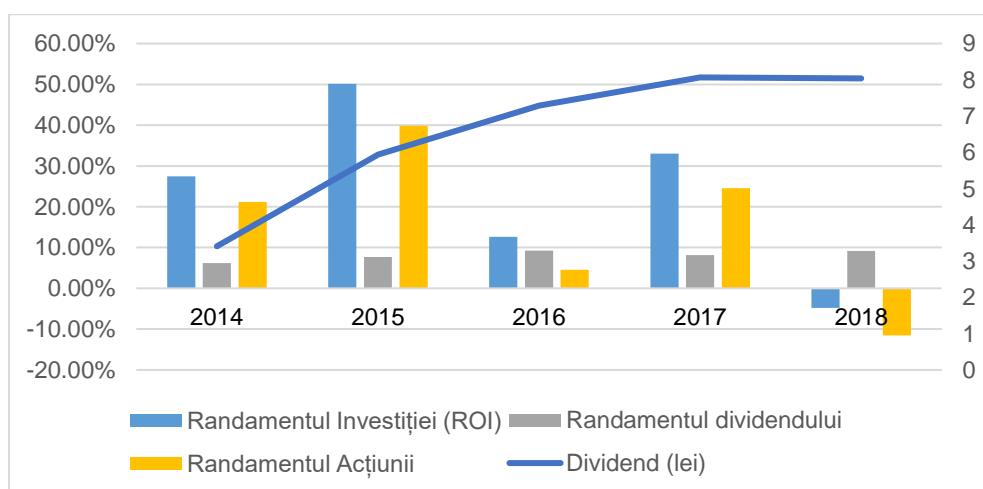


Chart 26 – Evolution of return on investment and dividend yield

In 2018, out of the 10 companies most traded on Bucharest Stock Exchange, CONPET S.A. has granted dividends with the second highest yield.

Total dividend per share was 8.04 RON, thus offering its shareholders a dividend yield of 9.14%, thereby positioning itself on the second place in the top of the dividends granted by a company listed on the Bucharest Stock Exchange.

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

CONPET did not perform transactions having as scope purchase of own shares and does not hold own shares at the end of 2018.

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 instruments.

#### **4.4.2. Corporate Governance**

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

The 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 the public enterprises.

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

Starting with January 5th, 2015, CONPET is included in PREMIUM category of the regulated market administered by Bucharest Stock Exchange.

The Corporate governance system is constantly improved, as to be compliant with the rules and recommendations applicable to a company listed at the 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 established consultative committees, namely: the Audit Committee, the Nomination and Remuneration Committee, the Development and Investors Relationship Committee and Authorities Relationship Committee;
- diversification of communication with shareholders and investors through the inclusion on the web page of the releases addressed to market participants, half-yearly financial statements, annual reports, procedures to be followed in access and participate in the GMS;
- the establishment of a specialized entity dedicated to the relationship with investors and shareholders.

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

As an issuer listed on Bucharest Stock Exchange, CONPET has promoted and approved, by the Decision of the Board of Administration in March 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 visualised on the company's website

by accessing the link <https://www.conpet.ro/en/corporate-governance/corporate-governance-rules/>.

#### **Other applicable documentation**

For the application of the general regulatory framework, CONPET has adopted documents by which corporate governance is transposed into 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**

<b>Provisions of the Corporate Governance Code</b>	<b>Complies</b>	<b>Fails to comply or partially complies</b>	<b>Reason for Non-Compliance</b>
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 interests should be included in the 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 Administration 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.	YES		

<p>In case of the Premium Tier companies, at least two non-executive members of the Board of Administration should be independent.</p> <p>Each independent member of the Board of Administration should submit a declaration at the moment of his/her nomination for election or re-election as well as when any change in his/her status arises, on the grounds on which he/she is considered independent in character and judgment in practice and according to the following criteria:</p> <p>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;</p> <p>A.4.2. 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;</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, Director General/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 Director General/executive officer in another company where another Director General/executive officer of the company is a non-executive administrator;</p> <p>A.4.8. Not to have been a non-executive</p>			
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administrator of the company for more than twelve years; 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.			
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.	YES		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).
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.	YES		The existing provisions included in the independence statements, respectively in the Corporate Governance Rules regarding the conflict of interest provide compliance with the requirement.
A.7. The company should appoint a secretary of the Board responsible for supporting the work of the Board.	YES		
A.8. The corporate governance statement should inform on whether an evaluation of the Board has taken place under the leadership of the president or 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.		NO	During 2018 CONPET had a provisional Board of Administration, which changed the composition twice during this time. On 22.08.2018, according to provisions of EGO no.109/2018, the OGMS has elected a new Board of Administration, whose members will serve for 4 years.
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,	YES		The procedure for the appointment/nomination of the Board members is performed in

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.			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 President, 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 an 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 President of the audit committee should be an independent non-executive member.	YES		
B.3. Among its responsibilities, the audit committee should undertake an annual assessment of the system of internal audit.	YES		
B.4. The assessment should consider the effectiveness and scope of the internal audit function, the adequacy of risk management and internal audit reports to the audit committee of the Board, management's responsiveness and effectiveness in dealing with identified internal audit failings or weaknesses and their submission of relevant reports to the Board.	YES		
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.	YES		
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 bigger 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 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.	YES		
D.1. The company should have an Investor Relations function - indicating, to the general public, the person (s) responsible or the organizational unit. In addition to the information required by legal provisions, the company should include on its 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 incorporation, the procedures on general shareholders' meetings;	YES		On the company website are published information relevant for the investors (Articles of Incorporation, 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 the governing bodies of the company, other professional commitments of the Board members, including the executive and non-executive Board positions in companies or non-profit institutions;	YES		
D.1.3. Current and periodic reports (quarterly, semi-annual and annual reports) – at least the ones 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 the 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 time-frame 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, upon request, relevant information;	YES		
D.1.7. Corporate presentations (e.g. investors 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 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.	YES		<p>In relation to shareholders, CONPET targeted the maximization return on investment.</p> <p>In the last 3 years, the company dividend distribution rate ranged between 90.4% to 93.6 %, above the rate provided for in the annual budgets of 85%.</p> <p>In the multi-annual budget of 2019-2022, the company estimated a distribution rate of dividends at the level estimated in the YoY budgets, namely 85%.</p>

			The company CONPET, as majority state owned capital distributes profit, respectively 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.
D.3. A company should adopt 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. Policy rate forecast will establish the period considered 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		The forecasts have been presented in the summary of the Administration Plan approved in the GMS dated 18.12.2018, published on the company website.
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 audit and significant risk management systems, 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 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 investors each year. The information presented on these occasions should be published in the "Investors Relation" section of the company website at the time of the meetings/conference calls.	YES		
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 parties concerned (authorities and local communities, media, etc.).

As a company operating in an activity area of national interest and strategic importance, 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 2018, 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.

Furthermore, particular importance has been given to the relationship with shareholders and investors, by showing increased transparency. The company's representative answered positive to all the participants to the capital market. In 2018, CONPET has taken part in numerous events organized within the capital market, showing openness towards both institutional and individual investors.

The company has also provided a contact number and an email address ([infoinvestitori@conpet.ro](mailto:infoinvestitori@conpet.ro)), through which investors can ask various questions, thus getting in direct contact with the investor relationship team of the company.

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.

At CONPET level, the corporate governance structures are:

- The General Meeting of Shareholders;
- the Board of Administration and the Consultative Committees;
- The Director General.

***General Meeting of Shareholders;***

On the reference date 31.12.2018, the total number of shares was 8,657,528, owned by 12,437 shareholders. The shareholding structure, corresponding to the consolidated synthetic structure of the shareholders at the same date, was the following:

- 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 (RON):	16,775,128
• Share on profit and loss (%):	58.7162
- Legal persons (86 shareholders)
 

• Number of shares:	2,481,740
• Value of contribution to the share capital (RON):	8,189,742
• Share on profit and loss (%):	28.6657
- Natural persons (12,749 shareholders)
 

• Number of shares:	1,092,416
• Value of contribution to the share capital (RON):	3,604,973
• Share on profit and loss (%):	12.6181

Majority shareholder of CONPET company 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 the company is placed, through specifically designated representatives, according to the legal provisions.

The 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:

<https://www.conpet.ro/wp-content/uploads/2018/11/Act-Constitutiv-la-18.12.2018.pdf>

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

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 legal dispositions, as well as other rights provided for by them.

The 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, the existing shareholders have preference right to subscription, under the law.

General Meetings are ordinary and extraordinary.

The General Meeting of Shareholders is convened by the Board of Administration, whenever necessary. The convening of the General Meeting of Shareholders shall comply with the legal provisions regarding the companies, as well as 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, CONPET makes available to them all relevant information regarding the GMS and adopted resolutions, according to the law, both by mass-communication means and in the special section opened on the company's website.

CONPET pays all diligence, in compliance with the requirements of the relevant legislation, 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 President of the Board of Administration or, in his absence, by another administrator appointed by the President of the Board of Administration.

During the General Meetings of Shareholders, the dialog 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:

- 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 financial and non-financial performance indicators of administrators, belonging to the component management proposal of the management plan drafted under art. 30 of EGO no. 109/2011 on corporate governance of public enterprises;
- 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, as well as the general limits of the remuneration of the Director General with mandate;
- approves the Organization and Functioning Regulation of the Board of Administration and sets out the competencies thereof;
- approves the Income and Expenditure Budget (I.E.B.) and the investment program for the next financial year, as well as the Budget rectification;
- approves the profit distribution according to the provisions of the normative acts in force and determination of dividend per share profit;
- 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;
- prolongation of 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;
- change of nominal value and number of shares;
- 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 to the BOA the execution of responsibilities specified in Art. 15 para. (4) letters b), c) and f). 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***

The Company is administered by a Board of Administration made up of 7 administrators, the Administrators may have the quality of shareholders. For the appointment of an administrator to be legally valid, the person appointed must expressly accept.

The Board of Administration is ruled by a Chairman. The Chairman is elected by the Board of Administration, among its members. The removal from office of the president is also attribute of the Board. The decision on the appointment or revocation shall be taken by majority vote of the members of the Board.

The Chairman of the BOA of the company cannot be the Director General.

The Board of Administration meets usually at the company's headquarters or any place of business of the company or in any place communicated by convocation. Operative sessions of the Board of Administration can be organized by means of distance communication which satisfies the conditions necessary for identification of participants, their effective participation to the Board meetings and relaying deliberations continuously (via e-mail, phone, video conference or other communication devices), whenever necessary, but at least once every three months, convened by its Chairman or on a reasoned application of two of its members or the Director General. The Board is presided over by the Chairman. If the Chairman is temporarily unable to exercise his powers, during the respective state the Board may assign another administrator serving as president. If his case, the Board shall be convened at the reasoned request of at least two of the administrators or the Director General. The Agenda is set by the authors of the request. The Chairman must act on such a request.

The Board of Administration may decide on matters not included on the Agenda, except for emergencies that were accepted by all administrators. The Chairman shall decide on the urgency of the problems. To decide on emergency, the absent members will be consulted upon, by various means of distance communication.

The Board operates under its own rules and regulations in force.

For the validity of resolutions the presence (directly or by proxy) of at least five council members is required and decisions are taken by majority vote of the members present. The Chairman of the Board will have a casting vote in case of equal votes.

Board members can be represented at meetings of the respective body only by other members of it. A member present may represent one absent member.

For the decisions taken in meetings in which a board member did not attend, he remains liable if within 30 days, since he took notice of them, he did not make resistance in the forms specified by law.

The Agenda is set by the Chairman. The convening, agenda and meeting materials are sent to administrators in sufficient time before the meeting date, the time-limit being established in the regulation of the Board. The protocols of the meeting are contained in a register of meetings and deliberations of the Board, by the care of the president of the Board. The protocol contains the names of participants, policy deliberations, decisions, number of votes and dissenting opinions. It is signed by the Chairman of the Board and the BOA secretariate, and the one entered in the register of meetings and deliberations of the Board and shall be signed by the other administrators. The BOA Secretariate is from outside the Board of Administration, being provided by staff from the BOA and GMS Secretariate.

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.).

On 28.11.2017, following the application of cumulative voting method by OGMS Resolution no. 5/28.11.2017 the following provisional administrators have been appointed: Văduva Constantin, Stan – Olteanu Manuela – Petronela, Iacob Constantin – Ciprian, Spînu Antonio – Adrian, Popa Claudiu – Aurelian, Bugică Radu and Lefter Răzvan Ștefan with a duration of the mandate of 4 months or until the completion of the selection procedure provided by EGO no. 109/2011 *on corporate governance of public enterprises*, approved with amendments and completions by Law no. 111/2016.

On 05/03/2018, by OGMS Resolution no. 1/05.03.2018 it was approved the extension of mandate of the administrators in office on 28.03.2018, with a period of two months, up to 28.05.2018 and was appointed as temporary administrator Mr. Matei Ion – Cristian (temporary called by the BOA Decision no. 2/ 29.01.2018, respectively until the OGMS meeting, as administrator on the vacancy due to waiver from membership of the Board of Mr. Antonio - Adrian Spînu).

On 17.05.2018, following the application of cumulative voting method, by OGMS Resolution no. 3/17.05.2018 the following provisional administrators have been appointed: Văduva Constantin, Stan – Olteanu Manuela – Petronela, Iacob Constantin – Ciprian, Popa Claudiu – Aurelian, Matei Ion – Cristian, Gavrilă Florin – Daniel și Ilași Liviu with a period of four months of mandate of the administrators, which ends on 17.09.2018 or until the completion of the selection procedure provided by EGO no. 109/2011 *on corporate governance of public enterprises*, approved with subsequent amendments and completions by Law no. 111/2016, where it held earlier than the date of expiry of administrators' mandates.

Mr. Ilași Liviu(former administrator) holds a number of 40 shares issued by the company, the other administrations not holding any participation to the share capital of CONPET S.A..

After completing the selection procedure provided by EGO no. 109/2011 *on corporate governance of public enterprises*, approved with amendments and completions by Law no. 111/2016, the Ordinary General Meeting of Shareholders, in the meeting dated 22.08.2018, following the application of cumulative voting method, appointed the following administrators of the company: Gheorghe Cristian – Florin, Iacob Constantin – Ciprian, Popa Claudiu – Aurelian, Gavrilă Florin – Daniel, Albulescu Mihai – Adrian, Meșca Darius – Dumitru, Pavăl Karina, with a period of 4 years mandate, respectively starting from 22.08.2018 up to 21.08.2022 (inclusive of).

The CV's of the members of the Board of Administration of CONPET SA are availabe on the company's website <https://www.conpet.ro/guvernanta-corporativa/consiliul-de-administratie/>

Mr. Gavrilă Daniel Florin held a number of 50 shares up to 11.10.2018.

### ***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 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;

- presents to the internal auditors and financial auditor at least 30 days before the date set for the General Meeting, the annual financial statements for the previous financial year, accompanied by the directors' report and supporting documents;
- 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 program of current repairs and revision;
- approves the Collective Labor Agreement at the company level;
- approves the organizational structure and the related personnel structure, the organization and functioning regulation 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;
- Delegates to the Director General the management responsibilities of the company and establishes by the contract of mandate and by resolutions of the BOA the rights and obligations, competencies, attributions, responsibilities of the Director General; if the Director General is unable to perform his duties (annual leave, sick leave and other circumstances), the Board will delegate the management of the company one of the executive directors;
- supervises the activity of the Director General regarding the management of the company, including its administration;
- appoints and removes directors appointed under EGO no.109/2011 and sets their remuneration, remuneration whose overall limits are set by the Ordinary General Meeting of Shareholders. sets the objectives and performance criteria for the Director General and Economic Director and regularly notes the progress of the fulfillment thereof; approves the global degree of fulfillment 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;
- approves the annual purchase program; approves/endorses the protocols on the results of the inventory of company property/public property of the state; approves/endorses proposals for decommissioning of fixed assets, withdrawal of materials of inventory objects into operation nature, decommissioning and disposal of material assets other than fixed assets, owned by the company/ the public patrimony of the state, maintenance of which is no longer justified; approves/ endorses methods of recovery of such property and the starting prices at auction for goods proposed to recovery by tender; may delegate to the Director General the power to sign the protocols of the decommissioning of fixed assets/of inventory items/downgrading of material assets; approves the requests for sponsorship and pass on the costs of the company of amounts representing penalties, delay increase, fines, etc.

- 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;
- requests and receives reports from the internal audit of the Company;
- submits the request to open insolvency proceedings in accordance with Law 85/2014 on procedures to prevent insolvency and of insolvency;
- performs all the necessary and relevant papers for the achievement of the company's business object, except for those set apart by law for the General Meeting of Shareholders;
- employs current bank loans and commercial loans in accordance with the powers and the contract established by the extraordinary general meeting of shareholders and approves the release of securities;
- approves the proposals regarding the global strategy for development, retrofitting, modernization, economic and financial restructuring of the company;
- ensures the fulfillment of the resolutions adopted by the shareholders in the general shareholders meetings, following the enforcement of judgments to be made lawfully on the company's activity; Ensures and is responsible for the fulfillment of any tasks and duties stipulated by the general meeting of shareholders or that are provided by law, including regulations on the capital market as well as the company's activity, both for direct responsibility and the ones entrusted to the Director General;
- approves the management plan drafted and presented by the Director General, within 90 days from the date of his appointment as provided by EGO no. 109/2011 on corporate governance in public enterprises;
- presents quarterly in the ordinary general meeting of shareholders, a report on the work of administration, which includes information on the performance of the contract of mandate of the director general and the economic director, details of operational activities, financial performance of the company and quarterly accounting reports of the company;
- Submits to the ordinary general meeting of shareholders approving the annual accounts an annual report prepared by the Nomination and Remuneration Committee within the Board of Administration, regarding the remuneration and other benefits granted to administrators and the Direct General and Economic Director during the previous financial year, a report structured accordingly to EGO no.109/2011 on corporate governance in public enterprises;
- approves the establishment or decommissioning of subunits (secondary offices, workstations, branches, agencies, offices or other types of subunits without legal personality) located in the same locality and/or other places in the country and abroad.

### **Consultative Committees**

Within the Board of Administration there are constituted the following consultative committees:

- The Nomination and Remuneration Committee;
- The Audit Committee;
- The Development, Investor and Authorities Relations Committee (as a result of reunion of the Financial Committee and for the Investors Relations Committee and the Development Committee and Authorities Relations, under BOA Decision no.20/28.08.2018.

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

Mentions and duties	
The Audit Committee	
<p>Committee constituted by the Decision of the Board of Administration no. 16/28.11.2013</p> <p><b>Starting with 28.11.2017:</b>  <b>Committee Members - independent non-executive administrators:</b>          Bugică Radu - president until 17.05.2018.          Văduva Constantin – member starting 28.11.2017 and president starting 17.05.2018, until 22.08.2018.          Popa Claudiu – Aurelian - member until 17.05.2018.          Gavrilă Florin – Daniel - member starting 17.05.2018 until 22.08.2018 ;          Ilași Liviu - member starting 17.05.2018 until 22.08.2018 .</p> <p><b>Starting with 28.08.2018:</b>  <b>Committee Members - independent non-executive administrators:</b>          Gavrilă Florin – Daniel - president;          Iacob Constantin - Ciprian - member;          Meșca Darius-Dumitru.</p>	<ul style="list-style-type: none"> <li>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>monitors the financial reporting process, being informed by the external auditor about the significant internal control deficiencies in this area;</li> <li>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>monitors the effectiveness of internal control systems, internal audit, as appropriate, and risk management within the company;</li> <li>discusses and approves the multi annual and annual plan for the internal public audit activity;</li> <li>approves the Charter of Public Internal Audit;</li> <li>monitors the activity of internal auditors and financial auditors;</li> <li>reviews and issues an opinion on the recommendations made by internal auditors;</li> <li>verifies and monitors the independence of the external auditor</li> <li>examines with the financial auditors the draft of financial statements, as well as the conditions for their preparation by the company (relevance of principles, methods and accounting applied standards, as well as internal procedures for collecting information);</li> <li>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>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>analyses and approves the normative documents elaborated by the Internal Audit Service before being submitted for approval;</li> <li>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>checks the compliance of the audit reports developed with the approved audit plan on the company level;</li> <li>analyses and approves the Annual Report of the public internal audit activity;</li> <li>approves the cooperation agreements with other public institutions regarding the performance of the public internal audit activity;</li> <li>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>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>assists the Board of Administration in classifying company-specific risks and implementing a risk management system so</li> </ul>

Mentions and duties	
	<p>that the risks faced by the company as well as potential risks are properly predicted, identified, managed and disseminated to the Board of Administration;</p> <ul style="list-style-type: none"> <li>• regularly examines the effectiveness of financial reporting, internal control and risk management system adopted by the company;</li> <li>• 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>THE NOMINATION AND REMUNERATION COMMITTEE</b>	
	<p>Committee constituted by the Decision of the Board of Administration no. 16/28.11.2013;</p> <p><b>Starting with 28.11.2017:</b>  <b>Committee Members - independent non-executive administrators:</b>  Văduva Constantin - president until 17.05.2008, member until 22.08.2018  Lefter Răzvran – Ștefan - member until 17.05.2018.  Spînu Antonio – Adrian - member until 22.01.2018.  Stan – Olteanu Manuela – Petronela - member starting 04.12.2017 and president starting 17.05.2018, until 22.08.2018.  Iacob Constantin – Ciprian - member starting 13.04..2018 until 22.08.2018.  Popa Claudiu – Aurelian - member starting 13.04.2018 until 22.08.2018.  Gavrilă Florin– Daniel - member starting 17.05.2018 until 22.08.2018.</p> <p><b>Starting with 28.08.2018</b>  <b>Committee Members - independent non-executive administrators:</b>  Mr. Mr. Albulescu Mihai– Adrian - President;  Members: Mr. Iacob Constantin– Ciprian, Mr. Gavrilă Florin– Daniel, Mrs. Pavăl Karina, Mr. Meșca Darius-Dumitru</p> <ul style="list-style-type: none"> <li>• coordinates the process of selection/election of the members of the Board of Administration;</li> <li>• 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>• 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>• evaluates the set of professional skills, knowledge and experience on the Board level;</li> <li>• establishes the requirements for a certain position in the executive management of the company;</li> <li>• continuously updates 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>• formulates proposals regarding the policy of remuneration of administrators 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;</li> <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>• identifies the criteria and objectives regarding any performance-based remuneration schemes (other financial benefits), being authorized by the Board of Administration to request any item of information it considers necessary for the performance of its duties;</li> <li>• 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> <li>• 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 fulfillment of specific tasks and duties;</li> </ul>

Mentions and duties	
	<ul style="list-style-type: none"> <li>submits to the OGMS approving the annual accounts, an annual report regarding the remuneration and other benefits granted to administrators and the Director General during the previous financial year, a report structured accordingly to EGO no.109/2011 on corporate governance in public enterprises.</li> </ul>
THE FINANCIAL AND INVESTOR RELATIONS COMMITTEE	
<p>Committee constituted by the Decision of the Board of Administration no. 17/06.12.2013;</p> <p><b>Starting with 28.11.2017:</b></p> <p><b>Committee Members - independent non-executive administrators:</b></p> <p>Iacob Constantin- Ciprian - President starting 28.11.2017 until 17.05.2018.</p> <p>Bugică Radu - member until 17.05.2018.</p> <p>Lefter Răzvan Ștefan - member until 17.05.2018.</p> <p>Gavrilă Florin – Daniel - President starting 17.05.2018 until 22.08.2018.</p> <p>Văduva Constantin - member starting 17.05.2018 until 22.08.2018.</p>	<ul style="list-style-type: none"> <li>monitors the economic and financial situation of the company;</li> <li>enhances transparency and increases predictability of financial reporting;</li> <li>recommends the funding structure and the manner of mobilizing resources efficiently and in accordance with the management plan;</li> <li>promotes and enhances the visibility of the company within the capital market;</li> <li>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>examines, at least once a year, the situation regarding the movement of capital and the evolution of the cash-flow of the company;</li> <li>to decide, organize and attend the events aiming at promoting and increasing the Company's visibility on the capital market;</li> <li>to advise the Board of Administration' members and the Director General with regard to aspects connected to the management and preparation of revenue and expenditure budget, annual financial statements and biannual accounting reporting, as well as with regard to the aspects connected to the multi-annual financial planning;</li> <li>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>informs the Board of Administration about the financial implications regarding the management and administration of the company;</li> <li>analyses the presentation materials of the company in the external environment;</li> <li>makes proposals about the strategy and directions for approaching investor relations</li> <li>monitors the company meetings with analysts and investors.</li> <li>asks the external advisors, external or internal auditors, specialists or other persons for advice or assistance in reaching its goals;</li> <li>asks for any information that is required from employees or from third parties involved;</li> <li>organizes meetings with company managers, internal and external auditors or their external advisors, depending on the situation.</li> </ul>
THE COMMITTEE FOR DEVELOPMENT AND RELATION WITH THE AUTHORITIES	
<p><b>Starting with 04.12.2017</b></p> <p>Committee established by the Decision of the Board of Administration no. 18/28.11.2017, (following reunion of the Committee for Relations with Regulatory Authorities and Energy and the Development Committee):</p> <p><b>Committee Members - independent non-executive administrators:</b></p>	<ul style="list-style-type: none"> <li>monitors the company's approaches to regulatory and energy authorities on technical, legislative issues, etc. of its activity;</li> <li>monitors the fulfillment of the obligations stipulated by the regulations related to the activity carried out by the company;</li> <li>analyses proposals for the regulatory framework and submits them to the Board of Administration;</li> <li>monitors the collaboration relations with public authorities and assists the Board of Administration in managing the collaboration policy;</li> </ul>

Mentions and duties	
Popa Claudiu – Aurelian– President until 22.08.2018. Stan – Olteanu Manuela – Petronela-member until 22.08.2018 Spînu Antonio – Adrian– member until 22.01.2018. Matei Ion - Cristian– member starting 29.03.2018 until 22.08.2018.	<ul style="list-style-type: none"> <li>periodically analyses the list of critical infrastructure objectives of CONPET and the established security measures;</li> <li>ensures the necessary conditions for the implementation of measures to protect all critical infrastructure objectives from the company's patrimony or operator;</li> <li>monitors its own programs for preventing and combating terrorism through optimal physical and organizational protection measures, with recommendations to the Board of Administration;</li> <li>may represent the Company before the regulatory and energy authorities.</li> <li>assists the Board of Administration in fulfilling the responsibilities in the field of development and updating of the company development strategy;</li> <li>develops proposals on the strategy and directions of development of the company for the medium and long term;</li> <li>identifies the major development directions in the field on national and international level and makes recommendations for major themes to be considered with strategic impact in the company's development;</li> <li>develops proposals for the enhancement of company development activity;</li> <li>analyses the opportunities identified regarding the development of the company;</li> <li>analyses the fulfillment of the strategic programs of the company;</li> <li>informs the Board of Administration about the effectiveness of strategic programs;</li> <li>periodically analyses the stage of the implementation of the investment programs, RK and RC carried out by the company and proposes measures to improve the activity in order to meet the deadlines for completing the proposed objectives and work;</li> <li>monitors the assurance of the maintenance and modernization 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>reviews regularly the compliance with the annual procurement program implemented by the Company.</li> </ul>
THE COMMITTEE FOR DEVELOPMENT AND RELATION WITH INVESTORS AND THE AUTHORITIES	
<b>Starting with 28.08.2018</b> Committee established by the Decision of the Board of Administration no. 20/28.08.2018 (following reunion of the Development Committee and Relations with Authorities and the Financial and Relation with Investors) <b>Committee Members - independent non-executive administrators:</b> Popa Claudiu – Aurelian- president Meșca Darius-Dumitru - member Albulescu Mihai- Adrian - member	<ul style="list-style-type: none"> <li>monitors the company's approaches to regulatory and energy authorities on technical, legislative issues, etc. of its activity;</li> <li>monitors the fulfillment of the obligations stipulated by the regulations related to the activity carried out by the company;</li> <li>analyses proposals for the regulatory framework and submits them to the Board of Administration;</li> <li>monitors the collaboration relations with public authorities and assists the Board of Administration in managing the collaboration policy;</li> <li>periodically analyses the list of critical infrastructure objectives of CONPET and the established security measures;</li> <li>ensures the necessary conditions for the implementation of measures to protect all critical infrastructure objectives from the company's patrimony or operator;</li> <li>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>

<b>Mentions and duties</b>	
	<ul style="list-style-type: none"> <li>• may represent the Company before the regulatory and energy authorities;</li> <li>• assists the Board of Administration in fulfilling the responsibilities in the field of development and updating of the company development strategy;</li> <li>• develops proposals on the strategy and directions of development of the company for the medium and long term;</li> <li>• identifies the major development directions in the field on national and international level and makes recommendations for major themes to be considered with strategic impact in the company's development;</li> <li>• develops proposals for the enhancement of company development activity;</li> <li>• analyses the opportunities identified regarding the development of the company;</li> <li>• analyses the fulfillment of the strategic programs of the company;</li> <li>• informs the Board of Administration about the effectiveness of strategic programs;</li> <li>• periodically analyses the stage of the implementation of the investment programs, RK and RC carried out by the company and proposes measures to improve the activity in order to meet the deadlines for completing the proposed objectives and work;</li> <li>• monitors the assurance of the maintenance and modernization 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>• reviews regularly the compliance with the annual procurement program implemented by the Company.</li> <li>• monitors the economic and financial situation of the company;</li> <li>• enhances transparency and increases predictability of financial reporting;</li> <li>• recommends the funding structure and the manner of mobilizing resources efficiently and in accordance with the management plan;</li> <li>• promotes and enhances the visibility of the company within the capital market;</li> <li>• 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>• examines at least once a year, the situation regarding the movement of capital and the evolution of the cash-flow of the company;</li> <li>• Decides, organizes and attends the events aiming at promoting and increasing the Company's visibility on the capital market;</li> <li>• advises the members of the Board of Administration and the Director General with regard to aspects connected to the management and preparation of revenue and expenditure budget, annual financial statements and biannual accounting reporting, as well as with regard to the aspects connected to the multi-annual financial planning;</li> <li>• assists and makes recommendations to the Board of Administration in terms of financial reporting and relevance to various stakeholders including the capital market;</li> </ul>

Mentions and duties	
	<ul style="list-style-type: none"> <li>• informs the Board of Administration about the financial implications regarding the management and administration of the company;</li> <li>• analyses the presentation materials of the company in the external environment;</li> <li>• makes proposals about the strategy and directions for approaching investor relations;</li> <li>• monitors the company meetings with analysts and investors.</li> <li>• asks the external advisors, external or internal auditors, specialists or other persons for advice or assistance in reaching its goals;</li> <li>• asks for any information that is required from employees or from third parties involved;</li> <li>• organizes meetings with company managers, internal and external auditors or their external advisors, depending on the situation.</li> </ul>

The terms of reference of the Board of Administration and of the Consultative Committees may be consulted at the web page: [www.CONPET.ro/guvernanta corporativa/ ROFF](http://www.CONPET.ro/guvernanta corporativa/ ROFF) for the Board of Administration, respectively [www.CONPET.ro/guvernanta corporativa/ RIOF](http://www.CONPET.ro/guvernanta corporativa/ RIOF) for the Consultative Committees within the BOA.

The Audit Committee and the Nomination and Remuneration Committee are binding, as per the legal provisions in force.

The Consultative Committees meet whenever necessary at the convening of the President, and the proposals/recommendations made to the Board of Administration (to substantiate its decision-making) are adopted by a majority of the votes cast. Attributions and responsibilities of the consultative committees are being established by the Board of Administration.

The Board of Administration may constitute, by decision, 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 Nomination and Remuneration Committee consists only of non-executive administrators. At least one member of the audit committee must have expertise in the application of the accounting policies or financial audit.

### ***The Summary of Activities***

The meetings of the Board of Administration took place according to the agenda transmitted to the administrators, the main decisions made having as object the following:

- approval of REB (REVENUES AND EXPENDITURE BUDGET) for 2018 - together with the Substantiation Annex 2-5;
- analysis of Reports regarding the monthly activity of the company and cumulated over the reporting period;
- endorsement of Investments Program for 2018 for OGMS.;
- periodical monitoring of the physical and value achievement of the Investment Program of 2018;
- approving of the proposal for introducing in the secondary core business of CONPET SA of NACE codes;
- approval of the Convening Notices of the General Meeting of Shareholders and of the materials related to their Agenda;
- approval of sponsorship requests and periodical monitoring of sponsorship contracts concluded by the company;

- approval of proposals concerning CONPET capacity of member within employer's/professional bodies, nongovernmental associations for 2018;
- approval of the new organizational structure of CONPET, of the Organizational and Operational Regulation of CONPET and of the Classification of functions of the company, correlated with the new organizational structure;
- approval of the positions changes applicable to the Company and delegation of powers to the Director General on its subsequent amendments, subject to compliance with organizational structure and within the framing in the staff numerical approved by the BOA;
- approval of the preliminary report on the economic-financial activity of CONPET S.A. Between January-December 2018, accompanied by the non-audited preliminary financial statements at the date and for the financial year ended December 31st, 2018;
- approval of the results of the annual inventory of the elements similar to assets, liabilities and equities, held by the company;
- approval of the result of the inventory of assets belonging to the State public and private domain, concessioned by CONPET SA;
- Approval of 2018 annual procurement program and of the amendments/modifications made thereof;
- periodic information concerning the fulfillment stage of measures decided by the Board of Administration and the current activity of the company and the issue related to the performance on the technical, economical, legal components and other aspects;
- periodic information and monitoring of the ongoing procurement stage which value exceeds 100.000 RON; Ongoing contracts with a value exceeding 100.000 RON; Contracts completed with value exceeding 100.000 RON and ongoing contracts of utilities in 2018;
- approval of the initial component of the selection plan of the Board of Administration members of the company CONPET S.A.;
- Approval of the initiation, by the company, of the selection procedure of the independent expert specialized in human resources recruiting, respectively for the appointment of the candidates for the capacities of Board of Administration members of CONPET SA and approval of the criteria (terms) of reference for the selection of the independent expert;
- approval of rectification of Income and Expenditure Budget for 2018;
- approval of the annual report of the Director General for 2017;
- approval of the Annual Report of Administrators for the financial year ended 31.12.2017, supplemented by Annexes;
- endorsement of the annual financial statements at the date and for the financial year concluded on December 31st, 2017;
- endorsement of proposal concerning the distribution of net profit related to the financial year 2017 and of some amounts from the retained earnings, setting of the gross dividend per share and the date of dividends payment to the shareholders;
- approval of the goods proposed in 2017 for decommissioning, belonging to the public domain of the state, which no longer justified keeping, in view of the drafting of the necessary documentation to issue the GD for removal of the respective goods from the public domain of the state;
- approval of decommissioning and capitalization by bid sale of goods from the company patrimony;
- approval of the company representation to different internal and international events, establishing the composition of delegations within the administrative leadership and the Director General and approval of travel reports;

- approval of the Report of the Director General on the activity of CONPET for the first, second and third quarter of 2018, elaborated in accordance with the provisions of art. 54 of EGO 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 31.03.2018, accompanied by the interim financial statements on the date and for the period of 3 months ended on 31.03.2018, prepared in compliance with IAS 34;
- appointment of the President of the Board of Administration;
- approval of the extension term of office of the provisional Director General;
- approval of the conclusion of Addenda to the Collective Labour Agreement of CONPET.
- approval of resizing of staffing necessary by eliminating positions from the organizational entities of the company, with the consequent dismissal of individual employees occupying these positions, for reasons not related to their person, starting 01.06.2018 and the appropriate modification of the rule of functions;
- approval of the Administrator's report on the activities for the first semester of 2018 (the period January-June 2018), prepared in accordance with Art. 223 of ASF Regulation no. 5/2018 and art. 55 of EGO no.109/2011, registered under no. 31670 /09.08.2018, together with the interim financial statements at the date and for the period of 6 months ending on 30.06.2018, prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting" and the Revision report of quarterly interim financial statements prepared by the financial auditor BDO Audit SRL.
- approval of initiation of recruitment and selection procedure for the Director General and Economic Director of the company, for implementation of EGO no. 109/2011, subsequent amendments and completions, made without independent expert and exclusively by the Nomination and Remuneration Committee;
- entrust of The Nomination and Remuneration Committee within the Board of Administration to run the recruitment and selection procedure of the directors of the company;
- establishment of the selection procedure stages and time limits, and the timetable related, approval of recruitment and selection criteria of the Director General and Economic Director, approval of recruitment and selection announcement;
- approves the financial and non-financial performance indicators of administrators, belonging to the component management proposal of the management plan drafted under art. 30 of EGO no. 109/2011 on corporate governance of public enterprises,
- approval of revision of the Investment program for 2018 and estimates for the years 2019 and 2020, within the same values;
- appointment of the Director General and the Economic Director following the completion of recruitment and selection procedure conducted according to EGO no.109/2011, approval of the mandate contracts and fixing the gross monthly emoluments for the execution of the entrusted mandate;
- approval of the management component of the Administration Plan drawn up by the Director General and the Economic Director according to EGO no. 109/2011 *on corporate governance in public enterprises*.
- Approval of the Administration Plan, drawn up according to EGO no. 109/2011 *on corporate governance in public enterprises*.
- approval of the Addendum to the mandate contracts of administrators, covering financial and non-financial performance indicators of administrators and the variable remuneration component of administrators, including its method of calculation and granting;

- approval of key performance indicators (KPIs) for the Director General and Economic Director, their targets and their weights for the period 2018-2022 , Annex. 1 to the contract of mandate of the Director General Manager and the Economic Director.
- approval of Annual procurement program draft for 2019;
- approval of concluding of the new Collective Labour Agreement (CLA) by the social partners, applicable within CONPET SA for a period of two years, starting on 01.01.2019, in accordance with the executive management's proposal in Report no. 49264/17.12.2018;
- approval of initiation of recruitment and selection procedure of Deputy Director General, respectively by the Nomination and Remuneration Committee and CNR mandate to carry out the procedure for recruitment and selection of Deputy Director General.

### **Director General and Economic Director**

By Decision no. 20/05.12.2017 of the Board of Administration, Mr. Dan-Silviu Baciu has been appointed provisional Director General of CONPET SA, as of 06.12.2017, with a mandate for a period of four months, ending on 06.04.2018, being delegated the management of the company in accordance with the legal provisions in force and the Act of Incorporation, given the result of the vote on the proposals drafted in the Report of the Remuneration and Nomination Committee registered under no. 49315/05.12.2017.

His contract of mandate has been extended by Addendum no. 2/29.03.2018 approved by BOA Decision no. 7/29.03.2018 (Art. 4), for a period of two months, starting 06.04.2018 until 06.06.2018 and subsequently by Addendum no. 3/25.05.2018 approved by BOA Decision no. 13/25.05.2018 (Art. 1), respectively for a period of 4 months starting with the date of 06.06.2018 until 06.10.2018 or until the implementation for the Director General of the EGO no. 109/2011 *on corporate governance of public enterprises*, approved with amendments and completions by Law no. 111/2016, given it will occur earlier from the expiry date of the Director General mandate.

By BOA Decision no. 23/02.10.2018 (Art.1), the BOA appoints Mr. Baciu Dan - Silviu as Director General of CONPET SA, provisionally, on a period of maximum 4 months, namely the period between the signing of the contract (i.e. on 06.10.2018 - date of signature of the contract) and the date of completion of the process of recruitment and selection of directors of the Company, but no more than 05.02.2019, inclusive of.

Following the execution of the recruitment and selection procedure of Director General and Economic Director (known as Financial Director) carried out in accordance with EGO no.109/2011 *on corporate governance in public enterprises*, by Art. 1 of Decision No. 27/06.11.2018, The Board of Administration:

a) Appoints Mr. CHIS Timur - Vasile in the capacity of Director General of CONPET S.A., starting with 07.11.2018, for a 4 years' mandate, respectively until 06.11.2022 (inclusive of), delegating the management of the company in accordance with the legal provisions in force, the Articles of Incorporation and the Contract of Mandate.

b) Appoints Mrs. Sanda Toader in the capacity of Economic Director of CONPET S.A., starting with 07.11.2018, for a 4 years' mandate, respectively until 06.11.2022 (inclusive of), delegating the management of the company in accordance with the legal provisions in force, the Articles of Incorporation and the Contract of Mandate.

The Director General of the company has the duties stipulated in the Articles of Incorporation, supplemented by the applicable legal provisions.

The Director General supplies to the Board of Administration, regularly and comprehensively, detailed information regarding all outstanding aspects for the company business. Additionally, any outstanding event is immediately communicated to the Board of Administration.

Moreover, any member of the Board of Administration may request the Director General information regarding the operative company management.

The management bodies and the administration bodies are active, have the freedom to adopt the decisions they consider right, acknowledge their role and are permanently capable of supporting their decisions against the administration structures or other interested parties that have the right to obtain such information.

**The Director General** of the company has the following main attributions:

- a) provides the leadership and management of the company business and is liable for the execution thereof in relation to both direct duties, as well as the ones entrusted to the executive management;
- b) draws up the annual draft report, the draft of the revenues and expenditure budget and the work program and submits them to the Board of Administration;
- c) complies with the reporting obligations 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's 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 of the company, the organizational structure and personnel structure and submits them to the Board of Administration for approval;
- g) organizes, coordinates and takes all necessary measures for implementing strategies and policies approved by the Board of Administration; approves documents with the character of rules and regulations governing the company's activities;
- 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 employees' labor contracts;
- j) establishes the duties, powers and responsibilities in the job description for the positions of the organizational structure under the direct subordination;
- k) ensures compliance with the payroll fund from the revenues and expenditures budget approved under achieving productivity indicators;
- l) provides monitoring of implementation of provisions of revenue and expenses of the Company;
- m) sets the performance criteria and objectives for the executive directors, the follow-up of the degree of achievement thereof and assessment of the activity of the executive directors regarding the fulfillment of the attribution provided in the job description;
- n) is not allowed to disclose date and information he has access to, regarding the company and the business; This obligation remains valid after the contract termination, for a period of 5 years. Furthermore, he must observe the regime of the inside information provided by Law no. 297/ 2004 regarding the capital market and the incidental regulations.
- o) requests from the executives, monthly or whenever necessary, activity reports to be submitted to the Board of Administration;
- p) has signature right and specimen signature in the bank (signature I) and decides on the receipts and payments of the Company, these powers may be delegated, in case of impossibility duties, to others within the company by decision of the BOA, this being the one to appoint the persons authorized to have signature right I and II and their substitutes;
- q) notifies the Board of any irregularities found during the performance of its tasks;
- r) negotiates and concludes the Collective Labor Agreement, in the name and on behalf of the company, in the form approved by the Board of Administration;



- s) represents the Company in the relationships with the third parties;
- t) concludes legal 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 contracts of sale and purchase of goods in the law and in accordance with the contract of mandate and powers granted by decision of the Board;
- v) may authorize the executive or any other employee to exercise any power within its competence, both in the company's business and as regards the representation in relation to various authorities, institutions, individuals or legal justice, etc., as required;
- w) signs the protocols of the decommissioning of fixed assets/scrapping of inventory items/downgrading of material goods, where he shall be delegated this power by the Board of Administration.
- x) endorses the materials on the Agenda of the BOA meetings;
- y) organizes and manages the Executive Director Committee consisting of executive directors. The Director General may summon to the meetings employees with management or execution powers within the company and, as the case may be, when discussing problems of professional, economic and social concern, may also invite the president of the union.
- z) any other member of the Board of Administration may request the Director General information regarding the operative company management. The Director General has the obligation to inform the Board of Administration regularly and comprehensively on the operations undertaken or contemplated;

**The Economic Director** of the company has the following main attributions:

- a) organizes, coordinates, manages and controls the company's financial and accounting activity, according to the law;
- b) meets the objectives and indicators approved by the Board of Administration;
- c) carries on business under the authority of the Director General in the company, the legal powers are stipulated in the mandate contract and the Organization and Functioning Regulation of the company and within the limits which are assigned by decisions issued by the General Meeting of Shareholders and the Board of Administration;
- d) provides financial and accounting activity of the company in accordance with the law;
- e) monitors and implements provisions/indicators of revenue and expenditure and takes necessary measures to implement the approved revenues and expenditures budget of the Company;
- f) organizes the preparation work for the current financial programming and perspective;
- g) ensures completion within a set amount of payments to the state budget;
- h) pursues permanently the development of financial indicators;
- i) organizes, together with the Director General, the preventive financial control;
- j) provides, by the subordinated staff, checking of the implementation of the preventive financial control by the designated persons;
- k) is required to practice self-control on economic operations under obligations and responsibilities under the law in force, in the concluded contracts and commitments;
- l) is required to stop before performing all operations that are not legal or necessary;
- m) regularly informs the Director General of deficiencies found for preparing and presenting the financial control documents, proposing measures to avoid them;
- n) lays down measures for financial compliance in all departments;
- o) ensures timely preparation and in accordance with the laws of trial balances, annual accounts and quarterly and monthly statements on key economic and financial indicators;
- p) reports monthly, or whenever required, to the Director General, the implementation of revenue and expenditure budget and, whenever necessary, information on economic and financial



situation of the company, the stage of the measures taken, any other documents and information, and the measures taken in case of failure thereof;

q) reports quarterly, biannually and annually to the Director General for transmission to the BOA an activity report and the economic and financial situation of the company in order to meet the reporting obligations of the Company;

r) submits for approval to the Board of Administration any transaction with members of the BOA or executive management, employees, shareholders who own the company or with a company controlled by them, if the transaction has, individually or in a series of transactions, a value at least the equivalent in RON of EUR 50,000;

s) endorses/approves and signs, along with the Director General, the legal patrimonial acts ;

t) without undue delay brings to the attention of the Director General of any act or event likely to have a significant influence on the situation of the Company (such as, but not limited to changes in the income and expenditure budget, of the work program and the strategies adopted for the current financial year);

u) presents to the Director General and Board of Administration, in accordance with the legal provisions, the draft of the Income and Expenditure budget and the investment program for the coming year;

v) informs the Director General on the financial issues and the operational data tracking the financial activity;

x) organizes the heritage inventory in accordance with legal requirements;

y) ensures the establishment, flow and storage of supporting documents underlying accounting records;

z) take measures to transfer within the rights of employees under the law;

w) monitors the status of the counter collection services provided by the company;

### ***The Remuneration Policy***

a) For the members of ***the Board of Administration which held mandate starting 28.11.2017:***

- ***The provisional members appointed by mandate in the period 28.11.2017 - 16.05.2018,*** according to the OGMS Resolution no. 5/28.11.2017 and OGMS Resolution no. 1/05.03.2018 had *monthly fixed gross allowance equal to twice the average for the last 12 months of the average gross salary per month for work done according to the core business recorded by the Company, at class level according to the classification of the national economy, announced by the National Institute of Statistics prior to the appointment (NIS address no. 34977/14.09.2017 and NIS address no. 36650/27.04.2018), this being recalculated as of 01.01.2018 under OGMS Resolution no. 1/05.03.2018 based on art.18 of EGO. 90/2017 for implementation in accordance with the new mandatory social contributions due under Law no. 227/2015, subsequent amendments and completions, as amended by EGO no. 79/2017 amending and supplementing Law no. 227/2015 regarding the Fiscal Code, so as to ensure the maintenance of net fixed monthly allowance valid at the date of appointment.*

- ***The provisional members appointed by mandate in the period 17.05.2018 - 22.08.2018,*** according to OGMS Resolution no.3/17.05.2018, had *monthly fixed gross allowance equal to twice the average for the last 12 months of the the average gross salary per month for work done according to the core business recorded by the Company at class level according to the classification of the national economy, announced by the National Institute of Statistics prior to the appointment (NIS address no. 36650 /27.04.2018) recalculated in the sense of maintaining the monthly net earnings valid for 12 months prior to the appointment, for release*

in accordance with the new mandatory social contributions due under Law No. 227/2015, subsequent amendments and completions, as amended by EGO no.79/2017 amending and supplementing Law no. 227/2015 regarding the Fiscal Code, recalculation having provisions of Article 18 of EGO no. 90/2017.

The gross fixed allowance of the members of the BOA, between 01.01.2018 - 22.08.2018 was of **672,283 RON**.

- **Members of the Board of Administration which held mandate starting 22.08.2018**

The members of the Board of Administration **with mandate starting 22.08.2018** according to OGMS Resolution no.5, had *monthly fixed gross allowance equal to twice the average for the last 12 months of the the average gross salary per month for work done according to the core business recorded by the Company, at class level according to the classification of the national economy, announced by the National Institute of Statistics prior to the appointment (NIS address no. 38226 /10.08.2018 and NIS address no.38367/22.08.2017) calculated in the sense of maintaining the monthly net earnings valid for 12 months prior to the appointment, for release in accordance with the new mandatory social contributions due under Law No. 227/2015, subsequent amendments and completions, as amended by EGO no.79/2017 amending and supplementing Law no. 227/2015 regarding the Fiscal Code.*

The gross fixed allowance of the members of the BOA, between 23.08. - 31.12.2018 was of **391,083 RON**.

b) ***For the Director General with mandate starting 06.12.2017:***

For the Director General appointed by Decision no. 22/05.12.2017, The Board of Administration established the monthly fixed gross allowance of the Director General for executing the mandate, starting December 2017, in an amount equal to six times the average for the last 12 months of the average gross earnings for work done as core business recorded by the company, at class level according to the classification of the national economy, announced by the National Institute of Statistics prior to the appointment for group NACE Rev. 2 "495 - transport via pipelines" (NIS address no. 36135/27.11.2017 and address no. 38005/01.10. 2018), recalculated under the provisions of Article 18 of EGO no.90/2017 for implementation in accordance with the new mandatory social contributions due under Law no. 227/2015, modified and supplemented, as amended by EGO no. 79/2017 amending and supplementing Law no. 227/2015 regarding the Fiscal Code, so as to ensure the maintenance of net fixed monthly allowance valid at the date of appointment.

The fixed gross allowance granted to the Director General of CONPET SA between 01.01.2018-06.11.2018 was of **378,800 RON**.

**For the Director General appointed by Decision no. 27/15.12.2018, the Board of Administration set the gross monthly fixed allowance of the Director General for the execution of the trusted mandate:**

- starting 07.11.2018 in amount of 33,000 RON, according to BOA Decision no. 27/06.11.2018.
- starting 18.12.2018 in amount of 40,416 RON, according to BOA Decision no.33/18.12.2018, *meaning six times the average for the last 12 months of the gross earnings for work done as core business registered by the company, at class level*

*according to the classification of the national economy, announced by the National Institute of Statistics prior to the appointment, with effect from signing the addendum to the contract of mandate (NIS address registered under no. 42779/11.05.2018).*

The gross fixed allowance granted to the Director General of CONPET SA between 07.11.2018 - 31.12.2018 was of **62,837 RON**.

c) ***For the Economic Director with mandate starting 07.11.2018:***

For the Economic Director appointed by Decision no. 27/06.11.2018, the Board of Administration set the gross monthly fixed allowance of the Economic Director for the execution of the trusted mandate:

- starting 07.11.2018 in amount of 27,000 RON, according to BOA Decision no. 27/06.11.2018;
- starting 18.12.2018 in amount of 33,680 RON, according to BOA Decision no.33/18.12.2018, *meaning five times the average for the last 12 months of the gross earnings for work done as core business registered by the company, at class level according to the classification of the national economy, announced by the National Institute of Statistics prior to the appointment, with effect from signing the addendum to the contract of mandate (NIS address registered under no. 42779/05.11.2018).*

The fixed gross allowance granted to the Economic Director of CONPET SA between 07.11.2018 - 31.12.2018 was of **51,670 RON**.

In the financial statements of 2018 were comprised provisions totaling 510,143 RON representing variables allowances related to the mandate contracts for administrators (401,419 RON) and directors with mandate contract (108,724 RON), calculated on the date of appointment, both for administrators (August 23rd, 2018) and for managers (November 7th, 2018).

The variable component will be paid after approval of the financial statements of financial year 2018, in relation to the fulfillment of key performance indicators.

For the year 2018, the degree of achievement of the performance indicators was of 102.67%.

***Management of the conflicts of interests***

During 2018 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, organization and functioning of the National Integrity Agency, as well as for the modification and completion of other normative acts.

In order to implement the National Anti-corruption Strategy 2016– 2020, to which CONPET SA has acceded, in 2017, the Integrity Plan was approved, document updated in 2018 by Decision of the Director General of CONPET SA - detailing, in particular, the measures applicable to CONPET SA, subsumed to the general and specific objectives set out in the SNA, in order to identify specific risks, vulnerabilities and specific intervention needs;

Subsequent to the tasks of education and awareness enhancement of CONPET S.A. personnel in the issues of integrity and anti corruption, the Integrity Office initiated a series of information activities of the employees, by elaborating, presenting and dissemination of informative materials concerning the provisions of the National Anti corruption Strategy 2016 - 2020 and the Integrity Plan adopted by the company and specifically corruption offenses as contained in the Criminal Code.

The first material of this category, produced and disseminated during 2018, was entitled "Conflict of interest - between theory and practice" in order to increase knowledge and awareness of CONPET SA staff, on conflicts of interest which may arise in connection with professional activities, including from the business environment.

The administrator or Director General who has interests in a particular operation, directly or indirectly, contrary to the interests of the company, must notify the other administrators 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 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 Organization 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 members of the Board of Administration 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 2018, 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.

According to EGO no. 109/30.11.2011 on the corporate governance of public enterprises and within the Development Program of the Internal Control management System elaborated in accordance with OSGG 600/2018, having regard to the need to build an integrity culture within CONPET, in 2018 the BOA prepared and approved (in the meeting dated 13.11.2018) a new Code of Ethics and Integrity and appointed a new ethics counselor within the Integrity Office.

CONPET SA entire staff has been trained on the institutional strategy of the company, to the expectations of behavior in relation to the Code of Ethics and Integrity, and the rights and obligations of the staff in terms of ethics and compliance.

Organization of the training program assumes that, if a company provides the efficient functioning of promoting an ethical behavior, causing a change in attitudes among its staff, then this system may limit internal conflicts, theft of company assets and fraud, use of the company resources in purposes other than those for which they are provided, using its image in the personal benefit of employees or sabotaging the interests of society by misconduct of employees in relation to



customers or business partners or corruption etc. All this is measured in money. Operation of such a system contributes to the strengthening of the internal integrity and sense of safety of the employee to the identification of the values of the company, hence a higher performance, which ultimately can translate into record profits.

## **Social and Corporate Responsibility**

The Corporate Social Responsibility is the permanent commitment of CONPET to ethical behavior 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 CONPET's 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 organization on all levels.

The company has assumed commitments related to environmental protection by optimizing 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 Control Management.

As an expression of the adherence to the fundamental values, principles, objectives and monitoring mechanisms of the National Anticorruption Strategy, within CONPET the Declaration on adherence to the National Anticorruption Strategy 2016 - 2020 and 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 was adopted.

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

In the medium term, is being 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 business 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 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 same time 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 Ploiești 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.

Each year, on the occasion of the Company Day and Oilman Day, as well as 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 organizational culture (Soccer Cup, Bowling Cup, Childhood Workshops - on June 1st, etc.)

The company is also involved in volunteer activities (e.g. education, social, environmental protection) as well as demonstrative actions - anti-terrorist 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, at the following address:

<https://www.conpet.ro/en/investors-relation/reports/annual-reports/>

Within S.C. CONPET S.A. The sponsorship activity is being carried out in compliance with the provisions of Law no. 32/1994 *regarding sponsorship*, 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, *regarding the introduction of tax measures and improving delivery and collection of state revenues*, of Law no. 227/2015 *regarding the Fiscal Code*, of the Public Finances Ministry Order no. 2634/2015 *regarding the financial accounting documents*, of

EGO 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: Sponsorships".

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.

CONPET SA seeks the actions of sponsorship to be as efficient in terms from social point of view and the financial assistance to be a real support and benefit for the applicant. The sponsorship policy of the company supports both traditional projects, those that have an important and lasting impact on the community, as well as requests for smaller scale, which promotes, through ideas and actions, the individual performance.

For 2018, the sponsorship costs were within the budgeted values and is as follows (thousand RON):

• Education, social and sports activities	223.55
• Medical and health causes	211.00
• Other actions and activities	101.84
<b>Total</b>	<b>536.39</b>

#### 4.4.3. The Executive Management

Between 01.01.2018 - 31.12.2018, the executive management had the following composition:

##### **The organizational structure valid from 01.01.2018 until 31.01.2018**

BACIU Dan-Silviu	Director General
TOADER Sanda	Director of the Economic Direction
DUMITRACHE Mihaela - Anamaria	Director of Trade and Regulated Activites Direction

##### **The organizational structure valid from 01.02.2018 until 06.11.2018**

BACIU Dan-Silviu	Director General
DUMITRACHE Mihaela - Anamaria	Deputy Director General 1
VOICU Ioan – as of 03.04.2018	Deputy Director General 2
TOADER Sanda	Director, Economic Direction
STOICA Narcis - Florin	Director of the Transport Operations Unit
BUZATU Dan	Director of the Maintenance Development Unit

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

Mr. Dan Buzatu - Director of the Maintenance Development Unit holds a participation of 40 shares in the share capital of the company.

##### **The organizational structure valid from 07.11.2018 until 01.12.2018**

CHIŞ Timur - Vasile	Director General (contract of mandate of 4 years, period 07.11.2018 - 06.11.2022, inclusive of)
TOADER Sanda	Economic Director (contract of mandate of 4 years, period 07.11.2018 - 06.11.2022, inclusive of)
DUMITRACHE Mihaela - Anamaria	Deputy Director General 1
VOICU Ioan	Deputy Director General 2
STOICA Narcis – Florin	Director of the Transport Operations Unit
BUZATU Dan	Director of the Maintenance Development Unit

Mr. Dan Buzatu - Director of the Maintenance Development Unit holds a participation of 40 shares in the share capital of the company.

**The organizational structure valid from 01.12.2018 until 31.12.2018**

CHIŞ Timur - Vasile	Director General (contract of mandate of 4 years, period 07.11.2018 - 06.11.2022, inclusive of)
TOADER Sanda	Economic Director (contract of mandate of 4 years, period 07.11.2018 - 06.11.2022, inclusive of)
DUMITRACHE Mihaela - Anamaria	Deputy Director General

## 5. NON-FINANCIAL STATEMENT FOR THE year 2018

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 crude oil, rich gas, condensate and ethane National Transport System(SNT). As presented at large in the Report of the Administrators, 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

The powers of each entity within the organizational structure are established by the Rules of Organization and Operation of the company.

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

In accordance with the strategic development direction of CONPET 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 in accordance with the provisions of the reference standards for these areas.

The Integrated Management System for quality-environment-occupational health and safety is certified by the company DNV-GL Business Assurance Romania. In 2018, the company was subject to external audit by the transition to the standards SR EN ISO 9001:2015 și SR EN ISO 14001:2015. Following the audit supervisors in 2018, CONPET SA certifications are maintained.

### *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 delivered product, 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 2018 the indicators have reached the target values laid down as follows:

- technological consumptions have fallen in the contractual limits;
- there were no complaints from customers;
- there were no cases of non-compliance with the requirements of the product delivered due to CONPET SA;
- There were 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 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.

Due to the emergence of a new version of ISO 14001 to ensure the transition from ISO 14001: 2004 to ISO 14001: 2015, in 2018 the entire documentation related to environmental management system was reviewed, with a special focus on understanding the organizational context, identify risks and opportunities, and using the latter in the benefit of the organization and the environment. Once identified as a priority, the measures of reducing the unfavorable risk or exploiting beneficial opportunities have been integrated into operational planning environmental management system (Environmental Management Plan/Action Plan for achieving the Environmental Objectives).

Special emphasis was placed on issues related to the needs and expectations of stakeholders (including the demands of the authority) and local environmental conditions or regional that can affect or be affected by the organization, the way the risks and opportunities are treated related to environmental issues for prevention and limitation of their consequences on human health and the environment...

In August 2018, the external audit noted the progress made in implementation and continuous improvement related to previous years, and recommended environmental recertification to ISO 14001: 2015.

Aware that responsibility to the environment and community in which they operate are inextricably linked to the performance they want to achieve in their own activities and in accordance with sustainable development principles, CONPET has pledged through its environmental policy:

- To ensure compliance with legal and other requirements relating to environmental matters;
- To continuously improve 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;
- To permanently assess 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;
- 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 and the environmental management program.

In terms of environmental protection and water management, CONPET activity is authorized in accordance with the provisions of EGO 195/2005 on environmental protection, as supplemented and amended and Water Law no.107/2005, with subsequent amendments and additions. According to the Ministry of Environment Order 1798/2007 approving the procedure for issuance of the environmental permit, the activity carried out by CONPET is an activity with significant environmental impact. Environmental permits remain valid throughout the period during which their clients obtain the annual visas - amendment to the Ordinance no. 75, normative act issued at the end of 2018.

During 2018 the environmental targets and the indicators to monitor progress have been revised, and environmental issues at the sites have been reviewed, significant environmental aspects being included in the "List of significant environmental aspects and impacts associated" and



measures for their resolution are included in the new "Action Plan for meeting environmental objectives".

Following the identification of environmental aspects for activities, products and services of the company significant environmental aspects have been retained, which are input and environmental management program.

Thus, the "**Environmental Management** Program, was revised and approved, containing:

- Objectives, environmental targets and performance indicators in line with the commitments of environmental policy;
- Actions planned to achieve environmental objectives and targets.

The progress in achieving fixed objectives and targets is regularly reviewed in **the Analysis carried out by the management**.

Evaluation of conformity with the legal requirements and other requirements applicable to the environmental aspects has been ensured by: internal audits conducted by internal auditors from the Management Systems and Internal Control Management Department, inspections in all work sites and to different installations (tanks, pipelines, keyboards. Etc.) conducted by the environmental authorities (representatives of the central and local environmental and water management authorities) and by HSEQ responsible from the sectors.

The environmental and water management authorities perform scheduled, not scheduled and thematic checks in CONPET locations regarding the compliance with the legal requirements and other environmental regulations, not being recorded major non-conformities. The staff from the sectors, respectively the HSEQ officers conduct scheduled inspections according to the annual inspection chart for compliance with the legal requirements and other applicable requirements, but also not scheduled inspections according to the attributions of the job description.

Based on the "Annual Monitoring Program and measurement of the characteristics of the environmental factors" were monitored environmental factors, the values recorded for each monitoring indicator being below the maximum limits provided for by the regulation, according to test reports issued by the approved laboratories.

In order to comply with the law on waste regime a Prevention and reduction of quantities of generated waste was issued and implemented in CONPET. In order to manage properly the waste generated, there are concluded service contracts with companies operating in the collection, recycling, recovery and disposal of waste.

For emissions from stationary sources was calculated and paid the average fund according to EGO no.196/2005 on environmental fund methodology and fund contributions and taxes owed to the environment.

At the level of the company, 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, landfalls, 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 decontamination of water courses are carried out, taking into account that decontamination 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.

By the actions conducted, Conpet will ensure further compliance with legal and other requirements, will ensure safe operation, efficient and responsible of the National Transport System by providing the necessary financial resources in order to run the “Pipeline replacement program” and the “Safe disposal crossings program”, the risk of occurring an accidental pollution being thus greatly diminished.

#### *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 OHS requirements, imposed by the legislation in force.

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

- Hazard removal 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 accidents and occupational diseases;
- consultation, involvement, training and awareness of 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.

Within CONPET SA, activity on ensuring state security and health at work is carried out by combining the prevention and protection actions with action to implement corrective measures where necessary - with the involvement of all stakeholders in providing the necessary resources. The policy of CONPET SA in the field of safety and health at Work - part of the policy of quality, environment, occupational health and safety is compatible with the strategy and the context of the organization, with other policies defined by management and is focused on providing a work environment healthy safe for all staff.

The lines of action in this area aims to:

- ✓ Compliance with legal and other requirements relating to occupational safety and health;
- ✓ 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;
- ✓ Hazard removal and reduction of risks of occupational illness and injury at work;
- ✓ Consultation and participation of workers on any aspect of health and safety at work;
- ✓ Ensuring the organizational framework appropriate for setting the goals of the integrated management system quality-environment-operational health and safety;



## **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, the energy management system has been implemented, 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 2018. The effectiveness of the implementation of the actions set forth can be checked one year after their implementation.

## **Railway Safety Policy**

Starting with 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.

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.

During 2018, GD 361 has been issued, on the procedure for licensing in transport by rail, whereby all the company ramps CF in which CONPET SA performs shunting with its own personnel, must be issued by AFER certified safe side Society B. CONPET SA has taken the necessary steps to obtain these certificates.

## 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 OHS areas at the level of the company are also complied with by the implementation and certification of the integrated management system. 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 work conditions;
- transparent processes for recruitment based on professional competence and experience;
- promotion of employees that behave ethically and have proved 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);
- providing additional wage benefits in the form of voluntary health insurance, as regulated in art. 222 al.9 of the Collective Labor Agreement, the ultimate goal being to prevent loss of working capacity of employees;
- social facilities provided for in the Collective Labor Agreement(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;

- constraints and budget limitations that can restrict the initiation/development of projects in the field of human resources;
- 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, adverse incentive 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 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 36.24% of the total personnel with higher education and 40.4% of the total personnel with managerial and coordination functions. Achieving this weight ensures women's participation in decision-making and management at all levels and in key areas of activity of the company.

Thus, according to the organization chart in force on 31.12.2017, the entities Deputy Director General and Economic Directorate are led by women. However, another 40 employees occupying positions of leadership/coordinating specific activities in other entities. Promoting equality at work is synonymous with significant economic benefits.

By 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 Integrity 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. CONPET S.A. supported, through sponsorship actions, projects of tradition or with significant impact on the community, but also request of less amplitude targeting ideas, actions or individual performance.

### **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 and Integrity, approved by the Director General and the Board of Administration in the meeting dated 13.11.2018, 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 2017, the Statement of Accession, which expresses the adhesion of the company's employees to the values, principles, goals, measures and terms provided for by NAS.

For the implementation of NAS in February 2017 by decision of the Director General, the Integrity Plan was approved (document updated periodically, namely in September 2017, February 2018 and August 2018). 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.

At the level of CONPET SA, the Integrity Office has been set up 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 and as a result of its application, on 25.05.2018, the Registry of Corruption Risks was approved within CONPET SA.

The application of Law no. 251 of 16 June 2004 on measures relating to assets received free of charge on the occasion of protocol actions in the exercise of their office or position, to the decision of the Director General CONPET SA no. 513, that, starting 03.07.2018, was constituted the Commission assessment and inventory of goods received, free of charge, on the occasion of protocol actions in the exercise of its mandate of public service.

The Integrity Office has conducted anti-corruption education activities involving the company's employees. In this sense, the Integrity Office developed and distributed two brochures containing details of the National Anti-corruption Strategy 2016-2020 and information on manifestations and how to prevent corruption facts. The material of this category, produced and disseminated during 2018, was entitled "Conflict of interest - between theory and practice" in order to increase knowledge and awareness of CONPET SA staff, on conflicts of interest which may arise in connection with professional activities, including from the business environment.

No cases of conflicts of interest or integrity alerts have been recorded in 2018.

### **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. For this reason the company is not in a position where it can influence issues of diversity and could not adopt a policy on diversity in terms of administrative and management 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 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 31.12.2018**

### **6.2 Approval of the allocation of net profit related to the financial year 2018 and of certain amount from the retained earnings, as follows:**

- a) distribution of net profit of 2018, reunited with the provision for employees' profit participation, amounting to 65,766,014 RON , on the following lines:
  - Employees share of profit: 5,090,000 RON (7.74 %);
  - other reserves representing tax incentives provided by Law no. 227/2015 regarding the Fiscal Code - reinvested earnings: 1,433,785 RON (2.18 %);
  - Dividends due to shareholders: 59,242,229 RON (90.08 %)  
resulting a gross dividend amount proposed to be granted to shareholders in the amount of 6.84285734 RON/share.
- b) distribution of retained earnings representing surplus from revaluation reserves in the amount of 5,340,483 lei, of which:
  - representing earnings to cover underwriting loss of retirement benefits to the update: 1,035,596 RON
  - Dividends due to shareholders: 4,304,887 RON  
resulting in a gross dividend amount proposed to be granted to shareholders in the amount of 0.49724205 RON/share.
- c) distribution as dividends of the amount of 1,105,807 RON, representing 35% of the amounts allocated to other reserves under art. 1 par. (1) letter (g) of GO no. 64/2001, resulting in a gross dividend amount proposed to give to the shareholders of 0.12772779 RON/share.

**The Board of Administration  
By the Chairman  
Gheorghe Cristian- Florin**



## **ANNEXES**

- 1) The Articles of Incorporation in force, updated at the date of 18.12.2018;
- 2) List of the important contracts concluded by the company in 2018;
- 3) C.V.- s of the current administrators;
- 4) Objectives and financial and non-financial key performance indicators for the administrators achieved between 01.01.2018-31.12.2018
- 5) Report on the internal control management system at 31.12.2018;
- 6) Situation of litigations at 31.12.2018.

**FINANCIAL STATEMENTS**  
**at the date and for the financial year ended**  
**December 31, 2018**

**prepared in compliance with the accounting regulations in accordance with  
the International Financial Reporting Standards  
approved by Order no.2844/2016 of the Ministry of Public Finances**

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**The Company CONPET S.A.**

Statement of the Financial Standing at December 31, 2018

(All the amounts are expressed in RON, unless otherwise specified)

**Statement of the Financial Standing at December 31st, 2018**

	Note:	December 31, 2018	December 31, 2017
<b>ASSETS</b>			
<b>Intangible assets</b>			
Tangible assets	5	430,599,587	407,275,686
Intangible assets	6	2,843,604	1,462,672
Financial Assets	7	860,582	973,782
Receivables related to the deferred corporate tax	16	3,047,153	970,394
<b>Total non-current assets</b>		<b>437,350,926</b>	<b>410,682,534</b>
<b>Current assets</b>			
Stocks	8	9,168,429	9,024,205
Trade liabilities and other liabilities	9	43,155,623	46,753,071
Short-term investments	11	-	70,623,518
Cash and cash equivalents	10	259,682,354	209,847,265
Prepaid expenses		1,770,972	1,842,877
<b>Total current assets</b>		<b>313,777,378</b>	<b>338,090,936</b>
<b>TOTAL ASSETS</b>		<b>751,128,304</b>	<b>748,773,470</b>
<b>Equities and liabilities</b>			
<b>Equities</b>			
Subscribed and paid-up share capital	12	28,569,842	28,569,842
Legal reserves	12	5,713,968	5,713,968
Revaluation reserves	12	25,810,840	31,016,763
Other reserves	12	496,092,345	478,500,458
Retained earnings	12	44,689,400	40,211,069
Year's Result	12	60,676,014	74,387,774
<b>Total Equities</b>		<b>661,552,409</b>	<b>658,399,874</b>
<b>Accrued income</b>			
Investment Subsidies	13	1,178,489	1,314,536
<b>Accrued income</b>	13	9,849	12,010
<b>Total Accrued income</b>		<b>1,188,338</b>	<b>1,326,546</b>
<b>Long-term liabilities</b>			
Long-term provisions	15	14,760,148	12,817,661
Long-term trade liabilities	14	892,912	-
<b>Total long-term liabilities</b>		<b>15,653,060</b>	<b>12,817,661</b>

**The Company CONPET S.A.**

Statement of the Financial Standing at December 31, 2018

*(All the amounts are expressed in RON, unless otherwise specified)*

**Current liabilities**

Trade liabilities	14	19,154,131	30,653,848
Ordinary Corporate Tax	14	3,786,286	3,779,846
Other liabilities	14	36,699,081	32,264,126
Short-term provisions	15	13,094,999	9,531,569
<b>Total current liabilities</b>		<b>72,734,497</b>	<b>76,229,389</b>
<b>Total liabilities</b>		<b>88,387,557</b>	<b>89,047,050</b>
<b>TOTAL EQUITIES AND LIABILITIES</b>		<b>751,128,304</b>	<b>748,773,470</b>

These financial statements and the related notes, from page 2 to page 62 have been authorized for issue and signed by the company management at March 19th, 2019.

**Director General**  
**Timur-Vasile Chis**

**Economic Director,**  
**Econ Sanda Toader**

The attached notes, from 1 to 26, are integral part of these financial statements.

**The Company CONPET S.A.**

STATEMENT OF PROFIT and LOSS AND OTHER ELEMENTS OF THE GLOBAL RESULT FOR THE YEAR

ENDED2018

December 31,2018

(All the amounts are expressed in RON, unless otherwise specified)

**STATEMENT OF PROFIT AND LOSS AND OTHER ELEMENTS OF THE GLOBAL RESULT  
FOR THE YEAR ENDED ON DECEMBER 31st, 2018**

	Note:	December 31st, 2018	December 31st, 2017
<b>Operating Revenues</b>	18		
Turnover Revenues		385,140,170	376,685,362
Other revenues		33,507,125	33,548,266
Earnings from disposal of assets		63,539	945,006
<b>Total Operating Revenues</b>		<b>418,710,834</b>	<b>411,178,634</b>
<b>Operating Expenses</b>	19		
Stocks Expenses		7,012,090	7,078,618
Expenses with energy and water		11,163,549	9,535,459
Personnel expenses		140,265,630	112,053,103
Value adjustments on current, non-current assets		44,501,655	44,474,285
Impairments of current assets		1,265,669	(1,233,660)
Expenses related to external services		99,057,990	99,195,977
Other expenses		44,931,769	55,467,725
Impairments related to provisions		4,273,064	1,516,799
<b>Total operating expenses</b>		<b>352,471,416</b>	<b>328,088,306</b>
<b>Operating profit</b>		<b>66,239,418</b>	<b>83,090,328</b>
Financial Revenues		5,462,355	3,613,694
Financial Expenses		10,790	45,163
<b>Financial profit</b>	20	<b>5,451,565</b>	<b>3,568,531</b>
<b>Profit before corporate tax</b>		<b>71,690,983</b>	<b>86,658,859</b>
Expenses with ordinary income tax	16	12,759,911	14,271,463
Expenses with (revenues from) deferred corporate tax		(1,744,942)	(2,000,378)
<b>Profit of the period</b>		<b>60,676,014</b>	<b>74,387,774</b>
Actuarial loss from discounted benefits granted upon retirement		(1,035,596)	(4,928,491)
Gain/(Loss) from reevaluation		-	1,375,497
<b>Total other global result elements</b>		<b>(1,035,596)</b>	<b>(3,552,994)</b>
<b>TOTAL GLOBAL RESULT</b>		<b>59,640,418</b>	<b>70,834,780</b>
<b>Result per share</b>		<b>7.01</b>	<b>8.59</b>

These preliminary financial statements and the related notes, from page 2 to page 62 have been authorized for issue and signed by the company management at March 19th, 2019.

**Director General**  
**Timur-Vasile Chis**

**Economic Director,**  
**Ec. Sanda Toader**

The attached notes from 1 to 26 are constituent part of these financial statements

**STATEMENT OF THE CHANGES IN EQUITIES AT DECEMBER 31st, 2018**

	Share capital	Legal reserves	Revaluation reserves	Other reserves	Retained Earnings	Year's profit or loss	Total Equities
<b>Balance at January 1, 2018</b>	<b>28,569,842</b>	<b>5,713,968</b>	<b>31,016,763</b>	<b>478,500,458</b>	<b>40,211,069</b>	<b>74,387,774</b>	<b>658,399,874</b>
Net result of the year	-	-	-	-	-	60,676,014	60,676,014
Actuarial Gain/(loss) of the period					(1,035,596)		(1,035,596)
<b>Total global result</b>					<b>(1,035,596)</b>	<b>60,676,014</b>	<b>59,640,418</b>
Net increase of the modernization quota reserve	-	-	-	12,998,654	--	--	12,998,654
Surplus achieved from revaluation	-	-	(5,340,483)	-	5,340,483	-	-
Allocation from profit provided by law - reinvested profit	-	-	-	1,433,785	(81,693)	(1,352,092)	-
Other allocations from the preceding year's result	-	-	-	3,159,448	255,137	(3,414,585)	-
Deferred corporate tax			134,560				134,560
Dividends due to shareholders	-	-	-	-	-	(69,621,097)	(69,621,097)
<b>Balance at December 31st, 2018</b>	<b>28,569,842</b>	<b>5,713,968</b>	<b>25,810,840</b>	<b>496,092,345</b>	<b>44,689,400</b>	<b>60,676,014</b>	<b>661,552,409</b>

**STATE OF THE CHANGES IN EQUITIES AT DECEMBER 31, 2017**

	Share capital	Legal reserves	Revaluation reserves	Other reserves	Retained earnings	Year's profit or loss	Total Equities
<b>Balance sheet at January 1, 2017</b>	<b>28,569,842</b>	<b>5,713,968</b>	<b>32,957,666</b>	<b>536,238,701</b>	<b>120,685,850</b>	<b>71,546,604</b>	<b>795,712,631</b>
Profit of the year						74,387,774	74,387,774
Revaluation gain			1,375,497				1,375,497
Actuarial gains/(loss) of the period					(4,928,491)		(4,928,491)
<b>Total global result</b>			<b>1,375,497</b>		<b>(4,928,491)</b>	<b>74,387,774</b>	<b>70,834,780</b>
Net increase of the modernization quota reserve				22,378,044			22,378,044
Surplus achieved from revaluation			(6,463,121)		6,463,121		-
Reunification reserve from revaluation of the land plots not included in share capital			2,605,000		(2,605,000)		-
Allocation from profit provided by law - reinvested income				1,352,092	357,908	(1,710,000)	-
Current and Deferred Corporate Tax			541,721		(2,505,028)		(1,963,307)
Dividends due to shareholders				(81,468,379)	(77,257,291)	(69,836,604)	(228,562,274)
<b>Balance at December 31st, 2017</b>	<b>28,569,842</b>	<b>5,713,968</b>	<b>31,016,763</b>	<b>478,500,458</b>	<b>40,211,069</b>	<b>74,387,774</b>	<b>658,399,874</b>

Note: The „Other Reserves” item also includes the reserve representing the modernization quota in amount of 458,941,825 RON at 31.12.2018, respectively 445,943,171 RON at 31.12.2017. The reserve has a special regime of use provided in GD no. 168/1998, being destined exclusively to the financing of the modernization works and development works related to the goods belonging to the public domain. The modernization quota is being collected at the extent of capitalization and proceeds of the production and is being reflected in reserves accounts on account of expenses. On a monthly basis is being written back to the revenues the modernization quota at the level of depreciation of the fix assets financed out of this source.

These financial statements, from page 2 to page 62 have been authorized for issue and signed by the company's management at March 19th, 2019.

**Director General**  
**Timur-Vasile Chis**

**Economic Director,**  
**Ec. Sanda Toader**

**CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2018**  
**31.12.2018**

**(DIRECT METHOD)**

	Name of the Item	12 months 2018	12 months 2017
	<b>Cash flows from operating activities:</b>		
+	Proceeds from services supply	415,156,770	397,530,457
+	Proceeds from interests related to banking investments	4,331,871	2,584,700
+	Other proceeds	4,618,053	7,457,828
-	Payments to the suppliers of goods and services	(111,031,473)	(107,779,634)
-	Payments by and on behalf of the employees	(134,419,650)	(110,190,309)
-	VAT payments	(44,487,623)	(49,602,453)
-	Corporate tax payments	(12,717,750)	(16,186,371)
-	Other payments regarding operating activities	(37,407,201)	(45,053,822)
<b>A</b>	<b>Net cash from operating activity</b>	<b>84,042,997</b>	<b>78,760,396</b>
	<b>Cash flows from investment activities</b>		
+	Proceeds from sale of tangible assets	449,704	4,000,145
+	Proceeds from modernization quota	41,825,050	52,190,868
+	Proceeds from investments in government securities	70,309,618	165,665,967
+	Proceeds from interests related to government securities	917,582	1,797,793
-	Payments for purchase of tangible assets	(87,517,315)	(44,991,439)
-	Payments for purchase of government bonds	-	(74,086,818)
<b>B</b>	<b>Net cash from investment activities</b>	<b>25,984,639</b>	<b>104,576,516</b>
	<b>Cash-flows from financing activities</b>		
+	Proceeds of dividends transferred to Depozitarul Central	9,479,683	2,709,838
-	Paid Dividends	(69,672,230)	(220,797,771)
<b>C</b>	<b>Net cash from financing activities</b>	<b>(60,192,547)</b>	<b>(218,087,933)</b>
	<b>Net increase of the cash and cash equivalents=A+B+C=D2-D1</b>	<b>49,835,089</b>	<b>(34,751,021)</b>
<b>D1</b>	<b>Cash and cash equivalents at the beginning of the period</b>	<b>209,847,265</b>	<b>244,598,286</b>
<b>D2</b>	<b>Cash and cash equivalents at the end of the period</b>	<b>259,682,354</b>	<b>209,847,265</b>
<i>To which is being added:</i>			
	Government securities as government bonds	-	70,309,618
	<b>Total availabilities at the end of the period</b>	<b>259,682,354</b>	<b>280,156,883</b>

The cash at 31.12.2018 has decreased as compared to the that existing at 31.12.2017 (here included the government securities) from 280 million RON down to 260 million RON. The decrease has been determined mainly by the increase of payment for assets by 195% as compared to 2017.

The effects of the three activity areas (operation, investment and financing) over the cash in 12 months period 2018 reveal the followings:

- the operating activity triggered a cash-flow in amount of 84 mRON;
- the investment activity ended with a positive cash-flow in amount of 26 mRON.;

- The financing activity lowered the total cash flow by 60 m Lei, due to the cash outputs for the payment of dividends in amount of 69 m RON.

As compared to the previous year, the net cash flow generated by the operating activity in 2018 has exceeded the one in 2017 by 5 million RON following the increase of transport revenues, namely the proceeds from clients.

The cash from investment activity registered a decrease in 2018 due to the significant increase of the payments for purchase of tangible assets.

The cash flow related to the financing activity registers negative values, decreasing as compared to the previous year, due to payment of dividends lower in 2018. In 2017, the company has distributed dividends both from the year's profit, as well as of other equities elements (reported result and own financing sources). Total amount of the dividends paid in 2017 was of 221 million RON and in 2018 were paid dividends in amount of 70 million RON.

These financial statements and the related notes, from page 2 to page 62 have been authorized for issue and signed by the company management at March 19th, 2019.

**Director General**  
**PhD. Eng. Timur-Vasile Chis**

**Economic Director,**  
**Ec. Sanda Toader**

The attached notes from 1 to 26 are constituent parts of these financial statements.

## **1. Business Description and General Information**

The company "CONPET" S.A. ("The Company") is a joint-stock company, with a unitary system administration, as per Law no. 31/1990 on the companies, republished, subsequent amendments, is registered at the Prahova Trade Registry under no. J29/6/1991, and the Financial Supervisory Authority by the registration certificate no. 7227/1997.

Address of the registered offices is Ploiesti Municipality, No. 1-3, Anul 1848 Street, Prahova County.

"CONPET" S.A. is the concessionaire of the crude oil, rich gas, condensate and ethane National Transport System, capacity acquired, in 2002, following the conclusion with the National Agency of Mineral Resources, the competent authority representing the State's interests in the oil resources sector, of an Oil Concession Agreement, approved by GD no.793/25.07.2002.

The company's shares are traded at the Bucharest Stock Exchange (BSE) on September 5, 2013, under the "COTE" symbol.

Currently, the company CONPET S.A. is included in 7 out of the total of 9 stock indices, respectively in **BET, BET-TR, BET-XT, BET-XT-TR, BET-BK, BET-NG and BET Plus indices**. This achievement of the company translates into performance, economic-financial stability, transparency, enhanced visibility and increased interest of the investors.

At 31.12.2018, CONPET S.A. had a market capitalization of 672.7 million RON (144.2 million euro), ranking 19 in "Top 25 issuers according to capitalization".

### *Company Set-up*

CONPET is set up based on GD 1213/20.11.1990 regarding the set-up of the joint stock commercial companies in the industry, pursuant to Law no.15/1990 regarding the reorganization of the public economic units as autonomous administrations and joint stock companies, by taking over all assets and liabilities of the former Crude Oil Pipeline Transport Enterprise (Rom.I.T.T.C.).

At 31.12.2018, the company's shareholders are:

- The Romanian State by the Ministry of Energy, holding 5,083,372 shares representing 58.72% of the share capital,
- legal persons, with 2,481,740 shares representing 28.66 % and
- natural persons, with 1,092,416 shares representing 12.62 %.

### *Company's Mission*

CONPET mission is the operation of the National Transport System of crude oil under safe and efficient conditions, free access to the system's available capacity to all the inquirers, authorized legal persons, under equal conditions, on a non-discriminatory and transparent basis.

### *Other Information on the Company's Business*

As per the Articles of Incorporation, the company's core business is the transport of crude oil, rich gas, ethane and condensate via pipelines and by railway tanks, from the loading ramps to the beneficiaries, for the oil sites that are not connected to the major transport lines, aiming at supplying the refineries with crude oil and derivatives out of domestic production, as well as with imported crude oil (NACE code 4950-“transports via pipelines”).

CONPET supplies transport services for its clients both via the National Transport System concession based on the oil concession agreement of the National Transport System of crude oil, rich gas , condensate and ethane, as well as by railway tanks, from the loading ramps to the refineries, for the oil areas not connected to the transport major pipelines.

The crude oil National Transport System represents the ensemble of the major interconnected pipelines ensuring the collection of the oil extracted from the exploitation areas or of the imported crude and the transport thereof from the delivery sites to the processing units.

As concessionaire of the crude oil National Transport System, CONET has the quality of common carrier and the obligation to provide, as per the legal provisions, free access to the system's available capacity to all the inquirers, authorized legal persons, under equal conditions, on a non-discriminatory and transparent basis.

The crude oil National Transport System belongs to the Romanian State public domain and is being administered by NAMR. (as per the Oil Law provisions). This comprises a pipeline system of approx. 3,800 km and a transport throughput of 18.5 million tons/year.

#### *The Legal Environment*

The activity in the oil sector is being regulated by the Oil Law no. 238/2004. The National Agency for Mineral Resources (NAMR) represents the state's interests in oil resources and is the competent authority empowered to apply the provisions of Law no. 238/2004.

According to this normative act, the National Agency for Mineral Resources has the quality of Grantor of public property, concessioned to the operators in the oil industry.

NAMR's main responsibilities are:

- negotiates and concludes oil agreements on behalf of the state;
- grants mining concession licenses and exploitation permits;
- issues regulatory acts, norms, instructions, orders and regulations;
- monitors compliance by the holders of petroleum agreements, of concession licenses conditions and exploitation permits;
- manages the National Transport System via pipelines of the crude oil and natural gas and regulates its operating activities through concession agreements concluded;
- annuls the concession/administration acts;
- approves the tariffs and the frame-contract for the transport of crude oil, rich gas, condensate and ethane.

#### *The tariff for the supply of the transport service via the National Transport System of crude oil, rich gas, condensate and ethane*

The transport tariff represents the equivalent value of the transport service supplied by the holder of the oil concession agreement, as common carrier, for the transport, by the National Transport System of the crude oil, of a ton of oil between the oil take-over sites from the internal producers or from import and the hand-over sites at the refineries.

The transport tariffs are established in accordance with Order no.53/2008 for the approval of the guidelines regarding the criteria, methodology and settlement procedure of the regulated tariffs for the transport via the National Transport System and are being prepared by NAMR, acting as competent authority, based on the attributions and competences granted by Law no.238/2004, subsequent amendments and completions.

The transport tariffs are differentiated on the two subsystems belonging to the National Transport System, namely the sub-system for the transport of the crude oil, rich gas, condensate and ethane from the domestic production and the sub-system for the transport of the imported crude. The tariffs for the transport on the import subsystem are applied per refineries, according to the tranches of transported quantities, being used the bracket tariff model.

The transport tariffs are determined by allocation of the value of the transport service to the quantities of oil transported to the beneficiaries, using a methodology based on the determination of the cost of service, defined as all the revenues required to cover the transportation system operations, including:

- the operating cost, including: material expenses, personnel expenses, pipeline maintenance expenses, expenses with energy, gas and water, costs related to the amortization of the fixed assets, the royalty and other taxes applicable to the transporter, expenses related to the provision of pipeline guard, decontamination expenses, amounts due to landowners, other expenses etc.
- modernization and development quota;
- reasonable profit margin.

## **2. Preparation Grounds**

### **(a) Declaration of Conformity**

These financial statements of the Company have been drafted under the accounting regulations compliant with the International Financial Reporting Standards ("IFRS") approved by Order of the Ministry of Public Finances no.2844/2016.

The IFRS standards represent the standards adopted according to the procedure provided by the Regulation (EC) no.1.606/2002 of the European Parliament and the Council from July 19, 2002 on the application of the International Financial Accounting Standards and include standards and interpretations approved by the Committee for Accounting International Standards ("IASB"), Accounting International Standards ("IAS") and interpretations issued by the Committee for the Interpretation of the International Financial Reporting Standards ("IFRIC").

***The financial statements prepared at the date and for the financial year ended December 31, 2018 have been audited.***

### **(b) Overview of the Financial Statements**

The financial statements are being presented in compliance with IAS,1 requirement, the Overview of the Financial Statements. The company adopted an overview based on liquidity within the financial standing and an overview of the revenues and expenses according to the nature thereof within the statement of profit and loss and other elements of the global result, considering that these methods of presentation offer credible information and more relevant than the information presented based on other methods permitted by IAS 1.

### **(c) Functional and presentation currency**

The financial statements are being presented in Romanian Lei (RON), as per the applicable accounting regulations, all amounts being rounded at the closest RON. The Romanian Leu (RON) is also the functional currency of the Company, as it is being defined by IAS 21, The effects of the currency fluctuation.

### **(d) Evaluation Grounds**

The financial statements are being prepared at historic cost, except for the intangible and tangible assets, other than the tangible assets in progress, which are being assessed at the reevaluated value, while the stocks are being assessed at the smallest value between the cost and the net achievable value.

The accounting policies defined here below have been consistently applied for all periods presented in these financial statements.

### **(e) Ongoing Concern**

The financial statements have been prepared considering the ongoing concern.

### **(f) Accounting Estimations and Professional Reasoning**

The preparation of the financial statements pursuant to the International Financial Reporting Standards („IFRS”) implies the use, by the Company, of estimates, professional reasoning and hypotheses affecting the reported value related to assets, liabilities, revenues and expenses. Estimates and assumptions are continuously evaluated and are based on historical experience and other factors, including predictions of future events that are believed to be reasonable under certain circumstances. The results of these estimates set the grounds for the professional reasoning regarding the accounting value of the assets and liabilities that cannot be obtained from other information sources. The actual results may be different from the estimates values.

The significant reasoning used by the management for the application of the Company's accounting policies and the main sources of uncertainty regarding the estimates have been the same with those applied to the financial statements related to 2017.

### **(g) The Use of Estimates and Judgments**

CONPET concluded in 2002 a concession contract with NAMR according to which the Company is entitled to use public patrimony assets including the goods part of the crude oil National

Transport System.

The company CONPET operates as a joint stock, as per the Law no.31/1990 on the companies, republished, subsequent amendments, where the majority of shares are being held by the State, being a public enterprise. The services supplied by the company are not public services, as they are being supplied in the benefit of the clients legal persons, therefore they do not fall under the provisions IFRIC12, Services Concession Agreement.

### **3. Accounting Policies**

In the followings are being described the significant accounting policies applied by the company on a consistent basis in the preparation of the financial statements thereof.

#### **(a) Transactions in Foreign Currency**

Foreign currency transactions are being expressed in RON by application of the currency on the transaction date. The monetary assets and the debts expressed in foreign currency at the end of the period are being transformed in RON at the currency valid at that date.

The earnings and losses generated by the differences of currency, realized or not realized, are being registered in the profit and loss and other elements of the global result of the respective financial year.

The foreign exchange of the main foreign currencies was:

	<b>December 31, 2018</b>	<b>December 31, 2017</b>
RON/EURO	4.6639	4.6597
RON/USD	4.0736	3.8915
RON/GBP	5.1931	5.2530

#### **(b) Accounting for the effect of hyperinflation**

In accordance with IAS 29 Financial reporting in hyperinflationary economies, the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy shall be presented in the current unit balance-sheet date, i.e. non-monetary items are restated using a general price index from date of acquisition or contribution.

Therefore, the values reported in terms of purchasing power at December 31, 2003 are treated as the basis for the carrying amounts of these financial statements.

As the characteristics of the economic environment in Romania indicate the cessation of hyperinflation, starting January 1,2004, the company has no longer applied IAS 29.

#### **(c) Financial Instruments**

##### **(i) Non-derivative financial assets**

The company initially recognizes the financial assets (loans, receivables and deposits) the date when they have been initiated.

All other financial assets (here included the assets designated at fair value by profit and loss account) are recognized initially on the trade date when the Company becomes party of the contractual terms of the instrument.

Any interest in the financial assets transferred that is created or retained by the Company is recognized separately, as asset or liability.

The financial assets and debts are offset and in the statement of the financial position is being presented the net value exclusively when the Company has the legal right to offset the amounts and intends either to settle them on a net basis, or to realize the asset and settle the obligation simultaneously. At 31.12.2018 the company holds the following non-derivative financial assets: cash, cash equivalents and receivables.

##### ***Short-term Investments***

The treasury accounting provides for, as per item 92 of Order 2844/2016, the records related to existence and movement of short-term investments, cash in bank accounts/pay offices, the short-term bank credits and other treasury values.

In the category of short-term investments are comprised Government securities: Government bonds, as well as treasury bills, which have been purchased in view of achieving a short-term profit.

On registration, the short-term investments are being assessed based on the purchase cost, meaning the buy price or the value established under the contracts.

#### *Receivables*

The receivables are financial assets with fixed or determinable payments that are not quoted on an active market. Receivables comprise trade and other receivables.

#### *Cash and cash equivalents*

Cash and cash equivalents comprise the amounts recorded in cash accounts, current accounts, deposits redeemable at maturity and other cash equivalents. The cash availability in foreign currency are revalued at the exchange rate at the end of the period.

### **(ii) Non-Derivative Financial Debts**

The Company recognizes in the book-keeping the non-derivative financial liabilities on the trade date, when the Company becomes party to the contractual terms of the instrument.

The Company has the following non-derivative financial liabilities: guarantees retained from subcontractors, trade payables and other liabilities.

#### *Trade payables*

Payables to the suppliers and other liabilities include the exchange value of the invoices issued by the suppliers of goods, executed works and supplied services.

### **(iii) Share capital - Ordinary Shares**

The share capital consisting of common shares is recorded at the value established as per the establishment documents and the addenda.

The company recognizes changes in equity only after having fulfilled the legal procedures provided as per the Law no. 31/1990.

## **d) Tangible Assets**

### **(i) Acknowledgment and Assessment**

Tangible assets in operation are classified into the following categories of assets of the same nature and similar uses:

- Land and land improvements;
- Constructions;
- Operating oil product;
- Technological equipment, apparatus and devices for measuring, control and regulation, and transportation;
- Other tangible assets
- Tangible assets in progress

Tangible assets are initially recognized as an asset at cost by the Company. After initial recognition, they are presented in the statement of the financial position at the revalued amount, based on a valuation report prepared by an independent certified expert. Revaluations are made with sufficient regularity so as to ensure that the carrying amount not differ materially from the one which would have been determined using fair value at the date of the reporting period.

Tangible assets are stated in the statement of the financial standing at the revalued amount, diminished by cumulated amortization, cumulated impairment losses, except for the advance payments and tangible assets in progress which are stated at cost.

The cost of an item of tangible assets comprises the purchase price, including import duties and non-recoverable purchase taxes, transport costs, handling fees, commissions, notary fees, costs of obtaining permits and other non-recoverable expenses directly related to the tangible asset and any direct costs attributable to bringing the asset to the location and operating conditions.

Tangible assets in progress are unfinished investments made on own account or on contract.

They are valued at the cost of production or acquisition cost, as applicable. Tangible assets in progress are put in the category of assets completed after the reception, putting into operation and commissioning thereof, as the case may be.

The cost of self-constructed property is determined using the same principles as for an acquired asset.

The Company does not recognize in the carrying amount of a tangible asset item the current repairs and usual maintenance, these costs are recognized as an expense when incurred.

Current maintenance costs are primarily the costs of labor and consumables, and may include the cost of small parts. The purpose of these expenditures is often described as for the 'repairs and maintenance' of the item of tangible assets.

#### **(ii) Subsequent costs**

##### **Replacement of certain tangible assets components**

Parts of some tangible assets items may require replacement at regular intervals.

If part of a tangible asset, which was initially recognized as a separate component of the asset is replaced, the carrying amount of the replaced part is derecognized.

##### **Regular major inspections**

A condition for the continued operation of a tangible asset item, is performing recurrent major general inspections to detect defects, whether parts of those assets have or have not been replaced. By the time a regular general inspection is performed, the related cost is recognized in the carrying value of tangible fixed assets as a replacement if the recognition criteria are satisfied. An item of tangible assets and equipment and any significant part initially recognized is derecognized on disposal or when no future economic benefits are expected from its use or sale. If an item of tangible asset is revalued, all the other assets in the group to which it belongs must be revalued, except when there is no active market for that asset. A group of tangible assets include assets of the same nature and similar uses, in operation of the entity. If the fair value of a tangible asset can no longer be determined by reference to an active market, the value of the asset presented in the balance sheet should be its revalued amount at the date of the last revaluation, net of accumulated value adjustments.

When certain components of a tangible asset have different useful life, they are accounted for as separate items (major components) of tangible assets.

The statement on the evolution of tangible assets of the Company for the years 2018 and 2017 is detailed in note 5.

#### **The Operating Oil Product**

The Operating oil product is recorded by the company in tangible assets assessed in the balance sheet at the cost determined from the revaluation made according to GD. 26 of 22 January 1992, updated with inflation up to 31.12.2003, when the economy of Romania was inflationary. Given that the Company's operating oil product physically renews with every pumping and that the constituent parts of this product do not suffer, due to this, qualitative or moral depreciation, the operating oil product has no useful life, therefore it does not depreciate. The Company presents oil operating product at cost, including the effects of restatements of previous years as per the application of IAS 29 "Financial Reporting in Hyperinflationary Economies".

#### **The Goods belonging to State Public Domain**

The company administers goods belonging to the State public domain, as grantor of the oil concession agreement concluded with the National Agency for Mineral Resources, approved by GD no.793/2002 for a period of 30 years.

Pursuant to the concession agreement, the objectives assumed by CONPET S.A. in relation to its activity are: to ensure the operation of the national transport system via pipelines under maximum safety and economic efficiency conditions, to continuously improve the quality of services and to protect the environment.

The goods resulting following the investments provided by the rehabilitation, modernization and development programs performed out of own company's financing sources are being capitalized and depreciate on the minimum duration related to the remaining lifespan of the respective asset

or the remaining term of the concession agreement. The goods are to be included in the State's public domain at the date of amortization of the investment by the company, namely on the expiry of the normal operation term or cease of the oil agreement, as the case may be, as per the legal provisions.

***(iii) Reclassification as investments property***

When an asset is being held more for obtaining revenues out of rentals or for the increase of the capital value or both, rather than for being used in the production or supply of goods and services, for administrative purposes or to be sold during the normal carry out of the activity, the asset is being transferred in investment property. The company transfers an asset in the category of investment property if the latter generates cash flows that are, to a large extent, independent of other assets held.

The company does not hold investment property in balance at the date of preparation of these financial statements.

***(iv) Intangible Assets held in view of Sale***

When there is an amendment brought to the use of an intangible assets, meaning that its accounting value is to be recovered mainly by a sale transaction and not by its continuous use, the company records the asset transfer from the tangible assets category to non-current assets held in view of sale.

The non-current assets are classified as assets held for sale when:

- Are available for immediate sale;
- The company's management is engaged in a sales plan;
- There are minimum chances that the sales plan bear significant changes or be withdrawn;
- Is being initiated an active program to find buyers;
- The assets group is being traded at a reasonable price as compared to the fair value;
- It is expected that the sale be concluded within 12 months as of the date of assets classification as held for sale.

Certain events or circumstances may extend the period for the completion of sale by more than one year. An extension of the period does not prevent an asset (or an asset group to be disposed) to be classified as being held in view of sale in case the delay is caused by events or circumstances outside the management control and there are enough proofs that the company remains committed to the plan regarding the asset's sale (or the sale of the asset group asset group to be disposed).

The intangible assets (or asset group to be disposed) classified as being held in view of sale are being assessed by the company at the minimum between the accounting value and the fair value, less the sale costs.

The intangible assets are not being depreciated whilst they are being classified as held in view of sale.

***(v) Amortization***

Amortization is being calculated by using the straight-line method.

The useful life of the tangible assets fit with those provided in the Catalogue regarding the classification and normal operating durations of the fixed assets approved by Decision 2.139/2004.

The lifespans of the tangible assets are being periodically revised and, as the case may be, at the date of value increase thereof, due to some expenses subsequently performed.

***(vi) Sale/ scrapping of intangible assets***

Tangible assets that are scrapped or sold are being derecognized from the balance sheet together with the corresponding accumulated depreciation. Any profit or loss resulting from such an operation are included in current profit or loss.

The gain or loss resulting from the derecognition of an item of tangible assets, determined as difference between the net proceeds from included sale in other operating expenses and the net accounting value of the asset included in other operating expenses is being presented as separate position in the Profit and Loss Statement and other elements of the global result.

## **(e) Intangible Assets**

### **(i) Recognition and Assessment**

Intangible assets are initially recognized at cost.

The cost of intangible assets includes expenses that are not directly attributable to the purchase of the respective elements. Expenditure related to the acquisition of software licenses is capitalized based on the costs of purchase and commissioning of the respective programs. The costs associated to the maintenance of the software programs are recognized as expenses upon registration.

### **(ii) Subsequent Expenditure**

The subsequent expenses are capitalized only when they increase the future economic benefits embodied in the value of the asset to which they are intended. All other expenditure, including expenditure on the goodwill and the internally generated brands are recognized in profit or loss when incurred.

### **(iii) Depreciation**

Depreciation is recognized in profit or loss using the linear method for the useful lifespan estimated for intangible assets other than goodwill, from the date they are available for use.

## **(f) Depreciation of Assets**

### *The Non-financial assets*

The carrying value of the Company's assets that are not of a financial nature, other than deferred tax assets, are reviewed at each reporting date to identify the existence of impairment indices. If such indices exist, is being estimated the recoverable amount of the said assets.

The recoverable amount of an asset or of a cash-generating unit is the maximum between its use value and its fair value, less the costs to sell the asset or units. A cash-generating unit is the smallest identifiable group that generates cash and that independently of the other assets and other groups of assets has the ability to generate cash flows. To determine the use value, the expected future cash flows are discounted using a discount rate before taxation, which reflects the current market conditions and the risks specific to the said asset.

An impairment loss is recognized when the carrying amount of the asset or cash-generating unit exceeds its estimated recoverable amount of the asset or the cash-generating unit.

The impairment losses recognized during the previous periods are being assessed at each reporting date in order to determine whether they have diminished or no longer exist. The impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

The augmented carrying-value of an asset, other than the goodwill, resulted from the reversal of an impairment loss, should not exceed the (net) carrying amount that would have been determined in case that, during the previous years hadn't been recognized a depreciation loss for the said asset.

Given some internal and external factors, the Company assessed the net book value registered at the balance sheet date for depreciable tangible assets, so as to evaluate the possibility of existence of a depreciation thereof, which could attract the record of an adjustment for depreciation.

### *The Financial Assets*

The short-term receivables are not discounted. The recoverable amount of other assets is deemed the highest value between the fair value (less sale costs) and the use value. Estimating the use value of an asset involves updating the estimated future cash flows using a pre-tax discount rate that reflects current market assessments regarding the time value of money and the risks specific to the asset.

Impairment losses on financial assets or a receivable recorded at the amortized cost is reversed if there has been a change in the estimates used to determine the recoverable amount.

## **(g) Stocks**

The main categories of inventories are: consumables, spare parts, ongoing services, residual services and materials like inventory objects.

The stocks are valued at the lowest of cost and net realizable value.

The cost of stocks is based on the first in - first out (FIFO) principle and includes costs incurred for the purchase of inventories, production or processing costs and other costs incurred for bringing the inventories in the form and present location.

The net achievable value is the estimated selling price to be obtained in the ordinary course of business, less estimated costs of completion, when appropriate, and the estimated costs necessary to the sale. Where appropriate, are being established value adjustments for obsolete, slow moving or degraded inventories.

#### **(h) Dividends**

The dividends are recognized as a liability in the period in which their distribution is approved. The distribution of dividends shall be made after the approval of the annual financial statements.

#### **(i) Revaluation Reserves**

The revaluations are performed with sufficient regularity so that the carrying amount not differ substantially from that which would be determined using the fair value at the balance sheet date. The difference between the value resulting after revaluation and the net accounting value of tangible assets is presented either according to its nature (appreciation/depreciation), either at the revaluation reserve as a distinct sub-element in "Equities" or in the "Profit and Loss" account. If the revaluation result is an increase over the net accounting value, then, it is treated as follows: as an increase of the revaluation reserve presented within equities, if there was no previous decrease recognized as an expense related to that asset or as an income to compensate the expense with the decrease previously recognized at that asset. If the revaluation result is a decrease of the net accounting value, it is treated as an expense with the entire value of the depreciation when in the revaluation reserve is not recorded an amount on that asset (revaluation surplus) or as a decrease of the reserve from the revaluation by the minimum between the value of that reserve and the amount of the decrease; the likely difference remaining uncovered is recorded as an expense.

The revaluation surplus included in the revaluation reserve is transferred to the retained result when this surplus represents an achieved gain. The gain is deemed realized as monthly amortization is being registered and when deleting from the records of the asset for which was established the revaluation reserve. No part of the revaluation reserve may be distributed, directly or indirectly, unless it is actually an achieved gain.

A particularity occurs in case of the assets financed out of the modernization quota.

Thus, in case the revaluation result shows *an increase* compared to the net accounting values, then it is being treated as follows:

- As an increase of *the revaluation reserve*, if there was no previous decrease recognized as an expense related to that asset,
- As an increase of *the reserve established out of the modernization quota*, up to the set-off of the decrease previously recognized and for which, simultaneously with the depreciation expense was also diminished the quota reserve by wrote-back to income.

In case the result of revaluation is *a decrease* of the net accounting values, the latter will be treated as an expense when in the revaluation reserve is not registered an amount related to that assets (revaluation surplus) and the reserve formed out of the modernization quota is diminished simultaneously by recognition as income.

Starting May 1, 2009, the statutory reserves from the revaluation of fixed assets, including the lands, performed after January 1, 2004, which are deducted from calculation of taxable profit through tax depreciation or from expenditure regarding the assets ceded and / or asset retirement, shall be taxed concomitant with the deduction of the fiscal depreciation, respectively when deducting from the administration of these fixed assets, as appropriate.

The reserves made are taxable in the future, in case of change of reserve destination, reserve distribution towards the participants in any form, liquidation, division, merger of the taxpayer or of

any other reason except for transfer, after May 1, 2009, of the reserves mentioned in the previous paragraph.

#### **(j) Legal Reserves**

The legal reserves are constituted in a rate of 5% of gross statutory profit, as of the end of the year until the total legal reserves reached 20% of the nominal share capital (statutory) paid-up in compliance with the legal provisions. These reserves are deductible at the calculation of the corporate tax and are distributable exclusively upon liquidation of the Company.

#### **(k) Other Reserves**

The company constitutes profit reserves also at the expense of the modernization quota, based on the GD no.168 /1998 on setting the quota for the expenses necessary for the development and modernization of crude oil and natural gas production, refining, transport and petroleum distribution, subsequent amendments, presented in GD's no. 768 of 7 September 2000 and 1116 of 10 October, 2002 and according to the provisions of Law no.227/2015 on the Fiscal Code. The modernization quota is approved by the National Agency for Mineral Resources (NAMR) together with the approval of transport tariffs. These reserves regarding the modernization quota are not distributable.

In the reserves established at the expense of the modernization quota, as a sub element of the total equity accounts, are also reflected the increases resulting from the revaluation of the tangible assets financed at the expense of this source until the offset of the decrease previously recognized.

#### **(n) Affiliated Parties**

The Parties are deemed affiliated in case they are subject to control (or joint control) by the same entity or when an entity has the ability to directly or indirectly control or significantly influence the other party, either through ownership, contractual rights, family relationship or otherwise, as defined in IAS 24 Affiliated Party Disclosures.

#### **(m) Employees' Benefits**

##### ***(i) Benefits granted on Retirement***

In the normal course of business, the Company makes payments to the Romanian State in the account of his employees, at the statutory rates.

All employees of the company are included in the Romanian State pension plan. These costs are recognized in the statement of the global result once salaries recognition.

The Company recognizes a provision for retirement benefits. The discounted value of the liabilities related to the benefits granted on retirement is annually determined by an independent actuary. The Company operates no other pensions or post-retirement benefits plan and, consequently, has no sort of other pensions-related liabilities.

##### ***(ii) Short-term Employees Benefits***

The short-term employees' benefits are the ones to be settled in no more than 12 months as of the end of the reporting period when the employees have supplied the said services. These benefits are mainly represented by salaries and contributions of the employer to the social insurance, rest and medical leaves, the employees' share of profit. The liabilities related to these benefits are recognized as expense while the services are supplied and are assessed on a non-discounted basis.

The company establishes a fund for the employees' share of profit, as per the provisions of the Government Ordinance no.64/August 30, 2001.

#### **(n) Provisions**

Provisions are recognized when the Company has a current obligation (legal or implicit) as a result of a past event, it is likely that an outflow of resources be required to settle the obligation and duty can be estimated reliably.

The amount recognized as provision is the best estimate at the balance sheet date, of the costs required to settle the present obligation.

The best estimate of the costs required to settle current debt is the amount that the Company would pay, rationally, to settle the obligation at the balance sheet date, or transfer it to a third party at that time.

If the effect of the time value of money is material, the amount of the provision is the updated value of the expenditures expected to be required to settle the obligation. The discount rate used reflects current market assessments of the time-value of money and the risks specific to the liability.

Gains from the expected disposal of assets should not be taken into account in measuring a provision.

If estimated that one or all expenses related to a provision will be reimbursed by a third party, the reimbursement is recognized only when it is certain that it will be received. The reimbursement is considered as a separate asset.

Provisions are reviewed at each balance sheet date and adjusted as to reflect the current best estimate. In case that, for settling an obligation is no longer possible an outflow of resources, then the provision will be canceled by write-back to income.

#### **(o) Subsidies**

Subsidies for assets, including non-monetary subsidies at fair value, are recorded in the accounting as investment subsidies and are recognized in the balance sheet as deferred income. The deferred income is recorded in the profit and loss account statement upon registration of the depreciation expenses or upon the scrapping or disposal of assets.

The subsidies that compensate the Company for the expenses incurred are recognized systematically in the profit or loss account, in the same periods when the expenses are recognized.

#### **(p) Revenues**

##### *Revenues related to Services Supply*

The revenues from the services supply are recognized in the period in which they were provided and in correspondence with the stage of completion.

##### *Income from royalties, rents and interests*

Recognition rules:

- interests are recognized periodically, proportionally, upon generation of the said income, on an accrual basis;
- royalties and rents are recognized on an accrual basis, under the contract;

#### **(q) Financial revenues and expenses**

The financial revenues comprise interest revenues related to the funds invested and other financial income. The interest revenues are recognized in profit or loss of the period, on accrual basis, using the effective interest method.

Financial expenses comprise mainly the expense with currency fluctuations.

#### **(r) Tax**

The corporate tax expenses comprise current tax and deferred tax.

The corporate tax is recognized either in the profit and loss of the period, or outside the profit and loss, in other elements of the global result or straight in the equities.

#### **(i) Current Tax**

Current tax is the tax payable on the profit realized in the current period, determined using tax rates enacted at the reporting date and any adjustment for prior periods.

For the year ended December 31, 2018, the corporate tax rate, under the Fiscal Code, was of 16%.

#### **(ii) Deferred Tax**

The deferred tax is determined by the Company using the balance sheet method for those temporary differences arising between the tax calculation base on assets and liabilities and their book value, used for the individual financial statements reporting.

Deferred tax is calculated using the tax rates that are expected to apply to the temporary differences upon the write-back thereof, under the legislation in force at the reporting date.

Deferred tax- related receivables and liabilities are offset only if there is a legally enforceable right to offset current tax liabilities and receivables and whether they are related to the tax collected by the same tax authority on the same entity subject to taxation, or different tax authorities, but willing to achieve settlement of current receivables and payables by the tax, using a net basis or the related assets and liabilities will be realized simultaneously.

The deferred tax related receivable is recognized by the Company only to the extent where the achievement of future profits is likely to happen, which can be used to cover the tax loss. The deferred tax related receivable is reviewed at the end of each financial year and is reduced to the extent that the related tax benefit is unlikely to be achieved. The additional taxes that arise from the distribution of dividends are recognized, at the same date, with the liability of dividends' payment.

#### **(iii) Tax Exposures**

For the determination of current and deferred tax, the Company takes into account the impact of uncertain tax positions and the possibility of additional taxes and interests. This assessment is based on estimates and assumptions and may involve a series of judgments about the future events. New information may become available, thus causing the Company to change its judgment regarding the accuracy in estimating the existing fiscal liabilities; such changes in tax obligations affect the tax expenses when such determination is made.

#### **(s) Earnings per Share**

The earnings per share is determined by dividing the profit or loss attributable to the Company's ordinary shareholders to the weighted average number of ordinary shares for the period under review.

#### **(t) Segments Reporting**

A segment is a distinct component of the Company that provides certain products or services (business segment) or provides products and services in a particular geographical environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

Conpet has a single reportable segment, namely transport services supply for its clients both via the National Transport System and by railway.

#### **(u) Contingent Assets and Liabilities**

The contingent liabilities are not recognized in the statement of the financial standing and in the profit and loss account. They are disclosed in the notes to these financial statements, except for the possibility of an outflow of resources representing economic benefits is being removed.

A contingent asset is not recognized in the financial statements and in the profit and loss account, but disclosed when an inflow of economic benefits is likely to happen.

#### **(v) Subsequent Events**

The financial statements reflect subsequent events after the year-end, events that provide additional information on the Company's position at the reporting date or those that indicate a possible violation of the going concern principle (events that cause adjustments). Events following the end of the year that are not impairments generating events are disclosed in notes

when they are deemed significant.

**(w) Comparative figures**

The statement of the financial standing for the year ended 31 December, 2018 shows comparability with the statement of the financial standing for the financial year ended December 31, 2017.

**(x) New standards and interpretations**

The following new standards and amendments of the existing standards issued by the Committee for International Accounting Standards (CIAS) and adopted by the European Union (EU) have not yet entered into force for the period of annual financial reporting concluded on December 31<sup>st</sup> 2017 and were not applied when drawing up these financial statements: [IAS 8.30 (a)]:

<b>Standard/Interpretation</b> [IAS 8.31 (a), 8.31(c)]	<b>Nature of imminent amendment of the accounting policy</b> [IAS 8.31 (b)]	<b>Potential impact on the financial statement</b> [IAS 8.31 (e)]
Amendments to IFRS 16 “Leasing Contracts” ( <i>in force for annual periods starting with or after January 1<sup>st</sup> 2019</i> )	The amendments to IFRS 16 aims at the improvement of the financial reporting with regards to the leasing contracts.	The impact of application for the first time of these standards is under assessment.
IFRS 9 Financial instruments –( <i>in force for annual periods starting with or after January 1<sup>st</sup> 2019</i> )	The amendments are meant to clarify the classification of certain financial assets paid in advance when the IFRS 9 is being applied.	The impact of application for the first time of these standards is under assessment.

<b>Standard/Interpretation</b> [IAS 8.31 (a), 8.31(c)]	<b>Nature of imminent modification of accounting policy</b> [IAS 8.31 (b)]	<b>Potential impact on financial statement</b> [IAS 8.31 (e)]
IFRIC 23 “Incertitude related to fiscal treatments” ( <i>in force for annual periods starting with or after January 1<sup>st</sup> 2019</i> )	IFRIC 23 mentions the manner in which the incertitude should be reflected in the accounting related to the corporate tax.	The impact of application for the first time of IFRIC 23 is under assessment
Amendments to IAS 28 “Investment in associated entities and joint ventures” ( <i>in force for annual periods starting with or after January 1<sup>st</sup> 2019</i> )	The objective of the amendments IAS 28 is to clarify that the requirements on depreciation contained in the International Financial Reporting Standard (IFRS) 9 Financial Instruments is being applied to long-term investments in the associated entities and joint ventures.	It is being estimated that the adoption of these amendments will not bear impact on the financial statements as this standard is not applicable on the preparation date of these financial statements.

The following standards and the amendments of the existing standards, issued by the Committee for International Accounting Standards (IASB) and adopted by the European Union (EU) *entered into force in the current period*:

<b>Standard/Interpretation</b> [IAS 8.31 (a), 8.31(c)]	<b>Nature of imminent modification of accounting policy</b> [IAS 8.31 (b)]	<b>Potential impact on financial statement</b> [IAS 8.31 (e)]
<p><i>IFRS 15 Revenues from clients contracts (in force for the annual periods starting or following the date of January 1, 2018)</i></p>	<p>IFRS 15 establishes the general framework to be applied for the recognition of the revenues from a contract concluded with a customer (with limited exceptions), regardless of the type of transaction or industry;</p> <p>The standard establishes five steps to be taken for the recognition of revenues: identification of a contract (contracts) with a customer, identification of execution contracts from a contract, determination of transaction price, allocation of transaction price for execution obligations and recognition of revenue when (or as) the entity fulfils an execution obligation;</p> <p>Also, the standard requirements will be applied for the recognition and evaluation of gains and losses from the sale of certain non-monetary assets which are not the result of the usual entity activity (e.g. sale of tangible and intangible assets);</p> <p>The extended disclosure of information, including the disaggregation of total income, information about execution obligations, modifications of contractual balances of asset accounts and debts between periods, judgements and key estimates, will be provided;</p>	<p>The adoption of IFRS 15 had no impact on the individual financial statements of the year 2018.</p>

<p>Amendments to IFRS 15 Revenues from clients contracts Clarifications to IFRS 15 Revenues from clients contracts <i>(in force for the annual periods starting or following the date of January 1, 2018)</i></p>	<p>The amendments to IFRS 15 have as scope the clarification of the requirements of standard IFRS 15 Revenues from clients contracts, particularly the accounting for identification of the discharge of obligations, amending the formulation of the assets principle "distinctively identifiable", of the considerations with regards to the principal and the attorney-in-fact, here included the evaluation of the fact that an entity acts as attorney-in-fact, as well as the application of the control and licensing principle, supplying additional guidance on the accounting of the intellectual property and the royalties. Also, the clarifications provide practical additional solutions available to the entities that apply the IFRS either completely in retrospect, or choose to apply the amended retrospective approach;</p>	<p>The adoption of IFRS 15 had no impact on the individual financial statements of the year 2018.</p>
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IFRS 9 financial instruments – classification and evaluation <i>(in force for annual periods starting with or after January 1<sup>st</sup> 2018)</i>	IFRS 9 is the standard that replaces IAS 39 financial Instruments: Recognition and evaluation; the Standard introduces new requirements on the classification, assessment, depreciation and the hedge accounting against risks;	The adoption of IFRS 9 had no impact on the financial statements.
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<b>Standard/Interpretation</b> [IAS 8.31 (a), 8.31(c)]	<b>Nature of imminent modification of accounting policy</b> [IAS 8.31 (b)]	<b>Potential impact on financial statement</b> [IAS 8.31 (e)]
Amendments to IFRS 4 "Insurance Contracts" - the application of IFRS 9 financial instruments with IFRS 4 Insurance Contracts ( <i>in force for annual periods starting or following the date of January 1, 2018</i> )	The amendments to IFRS 4 offer the entities that carry out mainly insurance activities the possibility to defer, up to January 1, 2021 the date of entering into force of IFRS 9. Also, the amendments to IFRS 4 allow the entities issuing insurance contracts to remove from the profit or loss a part of the additional accounting incompliances and from temporary volatility that could occur when IFRS 9 is being applied before IFRS 17 (the new standard for the insurance contracts replacing IFRS 4).	The adoption of these amendments of IFRS 4 had no impact over the financial statements, as this standard is not applicable at the date of preparation of these financial statements.
Amendments to IFRS 2 "Payment based on shares" ( <i>in force for annual periods starting or following the date of January 1, 2018</i> )	The amendments to IFRS 2 aim at clarifying the manner in which the companies should apply the standard in certain specific cases.	The adoption of these amendments of IFRS 2 had no impact over the financial statements. The Standard IAS 28 is not applicable at the date of preparation of these financial statements.
The amendments to various standards "Improvements of IFRS (cycle 2014-2016)" resulting from the annual Improvement project of IFRS (IFRS 1 "the adoption for the first time of the financial reporting International Standards" and IAS 28 "Investments in associated entities and joint ventures"- in force for annual periods starting or following the date of January 1, 2018)	The scope of these amendments is to remove the inconsistencies and clarify certain formulations.	The adoption of these amendments had no impact on the financial statements. The Standard IAS 28 is not applicable at the date of preparation of these financial statements.
Amendments to IAS 40 "Investment property" ( <i>in force for annual periods starting or following the date of January 1, 2018</i> )	The scope of these amendments is to bring clarifications in case of reclassification of a real estate on the modification of use.	The adoption of these amendments to IAS 40 had no impact on the financial statements

IFRIC 22 "Transactions in foreign currencies and considerations in advance" – in force for the annual periods starting or following January 1, 2018)	The interpretation brings clarifications in what concerns the accounting of the transactions including the receipt or payment of a consideration in advance in foreign currency.	The adoption of IFRIC 22 had no impact on the financial statements.
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#### **4. Determination of Fair Value**

Certain Company's accounting policies and requests of information supply require the determination of the fair value for financial and non-financial assets and liabilities.

##### Fair value hierarchy

Fair values are multi-level classified in the fair value hierarchy based on the input data used in the assessment techniques, as follows:

Level 1: Prices quoted on active markets for identical assets and liabilities.

Level 2: Input data, other than the prices included at Level 1 containing observable values for assets or liabilities, directly or indirectly.

Level 3: Inputs for assets or liabilities that are not grounded on the data observable on the market. The fair values of the tangible assets have been determined in view of assessment and/or presentation of the information based on the methods described below.

The revaluated value of the lands, buildings and equipment was established beginning from the fair value based on the market method and on the cost using quoted market prices for similar items, when they are available, or the replacement cost when appropriate. The depreciated replacement cost reflects adjustments for physical deterioration, wear and tear, functional and economical obsolescence. The revaluated value of lands, buildings and equipment was determined by authorized appraisers.

Where applicable, additional information regarding the hypothesis used in the determination of fair value are presented in the notes specific to the named asset or liability.

In the following chart are being presented the fair values classified on the 3 level in the hierarchy of fair values, structured on group of tangible assets:

	Level 1	Level 2	Level 3	The fair value at December 31,
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(All amounts are expressed in RON, unless otherwise specified)

				2018
Lands and lands improvement activities	-	-	22,584,099	22,584,099
Buildings	-	-	276,429,871	276,429,871
Machinery and Equipment	-	-	41,396,675	41,396,675
Control and measurement devices	-	-	18,646,625	18,646,625
Vehicles	-	-	9,535,522	9,535,522
Other assets	-	-	2,671,352	2,671,352

	Level 1	Level 2	Level 3	The fair value at December 31, 2017
Lands and lands development activities	-	-	22,584,099	22,584,099
Buildings	-	-	268,859,348	268,859,348
Machinery and Equipment	-	-	45,791,973	45,791,973
Control and measurement devices	-	-	21,688,087	21,688,087
Vehicles	-	-	11,024,008	11,024,008
Other assets	-	-	3,366,872	3,366,872

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## 5. Tangible Assets

During 2018 as compared to 2017 the tangible assets have evolved as follows:

Description	Land and land improvements	Buildings and special installations	Operating oil products	Machinery and equipment	Measurement and control devices	Vehicles	Other tangible assets	Ongoing tangible assets	Total tangible assets
<b>Gross book value at Jan 01, 2018</b>	<b>22,584,099</b>	<b>226,786,502</b>	<b>42,072,846</b>	<b>80,104,803</b>	<b>65,418,061</b>	<b>28,398,221</b>	<b>6,411,128</b>	<b>33,961,299</b>	<b>505,736,959</b>
Cumulated depreciation at Jan 01, 2017	-	-	-	(34,312,830)	(43,729,974)	(17,374,213)	(3,044,256)		(98,461,273)
<b>Net book value at Jan 01, 2018</b>	<b>22,584,099</b>	<b>226,786,502</b>	<b>42,072,846</b>	<b>45,791,973</b>	<b>21,688,087</b>	<b>11,024,008</b>	<b>3,366,872</b>	<b>33,961,299</b>	<b>407,275,686</b>
Tangible assets inputs	-	28,633,404	-	4,616,461	6,799,624	1,703,626	141,786	25,374,144	67,269,045
Tangible assets outputs	-	(203,141)	-	(119,480)	(6,607)	(111,685)	(4,194)	-	(445,107)
Depreciation registered along the year	-	(20,859,740)	-	(8,892,279)	(9,834,479)	(3,080,427)	(833,112)	-	(43,500,037)
<b>Net book value at December 31, 2018</b>	<b>22,584,099</b>	<b>234,357,025</b>	<b>42,072,846</b>	<b>41,396,675</b>	<b>18,646,625</b>	<b>9,535,522</b>	<b>2,671,352</b>	<b>59,335,443</b>	<b>430,599,587</b>
<b>Net book value at Jan 01, 2018</b>	<b>22,584,099</b>	<b>226,786,502</b>	<b>42,072,846</b>	<b>45,791,973</b>	<b>21,688,087</b>	<b>11,024,008</b>	<b>3,366,872</b>	<b>33,961,299</b>	<b>407,275,686</b>
<b>Net book value at December 31, 2018</b>	<b>22,584,099</b>	<b>234,357,025</b>	<b>42,072,846</b>	<b>41,396,675</b>	<b>18,646,625</b>	<b>9,535,522</b>	<b>2,671,352</b>	<b>59,335,443</b>	<b>430,599,587</b>
<b>Difference</b>	<b>-</b>	<b>7,570,523</b>	<b>-</b>	<b>(4,395,298)</b>	<b>(3,041,462)</b>	<b>(1,488,486)</b>	<b>(695,520)</b>	<b>25,374,144</b>	<b>23,323,901</b>

Description	Land and land improvements	Buildings and special installations	Operating oil products	Machinery and equipment	Measurement and control devices	Vehicles	Other tangible assets	Ongoing tangible assets	Total tangible assets
<b>Gross book value – balance at Jan 01, 2017</b>	<b>22,474,438</b>	<b>262,421,566</b>	<b>42,493,011</b>	<b>77,549,735</b>	<b>62,961,842</b>	<b>26,056,781</b>	<b>5,886,037</b>	<b>16,063,567</b>	<b>515,906,977</b>

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<b>Cumulated depreciation at Jan 01, 2016</b>	-	(37,580,696)	-	(25,745,765)	(32,275,610)	(14,554,479)	(2,212,363)	-	(112,368,913)
<b>Adjustments for assets depreciation</b>	-	-	-	-	-	-	-	(69,191)	(69,191)
<b>Net book value – balance as at Jan 01, 2017</b>	<b>22,474,438</b>	<b>224,840,870</b>	<b>42,493,011</b>	<b>51,803,970</b>	<b>30,686,232</b>	<b>11,502,302</b>	<b>3,673,674</b>	<b>15,994,376</b>	<b>403,468,873</b>
Tangible assets inputs	-	21,673,280	-	3,231,773	2,881,853	2,425,102	554,723	17,974,050	<b>48,740,781</b>
Scraping from ongoing tangible assets and other outputs	-	-	-	-	-	-	-	(76,318)	(76,318)
Tangible assets outputs	-	(2,417,006)	(420,165)	(148,118)	(106)	-	(1,121)	-	<b>(2,986,516)</b>
Depreciation registered along the year	-	(18,938,207)	-	(9,095,652)	(11,879,892)	(2,903,396)	(860,404)	-	<b>(43,677,551)</b>
Adjustments for the depreciation of the tangible assets written-back as income	-	-	-	-	-	-	-	69,191	<b>69,191</b>
Revaluation increases	1,101,080	2,170,807	-	-	-	-	-	-	<b>3,271,887</b>
Revaluation decreases	(991,419)	(543,242)	-	-	-	-	-	-	<b>(1,534,661)</b>
<b>Net book value at Dec 31, 2017</b>	<b>22,584,099</b>	<b>226,786,502</b>	<b>42,072,846</b>	<b>45,791,973</b>	<b>21,688,087</b>	<b>11,024,008</b>	<b>3,366,872</b>	<b>33,961,299</b>	<b>407,275,686</b>
<b>Net book value – balance as at Jan 1, 2017</b>	<b>22,474,438</b>	<b>224,840,870</b>	<b>42,493,011</b>	<b>51,803,970</b>	<b>30,686,232</b>	<b>11,502,302</b>	<b>3,673,674</b>	<b>15,994,376</b>	<b>403,468,873</b>
<b>Net book value at December 31, 2017</b>	<b>22,584,099</b>	<b>226,786,502</b>	<b>42,072,846</b>	<b>45,791,973</b>	<b>21,688,087</b>	<b>11,024,008</b>	<b>3,366,872</b>	<b>33,961,299</b>	<b>407,275,686</b>
<b>Difference</b>	<b>109,661</b>	<b>1,945,632</b>	<b>(420,165)</b>	<b>(6,011,997)</b>	<b>(8,998,145)</b>	<b>(478,294)</b>	<b>(306,802)</b>	<b>17,966,923</b>	<b>3,806,813</b>

At 31.12.2018 the net value of the tangible assets has increased as compared to the end of 2017, by the amount of 23,323,901 RON.

During 2018 have been registered inputs of tangible assets in amount of 67,269,045 RON, outputs at the remaining value of 445,107 RON and the amortization of the tangible assets in 2018 was in amount of 43,500,037 RON. The tangible assets put into operation in 2018 were of 41,894,901 RON. The lands held by the Company are located in Ploiesti at the company's corporate offices and in the 24 counties covered by the transport pipelines or where are being located the crude oil tanks loading ramps.

The Company CONPET S.A.

Explanatory notes to the financial statements for the year ended, December 31, 2018

(All amounts are expressed in RON, unless otherwise specified)

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At 31.12.2018, CONPET has recorded in the company patrimony lands in surface of 733,649 sqm with a fair value amounting to 22,584,099 RON, namely:

- 554,538 sqm represent lands held under 48 Certificates of ownership obtained during 2001-2005, appraised on the date of acquiring the certificates, in accordance with GD 834/1991 *on the establishment and appraisal of some lands owned by the state-owned companies*, at the value of 26,255,918 RON. These lands have been recognized in the company's Patrimony based on other equity reserves, without augmentation of the share capital by the value inscribed in the land ownership certificates. At 31.12.2018 the fair value of these lands amounts to 12,348,115 RON;
- 155,411 sqm represent lands related to a number of 14 Ownership Certificates obtained until 2001, which are registered in the share capital. On December 31, 2017, the fair value of these lands is in amount of 3,144,984 RON;
- 23,700 sqm represent lands acquired by the Company upon several sale-purchase contracts. A part of the owned lands is related to the corporate offices in Ploiesti City and on the other procured lands are placed telecommunication towers located in different sites over the country. At 31.12.2018 the fair value of these lands amounts to 7,091,000 RON.

The tangible assets also include the oil operating product. The oil product is being assessed in the statement of the financial standing at the cost determined from the revaluation performed as per GD no.26 of January 22, 1992, restated by the application of IAS 29 "financial reporting in the hyperinflationary economies". The effect of retreats can be noticed in the table below:

<b>Operating oil product</b>	<b>31 December 2018</b>	<b>31 December 2017</b>
The value of the oil operating product at cost	254,549	254,549
Differences related to the restatement as per IAS 29	41,818,297	41,818,297
<b>Balance of the operating oil product</b>	<b>42,072,846</b>	<b>42,072,846</b>

#### *Tangible Assets in Progress*

Along 2018, the Company has executed tangible assets investment works, in view of replacing of certain sections of pipelines on various distances, crude oil pipelines commissioning works at the rivers undercrossing and crossings, tanks modernizations, loading ramps modernization, modernization pumping system in various stations, pipeline in-line inspections, modernization of the vibration and temperature monitoring system, external lightening installations, modernization and monitoring of cathodic protection stations, water supply, as well as modernizations related to the telecommunications system pursuant to the approved "2018 Investment Program".

#### *The Revaluation out of Tangible Assets*

After the initial recognition the tangible assets are being revaluated. The tangible assets for which the company has adopted the permitted alternative treatment, namely that have been revaluated, are being revealed in the financial statements at the reassessed value representing the fair value on the revaluation time, less the ulterior amortization cumulated and the subsequent depreciation losses. The revaluations have been performed with sufficient regularity, at least once at 3 years, the most recent reassessment being at 31.12.2017. At that date there have been evaluated, by SC EAST BRIDGE Bucuresti, the goods contained in group I – buildings and lands in the company's patrimony.

The fair value at 31.12.2018 resulting from the reassessment report, emphasized by the reassessed value reveals the followings:

Crt.no.	Class	Value at 31.12.2017	Value at 31.12.2018	Amendment during the year
1	Lands	22,584,099	22,584,099	-
2	Buildings	226,786,502	206,507,581	(20,278,921)
	TOTAL	249,370,601	229,091,680	(20,278,921)

## 6. Intangible Assets

In 2018, as compared to 2017, the intangible assets have evolved as such:

## STATEMENT OF THE PERSONS IN CHARGE

**WITHIN CONPET S.A., in compliance with the provisions  
of Art. 30 of the Accountancy Law no. 82/1991 and art. 63 of Law no. 24/2017 regarding the issuers  
of financial instruments and market operations;**

There were drafted the financial statements at the date and for the year ended **31.12.2018** for:

Entity	CONPET SA
County	29 - PRAHOVA
Address	Ploiești No. 1-3, Anul 1848 Street
Trade Register Number	J29/6/1991
Type of ownership	26 - Publicly and privately owned companies with domestic and foreign capital
Main activity (NACE code)	4950 - Transport via pipelines
Tax Registration Number	1350020

The undersigned: Timur - Vasile Chiș, as Director General and Sanda Toader, as Economic Director are liable for the drafting of the annual financial statements at **31.12.2018** and confirm that:

- a) The accounting policies used in preparing the annual financial statements are in accordance with the accounting regulations in force at the reporting date 31.12.2018;
- b) The annual financial statements present fairly the financial position, financial performance and other information related to the conducted business;
- c) The company operates under going concern conditions;
- d) The annual financial statements give a fair and accurate image in accordance with the assets, liabilities, financial position, profit or account of the company and the administrator's report includes a fair analysis of the development and performance of the company, as well as a description of the main risks and uncertainties specific to the conducted business.

**Director General  
PhD. Eng. Timur-Vasile Chiș**

**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 mollusks',  
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 sequestrate 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) Fulfils 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/endorses the protocols regarding the results of the goods inventory out of the company's Assets/the State's public property; approves/endorses 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 /endorses 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 latters 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 18.12.2018 following the amendments approved pursuant to the EGMS no. 1/ 18.12.2018, grounded on the Articles of Incorporation updated at 28.08.2018 and was concluded and signed in 3 (three) original counterparts.

**CHAIRMAN OF THE BOARD OF ADMINISTRATION**  
Cristian-Florin GHEORGHE

Legal Department  
Cornel BĂNICĂ

GMS Secretariat  
Adina Modoran  
Alina Petrescu  
Andreea Rusu

**THE MINISTRY OF JUSTICE – NATIONAL TRADE REGISTER OFFICE THE TRADE  
REGISTRY OFFICE attached to PRAHOVA LAW COURT**

Tax Registration Number

**1350020**

Under number in the the Trade Registry  
Office J29/6/1991

**Sole indicator at European level**  
ROONRC J29f6/1991

Copy no: 1

**CERTIFICATE  
OF RECORDED AMENDMENTS**

Amendment no. 88666 of 19.12.2018 on registration of amendment of the Articles of Incorporation  
of

**CONPET SA**

included in the Resolution of the Extraordinary General Meeting of Shareholders no.1/18.12.2018 is  
recorded in the Trade Office on the date of 20.12.2018 on the resolution no.22344/20.12.2018.

*Date of issue:* 21.12.2018

*Annexes:* Resolution

Code 11-10 -136

*Director,*  
***Ilina SIMIONESCU***

J29/6/1991 EUID-  
ROONRC.J29/6/1991  
CUI - 1350020

**ROMANIA**  
**MINISTRY OF JUSTICE**  
**NATIONAL TRADE REGISTER OFFICE**  
**THE TRADE REGISTRY OFFICE attached to PRAHOVA LAW**  
**COURT File no.88666/19.12.2018**  
**RESOLUTION no. 22334/20.12.2018**  
**Pronounced in the meeting dated: 20.12.2018**

ZAHARIA MAGDALENA - DESIGNATED PERSON according to EGO nr.116/2009, approved with amendments and completions by Law no.84/2010, by Decision no. 477 dated 26.06.2017 of the Director general of the National Trade Registry Office

Pending the settlement of the request for registration nr.88666 dated 12.19.2018 for Conpet SA, tax registration number: 1350020, registered at the Trade Registry Office: under no. J29/6/1991, unique identifier at European level: ROONRC.J29/6/1991.

**PERSON APPOINTED**

On the application

for:

By the application registered under no. 88666 dated 19.12.2018 has requested registration in the trade register of some amendments related to: code object of activity, other entries.

In support of the application there were submitted the documents mentioned in the application for registration.

Examining the above documents, THE PERSON APPOINTED, noting that the legal requirements are met, in accordance with Art.1,2 and 6 of EGO 116/2009, approved with amendments and completions by Law no. 84/2010, further amendments, Law no. 31/1990, republished with subsequent amendments and completions, Law no.26/1990 republished, as amended and supplemented, and Law 359/2004 subsequent amendments and completions, shall admit this application regarding registration in the trade register office of the amendments required.

**FOR THESE REASONS, UNDER THE LAW SHALL DISPOSE**

Admits the registration application as it was formulated and disposes registration in the Trade Registry of the mentions about: code object of activity, other mentions, according to: the Resolution of the Extraordinary General Meeting of Shareholders no.1/18.12.2018; submission of the Articles of Incorporation updated.

Disposes the publishing in the Official Gazette of Romania, Part IV, of the following acts: Resolution of the extraordinary general meeting of the shareholders no.1 of 18.12.2018 and notification on the submission at the Trade Register of the updated Articles of Incorporation.

Enforceable de jure.

With the right of complaint, within 15 days at the Prahova Tribunal under art. 6 para. 3- 5 and the following of EGO no. 116/2009, approved with amendments and completions by Law no.84/2010, further amendments.

Pronounced in the meeting dated:

**DESIGNATED PERSON, ZAHARIA MAGDALENA**

Referent/Redactat: C.V.

3 ex.

Data: 20.12.2018

					<b>Annex no. 2</b>
<b><u>List of the procurement contracts concluded by the company in 2018 (with values higher than 100,000 RON)</u></b>					
Crt. no.	Contract number	Contract Date	Partner	Contract Scope	Value of the contract (RON, VAT excluded)
1	2018/P-CA 682	11-DEC-18	QUALITY BUSINESS SOLUTIONS SRL	Design, supply, configuration and deployment of security Ethernet services provided by the multiplexer ECI NPT network	8,961,240.00
2	2018/L-CA 482	15-OCT-18	TALPAC SRL	Replacement of the Ø 14 C2 -C3 crude oil pipeline, on 8 sections in Balta Ialomitei area, Ialomita County, on a length of approximately 4037 m	4,894,516.28
3	2018/L-CA 666	27-NOV-18	PRODREP STAR SRL	Replacement of the 10, 3/4, F1+F2 crude oil pipeline Siliste - Ploiesti, L=2x3481 m, Ilfov-Padure Iuda area, Racovita valley, Habeni-Comisani, Mija - proposed work areas: communes Nucet, Bucsani, Comisani, Caragiale Dambovita County	4,695,467.79
4	2018/P-CA 337	29-JUN-18	TINMAR ENERGY S.A.	Electricity Supply Batch 1	4,543,115.92
5	2018/L-CA 691	13-DEC-18	BALTUR SIB SRL SIBIU	Thermal power station for producing steam generation, used in the automatic crude oil station and in the discharge automated ramp Barbatesti	4,457,922.70
6	2018/P-CA 176	30-MAR-18	OMV PETROM MARKETING	Fuel supply by Card system	3,925,600.00
7	2018/L-CA 399	22-AUG-18	CONSTRUCTII FEROVIARE DRUMURI ȘI PODURI	Safe disposal of the Argeș river aerial crossing Rătești area, Arges County	3,517,448.78

8	2018/L-CA 400	22-AUG-18	CONSTRUCTII FEROVIARE DRUMURI ȘI PODURI	Hydrotechnical works for safe disposal of Prahova river aerial crossing by CONPET S.A. pipeline - Intervention works - in progress - for the safe disposal of the metal piles supporting Prahova river aerial crossing , Stejaru area, Brazi commune, of the crude oil major transport pipelines 12 3/4" and 14 3/4"	2,620,573.97
9	2018/L-CA 463	05-OCT-18	ELCAS PRODIMPEX SRL	Execution works for lot of 16 SPC's (cathodic protection stations), within the project of modernization and cathodic protection system monitoring, central and district level for the crude oil transport system domestic and import	2,458,900.39
10	2018/L-CA 171	27-MAR-18	CONSTRUCTII FEROVIARE DRUMURI ȘI PODURI	Safety disposal works for Prahova aerial river crossing, Stejaru area	2,447,421.06
11	2018/L-CA 325	12-JUN-18	TALPAC SRL	Execution works BATCH 3 for replacement of the crude oil pipeline F2 Radinesti - Orlesti, valve area Olteanca river - Batar point, Olteanca, Glavile and Aninoasa territory, Valcea county, approx. 3000 m	2,316,125.34
12	2018/P-CA 174	30-MAR-18	PREMIER ENERGY SRL	Natural Gas Supply (approx. 17,700 MWh; 87.50 RON/MWh)	2,232,091.67
13	2018/P-CA 714	20-DEC-18	PREMIER ENERGY SRL	Natural Gas Supply consumption points CONPET 25.12.2018 - 24.04.2019; approx. 11,130 MWh; 124.85 RON/MWh	1,796,904.94
14	2018/P-CA 339	29-JUN-18	TINMAR ENERGY S.A.	Electricity Supply Batch 3	1,515,659.26
15	2018/S-CA 29	31-JAN-18	REVA SA	Repairs and planned overhaul RP-CIR (with container intervention + revision CIR) at 38 carriages of 60 cubic meter for crude oil transport , RP-FIR (without intervention on the container) at 3 wagons for rich gas transport, ISCIR maintenance at two crude oil transport wagons and one rich gas transport wagon and replacement of 88 used axle to 41 wagons	1,432,500.00
16	2018/L-CA 318	04-JUN-18	TALPAC SRL	Replacement of crude oil transport pipeline 24" Constanta - Midia, in Navodari bridge area - starting of aerial route in lenght of 405 m (BATCH 2)	1,265,122.18
17	2018/P-CA 338	29-JUN-18	TINMAR ENERGY S.A.	Electricity Supply Batch 2	1,120,909.65

18	2018/L-CA 374	18-JUL-18	PRODREP STAR SRL	Execution of replacing works related to the crude oil pipelines 12 "and 14" Cartojani-Ploiesti in Crivat-Catunu area, on a length of approx. 550 m + 30 m from the under-crossing horizontal drilling DN1 Bucharest-Ploiesti, Cornesti commune, Dambovita county	1,105,902.83
19	2018/P-CA 669	29-NOV-18	MAGUAY COMPUTERS SRL	Supply of computing, type laptop and desktop	977,550.00
20	2018/L-CA 327	15-JUN-18	INVEST GENERAL CONSTRUCT SRL	BATCH 1 Execution works of pipeline replacement 10 3/4 Ghercesti - Icoana - Cartojani, sections: SPC Barla, Arges, 850 m, agricultural land Birla-Mirosi, Arges, 2400 m and agricultural land Negreni-Clanita village, TL, approx. 1500 m - area proposed for agricultural land works Negreni-Clanita village, TL, approx. 1500 m	965,553.08
21	2018/S-CA 718	31-DEC-18	LIN SCAN ADVANCED PIPELINES & TANKS SERVICES	Internal inspection services - expertise to crude oil transport pipeline 28 Constanta-Baraganu and development of reports related to the inspection	920,000.00
22	2018/L-CA 75	22-FEB-18	PROEX. TOP SRL	Modernization works on PSI tank with capacity of approx. 1100 cubic meters within Calareti pumping station	748,445.81
23	2018/L-CA 72	19-FEB-18	GAZPET INSTAL SRL PLOIESTI	Safety disposal works of undercrossing the crude oil transport pipelines 12 3/4 and 14 3/4 Cartojani-Ploiesti, of Ciorogarla river in Brezoaiele locality area Dambovita County	740,391.14
24	2018/L-CA 698	18-DEC-18	PRODREP STAR SRL	Execution of works for the objectives: A. Replacement of crude oil pipeline 10 3/4 F1 Ticleni-Ploiesti, in the area of Scaiosi locality, in the administrative territory of Orlesti commune, Valcea county, 300 m from SPC Scaiosi further to the eastern limit of the animal farm; B. replacement of crude oil pipeline 10 3/4 Orlesti-Ploiesti (Brazi Refinery), near Scaiosi locality in the administrative territory of Orlesti commune Valcea county, 300 m from the cutoff valve located in the right SPC Scaiosi continuing to the East limit of the animal farm.	712,766.47
25	2018/L-CA 183	10-APR-18	MOBIL INDUSTRIAL AG SRL	Design and execution works Modernization of monitoring system of vibrations from Calareti and Constanta South automated stations	592,350.26

26	2018/L-CA 711	20-DEC-18	GAZPET INSTAL SRL PLOIESTI	Execution of works for replacement of crude oil pipeline connection Izvoru 1250 m with exterior diameter of 4 1/2 from the crude oil transport pipeline connection Izvoru 6 5/8 + 14 1/2 Izvoru station Arges county with the identification of a new route to avoid deviations made by the old pipeline simplified (BATCH 2)	510,211.52
27	2018/L-CA 390	07-AUG-18	GAZPET INSTAL SRL PLOIESTI	Works for securing undercrossing no. 2 to pipeline 10 3/4 "Potlogi - P.F. Arges, Sabar river, Gaiseni locality, Giurgiu county, lenght 350 m	491,415.25
28	2018/S-CA 91	07-MAR-18	SERVICE IMPLEMENTARE PRODUCTIE SA	Certification/recertification services for the preparation of the periodic review documentation in terms Ex	479,380.00
29	2018/P-CA 506	24-OCT-18	DENDRIO SOLUTIONS SRL	Supply of Microsoft Enterprise Agreement Renewal licences	476,216.40
30	2018/P-CA 12	16-IAN-18	DIOGHENIS INTERNATIONAL SRL	Delivery, installation, authorization and commissioning 8 tf crane at Constanta Sud automatic pumping station	466,000.00
31	2018/L-CA 33	08-FEB-18	PRODREP MG S.R.L.	Replacement works crude oil pipeline 10 3/4 F1 and F2 Siliste-Ploiesti, in the undercrossing DN71 Baldana-Targoviste-Sinaia, Cazaci locality, DB county, lenght approx. 360 m on each line	462,167.66
32	2018/P-CA 690	13-DEC-18	PHILRO INDUSTRIAL SRL	Railway wagons weighing system in ramp Moinesti	438,500.00
33	2018/S-CA 510	30-OCT-18	SERVICE FAUR SRL	RR planned repair at locomotive LDH 92530810789-3 - BATCH 2	429,995.00
34	2018/L-CA 419	10-SEP-18	GAZPET INSTAL SRL PLOIESTI	Execution of replacement works related to the crude oil pipeline 10 3/4 F1 Orlesti-Poiana Lacului, 259 m, Islaz Negrea - POiana lacului area Arges County	406,579.60
35	2018/L-CA-CD 695	17-DEC-18	PETROCONSTRUCT GROUP SRL	Interior platforms works Constanta headquarters	405,010.10
36	2018/S-CA 500	22-OCT-18	SNIF PROIECT SA	Design for Replacement of the 14" Baraganu-Calareti crude oil pipeline F2 resulting from intelligent pigging (in sections) in a length of 15,972 m by adjusting the estimated coefficient greater than 0.8	400,000.00
37	2018/S-CA 509	10-OCT-18	SERVICE FAUR SRL	RG planned repair to locomotive LDH 92530810790-1, BATCH 1	399,964.00
38	2018/S-CA 393	20-AUG-18	SERVICE FAUR SRL	RG planned repair to locomotive LDH 92530850130-1, BATCH 2	352,745.67

39	2018/L-CA-CD 161	21-MAR-18	INVEST GENERAL CONSTRUCT SRL	Replacement of crude oil transport pipeline 10 3/4 "F2 Icoana - Cartojani in length of 300 m, in Dia forest area , Raca locality, county Arges	350,451.96
40	2018/L-CA 328	18-JUN-18	TALPAC SRL	Replacement works related to the crude oil transport pipeline section 10 3/4" F1 Barbatesti-Orlesti in Becsani area - right bank of Cerna river, Fărtătesti commune, county Valcea, 500 m from Suvar garden - V.S. Right bank of Cerna river (BATCH 1)	348,027.15
41	2018/S-CA 709	19-DEC-18	ALLIANZ TIRIAC ASIGURARI S.A.	Voluntary health insurance services for CONPET SA employees	331,267.44
42	2018/S-CA 394	20-AUG-18	SERVICE FAUR SRL	RR planned repair to locomotive LDH 92530850131-9, BATCH 4	325,825.00
43	2018/P-CA 53	12-FEB-18	PH FILTRE 2001 SRL	Supply system of nitrogen production for the preservation of pipelines/equipment	305,000.00
44	2018/P-CA 18	18-IAN-18	FABI TOTAL GRUP	Providing sanitary and hygiene materials: soaps (Batch 1)	268,922.88
45	2018/S-CA 28	31-JAN-18	OMNIASIG VIENNA INSURANCE GROUP SA	CASCO facultative insurance services for the motor vehicles, machinery and installations belonging to CONPET SA	249,093.00
46	2018/P-CA 672	05-DEC-18	ARTSANI COM SRL PLOIESTI UNIOR-TEPID SRL KAUF ELECTROMEISTER	FRAMEWORK AGREEMENT for supply inventory for technical services: tools, devices and various tools	245,100.00
47	2018/P-CA 434	01-OCT-18	ARTSANI COM SRL PLOIESTI KAUF ELECTROMEISTER SWISO ELECTRIC SRL ROWATT INSTAL	FRAMEWORK AGREEMENT - Supply of materials and equipments for electrical installation	244,150.00
48	2018/S-CA 671	03-DEC-18	DARIUS MOTORS SRL	Maintenance for vehicles Volkswagen brand from CONPET SA Ploiesti fleet	240,000.00
49	2018/S-CA 97	15-MAR-18	ANDEX IMPORT EXPORT	Collection, transport and temporary storage for recovery/disposal of hazardous wastes as PARAFFIN	230,881.35
50	2018/L-CA 329	18-JUN-18	GAZPET INSTAL SRL PLOIESTI	Execution of works LOT 2 - implementing safe pipe 4 '10 3/4 Izvoru-connection icon-Cartojani in the river Teleorman	199,805.33
51	2018/L-CA-CD 179	02-APR-18	CTS CONSOLIDATED TECHNICAL SUPPLIES SRL	Projection + execution of Automation Modernization of the 500 cubic meter tank from Constanta pumping station, BATCH 2	198,935.00

52	2018/S-CA 188	18-APR-18	UTI GRUP SA	Maintenance, repair and replacement of components to security systems installed at Stations Baraganu, calareti, Orlesti, Poiana Lacului, Siliste, Icoana, Cartojani, Barbatesti Ramp, Barbatesti Warehouse, Constanta Sector and the Constanta Sud Station	193,014.08
53	2018/S-CA 194	19-APR-18	ORANGE ROMANIA	Electronic telecommunications services	191,712.00
54	2018/S-CA 341	02-JUL-18	SNIF PROIECT SA	Design for "1. Replacement of the Ø10" Icoana - Cartojani crude oil pipeline in lenght of 4000 m in the Bucov forest area , Râca locality, county Arges, 2. Replacement of the Ø10" Icoana - Cartojani crude oil pipeline in lenght of 1500 m in the Plescara forest area , Mirosi locality, county Arges, (BATCH 1)"	186,000.00
55	2018/S-CA 673	05-DEC-18	SERVICE AUTO SERUS SRL	Maintenanace for vehicles DACIA brand from CONPET SA PLOIESTI fleet	180,000.00
56	2018/P-CA 420	10-SEP-18	DINAMIC CONSULT SRL Ploiesti CRYSTAL SERV SRL	FRAMEWORK AGREEMENT Supply of materials and spare parts for pumps	157,000.00
57	2018/P-CA 417	06-SEP-18	DINAMIC CONSULT SRL Ploiesti ARTSANI COM SRL PLOIESTI	FRAMEWORK AGREEMENT Supply of materials for construction	156,900.00
58	2018/P-CA 19	18-JAN-18	FABI TOTAL GRUP	Supply of health and hygiene materials - towels (BATCH 2)	156,150.00
59	2018/S-CA 397	20-AUG-18	RIA ENGINEERING & CONSULTING SRL	Services for PT development for crude oil pumping system modernization from Mislea pumping station, County Prahova and Modernization of crude oil pumping system, Teis station, county Dambovita	153,840.00
60	2018/S-CA 326	15-JUN-18	BAUMARC PROIECT SRL	Buildings technical expertise services within the program of rehabilitation of buildings of CONPET (Calareti, Biled, Baicoi, Constanta Sud, Urlati)	140,000.00
61	2018/P-CA 386	01-AUG-18	TERMOPROT SRL	Supply of synthetic concentrate foam solution	139,480.00

62	2018/S-CA 600	21-NOV-18	SNIF PROIECT SA	Design for "Replacement of Lucacesti-Verhesti Ø8 5/8" crude oil pipeline section, Lucacesti station - Magura hill in lenght of approx. 2 km + connection towards crude oil loading ramp Moinesti of 6" 700 linear meters	130,000.00
63	2018/S-CA - 676	06-DEC-18	PERFECT JOURNEY SRL	Tourism services - supply of plane tickets, issue of medical insurances, bookings, contracting of hotel accomodation	130,000.00
64	2018/P-CA-CD 422	13-SEP-18	BEST TERMOINSTAL SRL	Supply and installation of chiller for building central dispatching equipment CONPET SA Ploiesti	125,000.00
65	2018/P-CA-CD 335	29-JUN-18	CUMPANA 1993 SRL	Supply of plain water 19 liters gallon	116,697.60
66	2018/P-CA 416	06-SEP-18	VASTRUM TRANSCOM SRL DINAMIC CONSULT SRL Ploiesti	FRAMEWORK AGREEMENT Supply of rolled and assembly components	115,236.10
67	2018/L-CA-CD 566	08-NOV-18	ANANBI INTERCONS SRL	Restoration fencing Urlati pumping station, Prahova County	107,000.00
68	2018/P-CA 670	03-DEC-18	A&G SRL PLOIESTI MOL ROMANIA PETROLEUM PRODUCTS SRL	FRAMEWORK AGREEMENT - supply of oil, greases and lubricants for technological installations and fleet	103,450.00
69	2018/S-CA - CD 64	14-FEB-18	GRUPUL DE PRESA ROMAN SRL	Mass media advertising, central newspaper, publication of small and big publicity advertisments	100,000.00

**Important revenues contracts concluded in 2018**

Crt. no.	Contract number	Contract Date	Partner	Scope of the Contract	Value of the contract (RON, VAT excluded)
1	2018/ BC 27	29-JAN-18	SC OMV PETROM SA	Crude oil, rich gas and ethane transport	296,921,204.85
2	2018/ BC 681	11-DEC-18	SC PETROTEL LUKOIL SA	Import crude oil transport- LUKOIL	69,562,974.00

3	2018/BC LUK CF 181	03-APR- 18	SC PETROTEL LUKOIL SA	Crude oil and condensate transport by rail	3,222,934.00
4	2018/ BC 689	13-DEC- 18	SC ROMPETROL RAFINARE CONSTANTA SA	Import crude oil transport- PETROMIDIA	2,160,000.00
5	2018/BC LUK CF 717	31-DEC- 18	SC PETROTEL LUKOIL SA		674,960.00

**Curriculum vitae**  
Europass

**Personal information**

First and Last Name  
Gender

**Cristian-Florin GHEORGHE**

Male

**Work experience**

2017 - Present

**Higher Counsellor**

Ministry of Energy  
202E, Independenței Drive, 6<sup>th</sup> district, postal code 060021  
Bucharest, Romania  
Advising the Minister about certain aspects related to the set of activities regarding energy products

**Member in the Board of the company OIL TERMINAL S.A.**

**Chairman of the Board**

Company Oil Terminal S.A.  
2, Caraiman Street, postal code 900117, Constanța (Romania),  
[www.oil-terminal.com](http://www.oil-terminal.com)

Management of the company activity

Activity type or field: Handling – performing the services providing related to the reception, loading, unloading of crude oil, oil products, petrochemical and chemical products and other finite products or liquid raw materials for import, export and transit.

2017

**Counsellor**

Ministry of Energy  
202E, Independenței Drive, 6<sup>th</sup> district, postal code 060021  
Bucharest, Romania

Advising the Minister about certain aspects related to the set of activities regarding energy products

2015-2016

**Member in the Board of the company OIL TERMINAL S.A.**

**Chairman of the Board of Audit**

Company Oil Terminal S.A.  
2, Caraiman Street, postal code 900117, Constanța (Romania),  
[www.oil-terminal.com](http://www.oil-terminal.com)

Coordination of the Audit committee

Activity type or field: Handling – performing the services providing related to the reception, loading, unloading of crude oil, oil products, petrochemical and chemical products and other finite products or liquid raw materials for import, export and transit.

2016-2017

**General Manager**

Company S.C. BENECAR AUTO SRL

25, Ion Sian Street, Voluntari

Activity type or field: Commerce with motor parts

2013-2016	<b>Parliamentary Counsellor – Lower Parliament Chamber</b> Parliament Palace, 2-4, Izvor Street, 5 <sup>th</sup> district, postal code 050563 Bucharest (Romania) <a href="http://www.cdep.ro">www.cdep.ro</a>
2011-2017	Parliamentary Counsellor for environment issues <b>General Manager</b> Company S.C. AS PETROL RECYCLE SRL 26, Doamna Ghica Street, 2 <sup>nd</sup> district, postal code 022837 Bucharest (Romania) Activity type or field: Treatment and elimination of oil residues and dangerous waste
2008-2014	<b>Marketing Manager</b> Company S.C. EURO METAL TRADING SRL 39, Făgetului Street, Constanța, Operation Point Bucharest Management and coordination of the activities related to the foreign trade with ferrous waste Activity type or field: Collecting and valorisation of DEEE waste and electric and electronic waste, home appliance waste, electric cables, conductors and motor cabling, electric devices, etc.
2006-2008	<b>Marketing Manager</b> Company S.C. AS METAL TRADING SRL 104G, Berceni Road, 4 <sup>th</sup> district, postal code 41836 Bucharest (Romania) Management of the executive activity of the company Activity type or field: Recovery and processing of ferrous and non-ferrous waste
2004	<b>General Manager</b> Company S.C. AVIS CONSULTING SRL 26, Doamna Ghica Street, 2 <sup>nd</sup> district, postal code 022837 Bucharest (Romania) Activity type of field: Human Resources recruitment
2000-2003	<b>Marketing Manager</b> Company S.C. AR METAL TRADING SRL 104G, Berceni Road, 4 <sup>th</sup> district, postal code 41836 Bucharest (Romania) Activity type of field: Recovery and processing of ferrous and non-ferrous waste

#### Education and training

01/11/2017	<b>Prince2 – Foundation Certificate in Project Management</b> Global Best Practice <a href="http://www.axelos.com">www.axelos.com</a>
13/02/2014	<b>Specialist in waste management</b> Association Centre for Professional Training and Regional Development Constanța (Romania)
12/08/2012	<b>Environment Protection Technician (Ecologist Technician)</b> Association Centre for Professional Training and Regional Development Constanța (Romania)

2000	<b>Engineer in the domain BUSINESS ENGINEERING</b> University BIOTERRA – Faculty of Engineering and Agrotouristic Management Bucharest (Romania)
1993	<b>Industrial School Group METALOGLOBUS</b> Bucharest (Romania)

**Personal skills and competencies**

Mother tongue **Romanian (written and spoken at experienced level)**

Foreign languages  
Self-assessment

**English**

	Understanding		Speaking		Writing
	Listening	Reading	Interaction	Oral discourse	Written expression
<b>English</b>	B1	B1	B1	B1	B1

B1 Level – Independent User

Common European Framework of Reference for Languages

**Communication skills and competencies**  
Excellent communication skills, competencies of management and negotiation as a result of my experience;

Team spirit;

Able to create and implement high standards within a company;

Rigour, creativity, patience and professionalism;

Commitment to the work executed;

**Organisational / Abilities to lead and organise big teams of persons;  
managerial skills and competencies**  
Able of implement beneficial changes in a company...

**Digital skills** **SELF-ASSESSMENT**

Information processing	Communication	Content creation	Safety	Problem solving
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Experienced user Experienced user Experienced user Experienced user Experienced user

Digital competences - Self-assessment grid

**Driving licence Category B**

*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.**



## Curriculum Vitae

### PERSONAL INFORMATION

Name                   Popa Claudiu Aurelian;

Address

Civil status:

Telephone

E-mail:

Nationality

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 – IA EXPERT
2. **15 January 2014 – AFC ASTRA GIURGIU**  
LEGAL ADVISOR
3. **1 July 2013 – SC RAPID BUCHAREST**  
GENERAL DIRECTOR (6 months)
4. **1 July 2010 – PROFESSIONAL FOOTBALL LEAGUE**  
DIRECTOR – COMPETITIONS DEPARTMENT AND LEGAL DEPARTMENT (2 years  
and 6 months)  
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;
- Management positions in AVAS and APAPS (Authority for privatization and administration for State's Participation

**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 during 2005-2008 of:
  - S.C. NITROFERTILIZER S.A. Făgăraş;
  - S.C. NITROEXPLOSIVE S.A. Făgăraş;
  - S.C. NITROSERVICE S.A. Făgăraş;
  - S.C. NITROTRANS S.A. Făgăraş;
  - S.C. NITROCONTROL S.A. Făgăraş;

- 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 - 2008**  
MASTER studies - Management of Public Position -  
Ploiești University
- **1991 - 1995**

**<<Nicolae Titulescu>> University - Faculty of International Law;**

- Graduated Bachelor studies in the session of 1997 – **University of Bucharest - Faculty of Law;**
- **2015**

**PRINCE 2 - Foundation certificate in Project Management – course held by APMG International and AXELOS Global Best Practice**

#### **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:**

*14 June 2018*

**Signature:**

*\*illegible signature*

Curriculum Vitae

PERSONAL INFORMATION                    GAVRILĂ Florin-Daniel

CAPACITY HE STANDS FOR                    Administrator – CONPET S.A.

PROFESSIONAL EXPERIENCE

September 2015 – to date	Transactions Analyst SIF Banat-Crisana-SA, Arad  In charge with the oversee and fulfilment of the investment decisions Business field – Financial Investment Company
December 2015 – to date	Administrator SIFI Cluj Retail SA, Bucuresti Business field – leasing and subleasing own moveable property or leased moveable property
February 2016 – to date	Administrator Central SA, Cluj-Napoca Business field - leasing and subleasing own moveable property or leased moveable property
April 2016 – to date	Administrator Uniteh SA, Timisoara - leasing and subleasing own moveable property or leased moveable property
October 2016 – December 2016	Administrator SSIF BRK Financial Group SA, Cluj-Napoca Business field: Investment Company
February 2013 – July 2015	Sales-Trader, Institutional Clients Department SSIF Broker SA, Cluj-Napoca Stockbroker, in charge with sales-trading activity, particularly for the institutional clients (but also large-retail); stocks trading by DMA on the main European markets Business field: Investment Company
March 2011 – December 2012	Sales-Trader, Institutional Clients Department Unicredit C&IB Securities Romania SA, Bucharest

	Stockbroker (authorized in April 2011), in charge with sales-trading activity, particularly for the institutional clients (but also large-retail); stocks trading by DMA on the main European markets; sales-trading in cooperation with Unicredit office in London Business field: Investment Company
February 2011 – to date	Tax Advisor The Romanian Chamber of Fiscal Consultants , Bucuresti
October 2005 – March 2011	Stockbroker/Deputy Director General SSIF Egnatia Securities SA, Bucuresti -Stockbroker (authorized in December 2005), in charge with the trading activity for the firm's clients, compensation-settlement agent authorized by Depozitarul Central -Deputy Director General (starting April 2007), overseeing the trading activity Business field: Investment Company
July 2005 – October 2005	Broker SSIF European Securities SA, Bucuresti -in charge with the post-trading activity for the firm's clients Business field: Investment Company
February 2004 – June 2005	Economist/ASIF SSIF Invest Trust SA, Craiova -Economist, then financial investment services Agent (authorized in June, 2004), in charge with the increase of retail clients portfolio Business field: Investment Company

#### EDUCATION AND FORMATION

2009	Participant "Capital Market Development, Enforcement and Oversight" National Securities Commission and US Securities and Exchange Commission
2007	Participant "The EU Single Market in Financial Services: Latest Steps, Future Initiatives and Pending Tasks" Public Administration European Institute, Luxembourg

2004-2006	Master Degree – European Economy Economy and Business Administration Faculty, Craiova
2006	Graduate "Investment Consultant" course Millenium Financial Trading Centre
2006	Graduate "Derivative Markets Broker" BMFMS Sibiu
2005	Financial Investment Services Agent RASIF02 Bucharest Stock Exchange
2004	Financial Investment Services Agent Millenium Training Financial Centre
1999-2003	Bachelor's Degree University of Craiova Faculty of Economy and Business Administration Program: International Economic Relations

#### SKILLS AND COMPETENCES

##### Personal

Native language Romanian

Foreign known languages

	Understanding		Speaking		Writing
	Listening	Reading	Participation in the conversation	Oral speech	
English	Advanced	Advanced	Advanced	Advanced	Advanced
German	Beginner	Beginner	Independent User	Independent	Beginner

Digital competence Good handling of almost all Microsoft Office programs

Driving license B Category

## Curriculum vitae

### Europass

#### Personal information

Name and surname *Mihai Adrian Albulescu*

Address(es)

Phone(s)

Fax(es)

E-mail(s)

Nationality *Romanian*

Date of birth



#### Workplace/ Occupational area aimed

#### Professional experience

2017 – to date member in the Council of Ploiești Oil&gas University

Period *2016 - to date*

Position or job held *University professor*

Main activities and responsibilities *Teaching activity, scientific research*

Employer's name and address *University Petroleum-Gas from Ploiești, 39 București bld*

Type or field of activity *Education*

Period *Jan 2015 – Dec 2015*

Position or job held *State Secretary*

Main activities and responsibilities *Coordinates the enforcement of the Governmental program in the energy strategic areas*

Employer's name and address *Ministry of Energy, Small and Medium Enterprises and Business Environment*

Type or field of activity *Energy*

Period *2013 – 2015*

Position or job held *State Secretary*

Main activities and responsibilities *Coordinates the implementation of the Government Program in the strategic energy fields  
Represents the interests of the state with the World Bank of Romania, the International Monetary Fund and the European Commission on the Energy Strategy*

*Member of the Privatization Commission of Nuclearelectrica, Transgaz and Romgaz, Representative of the Energy Department in the commissions for drafting and implementing of the Memorandum of Understanding with the Republic of China for investment projects in Romania President of the Romanian-Serbian Joint Commission*

*Vice-President of the Mixed Commissions Romania - Russia, Romania - Kazakhstan, Romania - Germany, Romania - Turkmenistan, Romania - Turkey.*

Employer's name and address *Ministry of Economy*

Type or field of activity *Energy Department*

Period *1999 - 2016*

Position or job held *Associate professor*

Main activities and responsibilities *Teaching activity, scientific research*

Employer's name and address *University Petroleum-Gas from Ploiești, 39 București bld*

Type or field of activity	Education
Period	1990 —1999
Position or job held	Head of university works
Main activities and responsibilities	Teaching activity, scientific research
Employer's name and address	Institute of Petroleum and Gas from Ploiești, 39 București bld
Type or field of activity	Education
Period	1983 —1990
Position or job held	University assistant
Main activities and responsibilities	Teaching activity, scientific research
Employer's name and address	Institute of Petroleum and Gas from Ploiești, 39 București bld
Type or field of activity	Education
Period	1982 —1983
Position or job held	Substitute assistant
Main activities and responsibilities	Teaching activity, scientific research
Employer's name and address	Institute of Petroleum and Gas from Ploiești, 39 București bld
Type or field of activity	Education

#### **Education and training**

Period	1990-1996
Qualification/degree achieved	PhD/doctor degree
Main subjects studied/professional skills achieved	Hydraulics and fluids mechanics
Name and type of the education establishment/training provider	Institute of Petroleum and Gas from Ploiești/ Faculty of Petroleum and Gas Engineering
Level on the national or international classification	Post-university studies
Period	1980
Qualification/degree achieved	Reliable methods in exploiting the drilling screeds. Training course
Main subjects studied/professional skills achieved	Petroleum equipment
Name and type of the education establishment/training provider	IPCUP Ploiești
Level on the national or international classification	Post-university studies
Period	1974-1979
Qualification/degree achieved	Engineering/engineer degree
Main subjects studied/professional skills achieved	Petroleum equipment
Name and type of the education establishment/training provider	Institute of Petroleum and Gas from Ploiești/ Faculty of Petroleum Machines and Equipment
Level on the national or international classification	Post-university studies
Period	1969-1973
Qualification/degree achieved	Mechanic/bachelor degree

Main subjects studied/professional  
/ Theoretical studies skills achieved

sciences department

Name and type of the education  
establishment/training provider

Theoretical highschool Baicol / Prahova

### Personal competences and skills

Native Language

Romanian

Foreign languages known  
Self assessment  
*Writing and Speaking European  
level (")*

	Understanding		Speaking		Writing	
	Listening	Speaking	Participation to conversation	Oral production	Written production	
French language	A2 Elementary user	A2 Elementary user	A2 Elementary user	A2 Elementary user	A2 Elementary user	A2 Elementary user
English language	A2 Elementary user	A2 Elementary user	A2 Elementary user	A2 Elementary user	A2 Elementary user	A2 Elementary user

Social competences and skills  
Organizational competences and  
skills

Team spirit  
- Good experience in project and team management.

Technical competences and skills

- Scientific research activities in the field of petroleum-gas industry, technological pipes from refineries, crude oil transport systems, natural gas transport and distribution systems.

Computer competences and skills Microsoft Office

Artistic competences and skills -

Other competences and skills -

Driving licence B Category

### Additional information

Publications

Author or co-author in

- 15 books
- 130 articles published in specialized magazines or in books of certain national and international scientific events
- 70 research papers, design and engineering of oil deposits achieved based on agreements or through national competitions

Professional affiliations	<p>2013 — 2015 — Secretary of State in the Ministry of Economy - Department of Energy and Energy Ministry</p> <p>2013 – to date member of the Board of Directors of GDF Suez Energy Romania (Engle)</p> <p>2013 – to date member of the Board of Directors of GDF Suez Energy Romania (Engle)</p> <p>2006 to date member of the General Association of Engineers of Romania - AGIR</p> <p>2005 to date member of the Romanian Petroleum Engineers Society - SPEROM</p> <p>1994 to date member of the Romanian Society of Thermo technicians - SRT</p> <p>1992 to date - member of the commissions for supporting exams, papers and doctoral theses</p> <p>2001 - 2004 and 2009 - 2013 - Member of the Board of Directors within Transgaz Medias</p> <p>2009 - 2013 - member of the ANRE Advisory Committee</p> <p>2004 - 2006 - Member of the Board of Directors of CONPET S.A. Ploiești</p> <p>2001 - 2004 - Member of the Board of Directors of Petrom SA,</p> <p>2004 - 2009 - Member of the Board of Directors of Temelectrica S.R. Ploiești</p> <p>2002 – to date - member of the examination commissions for awarding the degree of plumbers - authorized by the National Authority for Regulation in the field of Natural Gas (ANRGN);</p>
Representative works	<p><b>Books</b></p> <ul style="list-style-type: none"> <li>- N. Simescu, C. Trifan, <b>M. Albulescu</b>, D. Chisalita. <i>Gas activity from Romania. In transition to a free, functional market and integrable into the European Union</i>. UPG Publishing House., 2008, Ploiești</li> <li>- C. Trifan, <b>M. Albulescu</b>, S. Neacsu. <i>Elements of fluids mechanics and technical thermodynamics</i>. UPG Publishing House., 2005, Ploiești</li> <li>- C. Trifan, <b>M. Albulescu</b>. <i>Hidraulica. Transport and storage of petroleum and gas products</i>. Technical publishing house, 1998, Bucharest</li> <li>- M.E., Ionescu, M., Stoicescu, <b>M.A. Albulescu</b> — <i>Thermal methods of petroleum recovery</i>. Elapis publishing house, Ploiești, 1998</li> </ul> <p><b>Articles</b></p> <ul style="list-style-type: none"> <li>C. Eparu, S. Neacsu, E.M. Ionescu, <b>M. Albulescu</b>, A. Prundurel, <i>Phase behavior analysis of the water from natural gas along the pipelines</i>. Chemistry Magazine, 68, 5, 2017, 970-973</li> <li>C. Eparu, <b>M.A. Albulescu</b>, S. Neacsu, C. Albulescu, <i>Gas leaks through corrosion defects of buried gas transmission pipelines</i>. Chemistry Magazine, Vol. 65, Nr. 11, 2014, p. 1385-1390</li> <li><b>M. Albulescu</b>, C. Eparu, L. Medrea, V. Metea - <i>Calculation of Natural Gas Losses through Buried Distribution Pipes Faults</i>. Journal of University of Petroleum — Gas from Ploiești, Technical series, Vol. LXIII, No. 3, 2011, p. 77-86</li> <li>S. Neacsu, <b>M.A. Albulescu</b>, C. Eparu, <i>Performing and testing an environmentally friendly heating system for viscous oil transport</i>. Chemistry Magazine, Nr. 9, 2010</li> <li>C. Eparu, <b>M. Albulescu</b>, R. Radulescu - <i>Experimental Stand Used to Simulate Oil Transport through Pipelines</i>. Journal of University of Petroleum — Gas from Ploiești, Technical series, Vol. LXII, No. 38, 2010, p. 179-186</li> <li>S. Neacsu, C. Trifan, <b>M.A. Albulescu</b>, <i>Considerations on the Errors Associated to the Measuring of the Amounts of Natural Gas Delivered to Household Consumers</i>. Chemistry Magazine, vol. 59 (7), pg. 796-801, 2008</li> <li>S. Neacsu, C. Trifan, <b>M.A. Albulescu</b>, R. Radulescu, <i>Numerical modeling of the viscous petroleum transport through pipelines under non-isothermal regime</i>. Chemistry Magazine vol 58 nr. 10 2007, pg. 992995</li> <li>C. Trifan, S. Neacsu, <b>M.A. Albulescu</b>, <i>Transitional phenomena in natural gas polyethylene networks</i>. Plastics, no. 3/2006, pg. 211-pg. 214</li> <li>S. Neacsu, C. Trifan, <b>M. Albulescu</b>, E. Calota <i>Modeling of the contamination process of petroleum products in case of their successive transport through pipelines</i>. Chemistry Magazine no. 8/2006, pg. 870- pg. 876</li> <li>S. Neacsu, C. Trifan, <b>M. Albulescu</b>, R. Radulescu, <i>Numerical modeling of the viscous petroleum transport through pipelines under non-isothermal regime</i>. Chemistry Magazine vol 58 nr. 10 2007, pg. 992-995</li> <li>S. Neacsu, C. Trifan, <b>M. Albulescu</b>, Renata Radulescu, <i>Energy analysis of viscous petroleum transport under non-isothermal regime</i>. Journal of Petroleum and Gas 3/4 2007</li> </ul>



**Europass  
Curriculum Vitae**



**Personal information**

Surname(s) / First name(s)	<b>Iacob Constantin Ciprian</b>
Address(es)	
Telephone(s)	
Fax(es)	
E-mail	
Nationality	
Date of birth	
Gender	Male

**Work experience**

Period	<b>1. 2007 – to date; 2. 2005 – 2007</b>
Occupation or position held	<b>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.</b>
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
Period	<b>November 2017 – to date</b>
Occupation or position held	<b>Member of CONPET S.A. Board of Administration</b>
Name and address of the employer	CONPET no. 1-3, Anul 1848 Street, postal code 100559, Ploiesti, Prahova
Period	<b>2014 – to date</b>
Occupation or position held	<b>Member of the Eparchial Council of Targoviste Archiepiscopate</b>
Name and address of the employer	Targoviste Archiepiscopate, no.11, Mihai Bravu Street, Targoviste Municipality, Dambovita County

<b>Education and training</b>	
<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)	<b>Romanian</b>									
Known foreign languages										
Self-assessment <i>European level (*)</i>	<b>Understanding</b>				<b>Speaking</b>			<b>Writing</b>		
	Listening	Reading			Spoken interaction		Spoken production		Writing	
<b>English</b>	C 2	Basic user	C 2	Basic user	B 2	Basic user	B 2	Basic user	C 1	Basic user
<b>French</b>	B 2	Independen t User	B 2	Independen t User	B 1	Basic user	B 1	Basic user	B 2	Basic user
<i>(*)Common European Framework of Reference for Languages</i>										
Social abilities and skills	<ul style="list-style-type: none"> <li>- Intelligence (logic thinking, memory, capacity of analysis and synthesis);</li> <li>- Team spirit;</li> <li>- Good communication skills;</li> <li>- Flexibility;</li> <li>- Responsiveness;</li> <li>- Capacity to adapt to solving issues acquired following the professional experience.</li> </ul>									
Organizational skills	<b>Expertise in project and management</b>									
Technical abilities and skills	Word, Excel, Power Point, Internet									
Driving licence(s)	Yes, B category									
Other skills and competencies	Hobbies: lecture, travel, music									
Annexes	List of papers									

## **LIST OR PUBLISHED PAPERS**

### **MAIN AUTHOR**

1. **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, magazine rated by National University Research Council (CNCSIS) – type B+, BDI, EBSCO, RePec, DOAJ, Index Copernicus, Cabell's, ProQuest;

### **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, INDEX COPERNICUS;
2. Marius Petrescu, **Constantin Ciprian Iacob (2012)**, "Institutional 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,
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);
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'édition Bibliotheca, Targoviste, 2011, ISSN 2067-9459, p. 13-20, CNCSIS rated magazine – no. 765 – type B+, <http://www.vjes.eu/images/2011/issue4/vjes%20vol.%202%202016%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;
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'édition Bibliotheca, Targoviste, 2010, ISSN 2067-9459, p. 143-147. CNCSIS rated magazine – no. 765 – type B+.

### **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'économie 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.

**PERSONAL INFORMATION**

First name/Surname **Meșca, Darius Dumitru**  
Address  
E-mail  
Nationality  
Date of Birth

**WORK EXPERIENCE**

- Period 04.2017- to date  
▪ Occupation or position held **Trade Operations Manager**  
▪ Main activities and responsibilities Coordination of certain trade operations  
▪ Employer's name and address **Electrica Furnizare S.A.**
  
- Period 08.10.2012 – 03.03.2017  
▪ Occupation or position held **Director General**  
▪ Main activities and responsibilities Coordination of the entire activity of the electricity supply company  
▪ Employer's name and address **FDEE Electrica Distributie Muntenia Nord S.A.**
  
- Period 07.12.2012 - 25.03.2015  
▪ Occupation or position held **Member of the Board of Administration of FDEE Electrica Distributie Muntenia Nord S.A. – appointed as per EGO 109/2011**  
▪ Employer's name and address **FDEE Electrica Distributie Muntenia Nord S.A.**
  
- Period March 2013 - to date  
▪ Occupation or position held **Administrator (member of the Board of Administration), appointed as per EGO 109/2011**  
As per Law 31/1990 further amendments and additions  
▪ Employer's name and address **S.C. CONPET S.A.**
  
- Period 05.10.2010 - 07.10.2012  
▪ Occupation or position held **Personal Advisor to the Chairman of Prahova County Council**  
Counselling the Chairman of Prahova County Council on attracting and supporting investors at the County level  
▪ Employer's name and address **Prahova County Council**
  
- Period 12.03.2009 - 05.10.2009  
▪ Occupation or position held **President holding rank Secretary of State**  
Attraction of foreign investments in Romania  
▪ Employer's name and address **Government of Romania – ARIS (Romanian Agency for Foreign Investments)**
  
- Period 02.02.2007 - 20.01.2009  
▪ Occupation or position held **Secretary of State**

Curriculum vitae

Europass

- Main activities and responsibilities Coordination of the Energy Sector
- Employer's name and address **Government of Romania - The Ministry of Economy and Trade**
  
- Period 21.12.2006 – 02.02.2007
- Occupation or position held **Personal Advisor** to the Minister of Economy and Trade
- Main activities and responsibilities Counselling the Minister of Economy and Trade in the Energy sector
- Employer's name and address **Romanian Government – Ministry of Economy and Trade**
  
- Period 16.09.2005 - 21.12.2006
- Occupation or position held **Secretary of State**
- Main activities and responsibilities Coordination of the Energy System
- Employer's name and address **Government of Romania – The Ministry of Economy and Trade**
  
- Period 01.04.2001 - 15.09.2005
- Occupation or position held **Director General**
- Main activities and responsibilities Coordination of the entire company's business specialized in the production and export (100%) of the metallic welded constructions type counterbalances, chassis, arms of the crane trucks and excavators
- Employer's name and address **S.C. Terqua SRL Ploiesti**
  
- Period 01.03.2001 - 01.04.2001
- Occupation or position held **Director General**
- Main activities and responsibilities Attracting Investors in the Industrial Park
- Employer's name and address **SC Park Industrial Dacia SRL Ploiesti**
  
- Period 17.02.1998 - 01.03.2001
- Occupation or position held **Director General**
- Main activities and responsibilities Coordination of the entire company's business specialized in the production of metallic welded constructions- type silos, metallic scaffolds, elbows, curves etc.
- Employer's name and address **S.C. DACIA S.A. Ploiesti**
  
- Period 18.09.1997 - 17.02.1998
- Occupation or position held **Design Engineer**
- Main activities and responsibilities Design of the oil and petrochemical equipment
- Employer's name and address **S.C. Petroconsult SRL Ploiesti**
  
- Period 15.01.1997 - 19.09.1997
- Occupation or position held **Design Engineer**

## Curriculum vitae

### Europass

- Main activities and responsibilities Design of the oil and petrochemical equipment
- Employer's name and address S.C. UZUC S.A. Ploiesti
  
- Period 30.09.1996-15.01.1997
- Occupation or position held **Production Engineer**
- Main activities and responsibilities Coordination of a part of the production activity
- Employer's name and address S.C. UZUC S.A. Ploiesti
  
- Period 05.09.1990 - 19.01.1991
- Occupation or position held **Locksmith**
- Main activities and responsibilities Specific activities related to locksmithery within the maintenance garage of M7 section
- Employer's name and address S.C. UPETROM S.A. Ploiesti
  
- Period 2005 - 2008
- Occupation or position held **Administrator (member of the Board of Administration)**
- Employer's name and address S.C. FDFEE ELECTRICA MUNTEANIA NORD S.A., S.C. DISTRIGAZ-SUD S.A., S.C. CONPET S.A.
  
- Period 2010 - 2012
- Occupation or position held **Administrator (member of the Board of Administration)**
- Employer's name and address S.C. Hidro Prahova S.A.

### EDUCATION AND TRAINING

- Name and type of organization providing education and training Ploiesti Oil&Gas University
- Year 2011
- Qualification Awarded Ph.D. Engineer
- Area of Study Engineering, Ph.D. Thesis with the following title: "**Research on enhance of behavioral performance at variable solicitations of the welded metallic constructions**"
  
- Name and type of organization providing education and training Ploiesti Oil & Gas University
- Period 1996 - 1997
- Qualification Awarded Post graduate Studies (Master)
- Area of Study Engineering
  
- Name and type of organization providing education and training Ploiesti Oil&Gas University
- Period 1991-1996

Curriculum vitae  
Europass

- Qualification Awarded      Engineer
- Area of Study                Mechanical and Electrical Engineering

**PERSONAL SKILLS AND  
COMPETENCES**

- Native language              Romanian
- Foreign languages           English

Self-assessment

<b>Understanding</b>		<b>Speaking</b>		<b>Writing</b>
Listening	Reading	Spoken Interaction	Oral Production	Written production
Very good	Very good	Very good	Very good	Very good

DRIVING LICENSE

Category B

Date: 14.06.2018

Signature:

S.s. Illegible



## PERSONAL INFORMATION

**Karina Paval**

POSITION Conpet S.A. Board of Administration

## WORK EXPERIENCE

2018 – Present

**Development Manager**

Dedeman, Bacău (Romania)

- Participation with the Board in the improvement of the business strategy, identifying and implementing strategy, operational development opportunities
- Defining models of analysis of business problems and opportunities (cause-effect, cost-benefit analyses, benchmarking etc.)
- Developing structured analysis of the organisational problems identified in the logistic, procurement and sale domains
- Defining and presenting the development projects and the implementation thereof by collaborating with the department managers
- Taking part in the decision process regarding the investments of the company
  - Member in the negotiation/investment development teams
  - Representing the company in the relation with the potential partners in the investment analysis stage
  - Preparing/Presenting financial models/reports and formulating recommendations to the management of the company as a support in the decision process of selecting the investments

2017 – 2018

**Development Consultant**

Dedeman, Bacău (Romania)

- Quantitative and qualitative analysis of data (internal database and market research) and direct observation of workflows with the purpose of delivering well-documented conclusions for the development projects

2017 – Present

**Investment Committee Member**

ROCA - SA Platform, Bucharest (Romania)

- Revision of investment opportunities proposed by the management of the fund in order to select the targets to be developed towards the stage of Investment Memorandum
- Approval of ROCA - SA participation with shares in companies, as well as validation of the investment modality and equity withdrawal
- Monitoring the fulfillment of risk/profitability objectives agreed by the shareholders

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**EDUCATION AND TRAINING****2016-2017****MPhil Real Estate Finance – Honours**

University of Cambridge, Cambridge (United Kingdom)

- Main subjects: Real Estate Investment, Financial Modelling, Methods and techniques presenting processing statistical data, Business Finance and Real Estate Applications, Macroeconomics, Investments in secured financial instruments and securities;
- Dissertation with distinction: Estimating the determinants of real estate using the hedonic regression in a special analysis of the residential market in Bucharest, Romania;
- Master degree - RICS accredited (RICS - Registered Institute of Chartered Surveyors)

**2013-2016****Bachelor of science, Business Administration – First Class Honours**

Queen Mary University of London, London (United Kingdom)

- Main subjects: Accounting, Microeconomics, Macroeconomic modelling, Financial markets, Corporate governance, Marketing, Statistics;
- "Alvaro Angerer Memorial Prize" for academic excellence;
- President of QMUL Romanian Society

**2011-2013**

IBO (International Baccalaureate Diploma) Programme, Bilingual Diploma

FASIS (The American School in Switzerland), Zugano (Switzerland)

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**PERSONAL SKILLS****Mother tongue**

Romanian

**Foreign language(s)**

	UNDERSTANDING		SPEAKING		WRITING
	Listening	Reading	Speaker interaction	Spoken production	
English	C2	C2	C2	C2	C2
French	B1	B1	B1	B1	A2
Spanish	A1	A1	A1	A1	A1

Level: A1 and A2: Basic user - B1 and B2: Independent user - C1 and C2: Proficient user  
Common European Framework of Reference for Languages**Digital skills**

- Advanced knowledge of Microsoft Word, Microsoft Excel and Microsoft PowerPoint;
- Advanced knowledge of statistical analysis in E-Views, STATA;
- Average knowledge of using Geographical Information Systems (GIS);
- Average knowledge of using SAP ERP;

**FINANCIAL AND NON-FINANCIAL KEY PERFORMANCE OBJECTIVES AND INDICATORS for ADMINISTRATORS achieved between 01.01.2018 – 31.12.2018**

Crt. no.	Performance indicator	Performance objective	MU	(PERIOD 01.01.-31.12.2018)			Degree of achievement (%)	KPI weights for the settlement of the remuneration	Degree of achievement of the KPIs
				According to Annex 1 from the Contract of Mandate		Achievements			
<b>A. Financial Key Performance Indicators: (25%)</b>									
1.	Outstanding payments	Level zero	Thousand RON	0		0	100.0%	2%	2.00%
2.	The decrease of the operating expenses = (Operating expenses - Impairments of assets and impairments of provisions)/ Turnover	The maintenance of the share of expenses in the turnover at the level assumed by the Administration Plan	%	80.80%		78.52%	102.8%	8%	8.23%
3.	Adjusted EBITDA = Operating profit - write-back of the reserve out of the modernization quota + Expenses regarding the settlement of the modernization quota + Impairments of tangible and intangible assets, here included the revaluation differences).	Realization of adjusted EBITDA target assumed by the Administration Plan	Thousand RON	108,443		123,740	114.1%	10%	11.41%
4.	Labor Productivity	Realization of the labor productivity level provided in the annual approved Budget	Thousand RON/pers.	251		256	102.0%	5%	5.10%
<b>B. NON-FINANCIAL KEY PERFORMANCE INDICATORS: 75%</b>									
<b>B1 OPERATIONAL: 25%</b>									
5.	Framing within the specific consumptions for the crude oil transport (does not include the crude oil quantity lost during provoked breakdowns or in case of breakage resulting in contamination, where the owners do not ease access for remedy).	The target value lower than the value of the maximal technological consumption, for crude oil	%	Domestic crude oil ≤0.361% Achieved:0.309%	0.318%*)	0.219%	131.13%	3%	3.93%
				Lukoil import crude oil: ≤0.29% Achieved: 0.115%					
				Petrom import crude oil ≤0.143% Achieved: 0.138%					

Crt. no.	Performance indicator	Performance objective	MU	(PERIOD 01.01.-31.12.2018)			Degree of achievement (%)	KPI weights for the settlement of the remuneration	Degree of achievement of the KPIs
				According to Annex 1 from the Contract of Mandate		Achievements			
				Midia import crude oil ≤0.108% Achieved 0.097%					
6.	Monitoring the annual specific electricity average consumption for technological purposes	Maintenance of the annual electricity average specific technological consumption at a level of max 3.3 Kwh/to	Kwh/to	Max3.3 Kwh/to	3.3	2.85	100.00%	2%	2.00%
7.	Achievement of the investments financed out of the modernization quota	Min. Realization 95% of the annual Investments Plan financed out of the Modernization Quota	%	≥95 %	95%	100%	100%	20%	20.00%
<b>B2 OF CORPORATE GOVERNANCE: 50%</b>									
8.	Implementation/development of the internal control management system in compliance with the legal requirements in force	100% achievement of the actions included in the program	%	100%	100%	100%	100%	20%	20%
9.	Duly reporting of the degree of achievement of the performance indicators of the company	Framing within the reporting due deadlines	%	100%	100%	100%	100%	20%	20%
10.	Boost institutional integrity by inclusion of the measures to mitigate corruption as an element of the management plan	Minimum 90% achievement of the measures assumed by the approved Integrity Plan	%	≥90 %	90%	100%	100%	10%	10%
		Total degree of achievement of the performance indicators:							102.67%

**Director General**  
 Ph.D. Eng. Chiș Timur-Vasile

**Economic Director**  
 Econ. Toader Sanda

**CONPET S.A. PLOIEŞTI**

**No...../.....**

**Director General  
Ph.D. Eng. Timur Vasile Chiş**

**REPORT  
on the Internal Control Management System at December 31<sup>st</sup>, 2018**

Pursuant to Art. 4 para. (3) of Government Ordinance no. 119/1999 concerning the internal control management and preventive financial audit, republished, further amendments and suppletions, the undersigned Timur Vasile Chiş, in the capacity of *DIRECTOR GENERAL*, hereby declare that the *company CONPET SA Ploieşti* has an internal control management system whose design and implementation allows the management (and, where appropriate, the Board of Administration) to provide reasonable assurance that the funds managed in order to achieve objectives and targets have been used in conditions of legality, regularity, effectiveness, efficiency and economy.

This declaration is based on a realistic, accurate, complete and reliable assessment on the internal control management system of the entity, formulated based on the self-evaluation thereof.

The internal control management system includes self-control mechanisms and the application of the measures on improving its effectiveness is based on risk assessment.

In this case, I mention the followings:

- The monitoring commission is functional;
- The development program of the internal control management system is annually implemented and updated;
- The risk management process is organized and monitored;
- The documented procedures are prepared 100% of the procedural activities inventoried;
- The performance monitoring system is established and evaluated for the objectives and activities of the entity, by performance indicators.

Based on the results of the self-assessment, I appreciate that on December 31<sup>st</sup>, 2018 the internal control management system of CONPET SA Ploieşti *complies* with the standards contained in the Code of internal control management.

I hereby mention that the statements contained in this report are formulated by assuming managerial responsibility and are based on data, information and findings recorded in the documentation of the internal control system management self-assessment.

**ANNEX**

a) **List of case files on the docket of the courts of law on 31.12.2018 in which the company CONPET S.A. has the capacity of respondent**

**1. Case File no. 8296/281/2007 – Ploiești Court**

**Parties:** Cornea Rodica Aurora – claimant

Conpet S.A., Petrotrans S.A., Regionala Transgaz București/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:** Merits

**2. Case File no. 8297/281/2007 – Ploiești Court**

**Parties:** Rusu Mihaela – claimant

Conpet S.A., Petrotrans S.A., Regionala Transgaz București, 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:** Merits

**3. 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 performance bond in the total amount of 232,017.18 lei retained under the contract;

5. to mainly rule the obligation of the respondent ICIM, and to the extent that as a general contractor it has not received yet the full amount of the contract from the beneficiary Conpet, to request the beneficiary to pay the amount of 124,828.9 lei as penalties to the performance bond, namely:

a) interests/penalties for the amount constituted as performance bond which had to be 50% reimbursed in the amount of 105,166.90 lei;

b) interests/penalties for the amount constituted as performance bond which had to be 30% reimbursed 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 with the Ploiești Court of Appeal. By the decision no.1728 / 28.09.2017 the Ploiești Court of Appeal 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.

By **sentence no. 894/23.04.2018** Prahova Law Court admits the exception of the lack of active capacity to pursue the proceedings, invoked by the defendant Conpet S.A.. Rejects the action as being introduced by a person without quality. The Order Hotărârea appealed by E.T.H. Architectural Systeme SRL.

By Order no.80/27.02.2019, the Court of Appeal Ploiești rejects the appeal as ungrounded. Irrevocable.

#### **4. 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 action. It 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.

By the **decision no.793 /05.12.2018** The Court of Appeal orders the retrial, and admits appeals. Quashes the civil decision and remands the case for retrial to the Dolj Tribunal acting as a court of appeal.

**Trial stage:** Appeal

**Court hearing:** 13.02.2019

**5. 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 matters 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.

**Trial stage:** Merits - retrial

**Court hearing:** 12.02.2019

**6. 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 Ploiești 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 unfounded. It rejected the petition for legal action as unfounded. It took note that no court costs were required. The court order was attacked with appeal by Biodiesel SRL.

**Trial stage:** Appeal

**Court hearing:** Sentence delivery postponed to 14.02.2019

**7. 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.**

The claimants increased their claims to the amount of 525,690 lei representing the non-use from 06.10.2014 until 31.12.2016.

**Trial stage:** Merits

**Court hearing:** 12.02.2019

**8. 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. The conclusion may be appealed during the period when the the suspension of the trial proceeding takes place. The case was reinstated on 28.11.2017.

**Trial stage:** Merits

**Court hearing:** 13.03.2019

**9. Case File no. 3451/108/2016\* – High Court of Cassation and Justice**

**Parties:** Conpet SA – respondent

Pecica City UAT- claimant

**Object:** Pecica City UAT has filed a sue petition by which it has requested:

Mainly:

-to rule the obligation of the respondent Conpet S.A. to divert the crude oil pipeline traversing a number of 22 urban 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, registered with the Land Register under no. 306869 because it can no longer be capitalized and traded by the undersigned.

Subsidiarily:

- 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 as a result of the limitation of the ownership rights of the 22 urban 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 Court of Appeal, court hearing: 14.03.2017). By the Decision no. 211/20.03.2017 the Timișoara Court of Appeal 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 Court of Appeal admits the appeal. It cancels the appealed decision and sends the case for retrial with the Arad Tribunal. Conpet has submitted an appeal.

By the Report dated 07.06.2018 the High Court of Cassation and Justice declared Conpet's appeal as inadmissible, being promoted against a final judgment, which does not fit into the hypothesis regulated by Art. 483 par. 1 Code of Civil Procedure. The parties may submit a written opinion on the report within 10 days of its communication. By the conclusion of 10.10.2018 the ICCJ basically admits the appeal declared by the claimant-defendant Conpet S.A. against civil decision no. 761/A of November 23, 2017 issued by the Timișoara Court of Appeal – Second Civil Section. It sets a deadline for the settlement of the appeal on January 30, 2019, summoning the parties.

**Trial stage:** Appeal

**Court hearing:** 23.03.2019

#### **10. 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 outside of build up areas of Drăgoești commune, Vâlcea county, lot 65 plot 1/3 located at the point "Picătura", 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 lack of use of the land for the past 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.

**Clarifications:** --

**Trial stage:** Merits

**Court hearing:** 21.02.2019

#### **11. Case File no. 3581/281/2017 – Ploiești Court**

**Parties:** Conpet SA – respondent

Direcția Regională Drumuri și Poduri Iași – claimant

**Object:** Direcția Regională Drumuri și Poduri 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 Lucâcești - Vermești - Dârmănești 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 since the project was abandoned.

**Clarifications:** By the **decision no. 3632 / 27.04.2018** The Ploiești Court rejects the exception of the lack of capacity of C.N.A.I.R. S.A. through Direcția Regională Drumuri și Poduri Iași, invoked by the respondent Conpet SA. Admits the sue petition having the object "claims" brought by the claimant C.N.A.I.R. S.A. through Direcția Regională Drumuri și Poduri Iași in contradiction with the respondent Conpet SA. The respondent is obliged to pay to the claimant the amount of 487.22 lei representing the amount of the authorization no. 310/04.07.2014. The respondent is ordered

to pay to the applicant costs of \$38.97 representing stamp duty. The judgment was appealed by Conpet. By **decision no. 3188/19.12.2018** The Prahova Tribunal rejects the appeal as unfounded. It rejects the exception to the applicant's lack of active capacity to stand trial invoked by the claimant as unfounded. The judgment may be appealed following the communication.

**Trial stage:** --

**Court hearing:** --

#### **12. 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 Ocnita 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.

The claimant has provisionally assessed his claims at 45,540 le /year x 3 years (136,620 lei).

**Trial stage:** Merits

**Court hearing:** 05.03.2019

#### **13. Case File no. 1268/302/2018 (8047/302/2017) - Bucharest Tribunal**

**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 Răduța 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 5th District Court Bucharest admitted the exception of the territorial non-competence of the 5<sup>th</sup> District Court of Bucharest, invoked by the court *ex officio*. It declined the case having as object the contestation to forced execution to the 6th District Court Bucharest.

It admitted the exception to the territorial non-competence of the 6<sup>th</sup> District Court of Bucharest, invoked *ex officio*. By the **Decision nr. 8520 / 24.10.2017** the 6<sup>th</sup> District Court of 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 of 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 of Bucharest. It sent the case to this court immediately for competent resolution.

Final. At the 5<sup>th</sup> District Court of Bucharest, the file is given the number 1268/302/2018.

By sentence no. 1837/02.03.2018 The 5<sup>th</sup> District Court of Bucharest rejects the contestation against the conclusion regarding the supplementation of the execution costs issued on 01.03.2017 in the execution file 10/2013 of BEJ Răduța Nicoleta as unfounded. It obliges the contestant to pay to the intimated party the amount of 200 lei representing court and attorney fee. The decision was appealed by Dobrogeanu Păun Ioan.

**Trial stage:** Appeal

**Court hearing:** --

#### **14. Case File no. 7127/105/2017 – Prahova Court of Appeal**

**Parties:** Conpet – respondent

VICTORIA SA MICHELIN ROMÂNIA FLOREŞTI SA (former VICTORIA FLOREŞTI)

UPETROM 1 MAI SA PLOIEŞTI  
PETROM BUCUREŞTI – SCHELA DE PETROL BOLDEŞTI  
Grigorescu Gheorghe – claimant

**Object: Declaratory action.** 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.

**Clarifications:** By the **Decision no. 2168/02.07.2018** The Prahova Tribunal rejects the claim as unfounded against the respondents SC UPETROM 1 MAI SA, SC CONPET SA, SC A&M ARHIVE CENTER SRL and as a non-object to SC MICHELIN ROMANIA SA. The decision was appealed by Grigorescu Gheorghe.

**Trial stage:** Appeal

**Court hearing:** 28.02.2019

#### **15. Case File no. 5413/204/2017 – Ploieşti Court of Appeal**

**Parties:** Conpet SA – respondent

ANRM – respondent

Dobrogeanu Dumitru – claimant

Dobrogeanu Păun Ioan – claimant

**Object:** Claims. Dobrogeanu Dumitru and Dobrogeanu Păun Ioan have submitted a sue petition requesting the court to rule the obligation of the respondents:

1. To pay 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. 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 head of claim was estimated by the claimants in the amount of 48,000 Euro/year (220,000 lei), and the second in the amount of 25,000 lei/year.

**Clarifications:** By the **Decision no. 594/28.02.2018** the Câmpina Court admits the exception of the material lack of competence of the Câmpina Court, invoked by the Court *ex officio*. It declines the jurisdiction to resolve the claim in favor of the Prahova Court. Without possibility of appeal.

By the **Decision no. 2446/28.08.2018** The Prahova Tribunal admits the exception of the lack of passive capacity to stand trial, invoked by the defendant National Agency for Mineral Resources from Bucharest. It rejects the application, in contradiction with such defendant, as being formulated against a person without capacity to stand trial. It admits the exception of the case law. It rejects the request made against the respondent SC Conpet SA, as there is a case law. It finds that the respondents did not claim costs. The decision was appealed by Dobrogeanu Dumitru.

**Trial stage:** Appeal

**Court hearing:** 28.02.2019

#### **16. Case File no. 1099/281/2018 – Ploieşti Court**

**Parties:** Conpet SA – intimated party

Dobrogeanu Dumitru – contestant

BEJ Petcu Alexandru – intimated party

**Object:** Dobrogeanu Dumitru formulates an appeal against the enforcement against the execution means issued by

BEJ Petcu Alexandru in the forced execution file no. 224/2017 requesting the court:

- To request BEJ Petcu Alexandru to order the release of the amount of 2,096 lei representing an annual rent of 262 lei starting with 2006 until 01.07.2014 according to the agro expert report drawn up by the technical expert Voinea Adina, an integral part of the Decision no. 433/25.06.2014 pronounced by the Prahova Tribunal in the file no. 5216/204/2008\* which completely changed the sentence no. 244/12.10.2011, pronounced by the Câmpina Court, according to the request for execution dated 16.06.2017 and the Conclusion no. 8544/06.11.2017 pronounced by the Ploiești Court in file no. 12660/281/2017
- Complete annulment of the minutes concluded on 04.01.2018 and of the Conclusion no. 1 and the release of the amount made by forced execution dated 12.01.2018 which are not related to the forced execution which caused the forced execution request on 16.06.2017 - execution file no. 244/16.06.2017 and the conclusion no. 8544/06.11.2017 pronounced by the Ploiești Court in file no. 12660/281/2017
- Court costs

#### **17. Case File no. 4561/281/2018 – Prahova Tribunal**

**Parties:** Conpet SA - respondent

Ovidenie Dumitru – claimant

**Object:** Ovidie Dumitru has filed a sue petition, asking the court:

- to find that on the land of 335 sqm located in com. Brazi, T31, parcel 178/19, according to art.7 paragraph 1 of the Law no. 238/2004 updated, is established a right of legal servitude;
- to establish the annual rent for the claimant, according to provisions of Article 7 paragraph 2 of the Law no.238 / 2004, calculated at 5 Euro/mp;
- order the respondent to pay this rent for the past 3 years.”

**Clarifications:** --

**Trial stage:** Merits

**Court hearing:** 06.03.2019

#### **18. Case File no. 2970/105/2018 – Prahova Tribunal**

**Părți:** Conpet – respondent

Tîrcavu Cornel – claimant

Ionescu Ion – claimant

**Object:** Tîrcavu Cornel and Ionescu Ion have filed a sue petition requesting the court that through the decision it will make to find that in the periods mentioned in the workbooks they have been employed and actually worked 100% of the work program within the sections in the II<sup>nd</sup> occupation category and in the I<sup>st</sup> occupation category, namely special conditions, and consequently to request the respondent to issue the certificates.

**Clarifications:** By the **Decision no. 3446/20.11.2018** The Prahova Tribunal admits the action. It finds that the claimants benefit 100% from the 1<sup>st</sup> occupation category for the activities carried out at the respondent unit for the periods specified in the expert report of Anton Carmen. It requests the respondent to issue to the claimants certificates showing the period, the occupation category and their working percentage. Please note that court costs are not being claimed. The decision may be appealed by appeal after communication.

**Trial stage:** --

**Court hearing:** --

#### **19. Case file no. 2971/105/2018 – Prahova Tribunal**

**Parties:** Conpet – respondent

Ghioaca Constanța – claimant

Tănăsescu Constantin – claimant

**Object:** Ghioaca Constanța and Tănăsescu Constantin have filed a sue petition requesting the court to declare that during the periods mentioned in the workbooks they were employed and actually worked 100% of the work program in the fields of the first and second occupational categories, namely special conditions, and consequently to request the respondent to issue the certificates.

**Clarifications:** By the conclusion of 02.10.2018, pursuant to the provisions of art. 411 paragraph 1 section 2 The Code of Civil Procedure, the Prahova Tribunal suspends the judgment. The case was reinstated on 08.01.2019.

**Trial stage:** Merits

**Court hearing:** 05.03.2019

## **20. Case file no. 2966/105/2018 – Prahova Tribunalul**

**Parties:** Conpet – respondent

Constantinescu Ion - Irinel – claimant

Aron Constantin – claimant

**Object:** Constantinescu Ion - Irinel and Aron Constantin have filed a sue petition requesting the court to declare that during the periods mentioned in the workbooks they were employed and actually worked 100% of the work program in the fields of the first and second occupational categories, namely special conditions, and consequently to request the respondent to issue the certificates.

**Clarifications:** Prin sentința 3718/13.12.2018 Tribunalul Prahova respinge acțiunea precizată, ca neîntemeiată. Hotărârea poate fi atacată cu apel după comunicare.

By the **Decision no. 3718/13.12.2018** the Prahova Tribunal dismissed the action as unfounded. The judgment may be appealed after communication.

**Trial Stage:** --

**Court hearing:** --

## **21. Case file no. 2972/105/2018 – Ploiești Court of Appeal**

**Parties:** Conpet – respondent

Mos Emanuel - Marius – claimant

Cazan Marian Ion – claimant

**Object:** Mos Emanuel - Marius and Cazan Marian Ion have filed a sue petition requesting the court to declare that during the periods mentioned in the workbooks they were employed and actually worked 100% of the work program in the fields of the first and second occupational categories, namely special conditions, and consequently to request the respondent to issue the certificates.

**Clarifications:** By the **Decision no. 3414/19.11.2018** The Prahova Tribunal dismisses the application as unfounded. The decision was appealed by Moș Emanuel - Marius.

**Trial stage:** Appeal

**Court hearing:** --

## **22. Case file no. 3061/105/2018 - Ploiești Court of Appeal**

**Parties:** Conpet – respondent

Catana Florin - Eduard – claimant

Catană Victoria – claimant

**Object:** Catana Florin - Eduard and Catană Victoria have filed a sue petition requesting the court to declare that during the periods mentioned in the workbooks they were employed and actually worked 100% of the work program in the fields of the first and second occupational categories, namely special conditions, and consequently to request the respondent to issue the certificates.

**Clarifications:** By the **Decision no. 3229/05.11.2018** The Prahova Tribunal rejects the claim as unfounded. The judgment was appealed by the claimants.

**Trial stage:** Appeal

**Court hearing:** 25.02.2019

## **23. Case file no. 3054/105/2018 – Prahova Tribunal**

**Parties:** Conpet – respondent

Moise Gabriel - Horia – claimant

Popa Petre – claimant

**Object:** Moise Gabriel - Horia and Popa Petre have filed a sue petition requesting the court to declare that during the periods mentioned in the workbooks they were employed and actually worked 100% of the work program in the fields of the first and second occupational categories, namely special conditions, and consequently to request the respondent to issue the certificates.

**Clarifications:** By the **Decision no. 3816/18 18.12.2018** The Prahova Tribunal admits the inadmissibility exception. It rejects the application regarding the performance of the activity under special conditions. The remainder of the action is dismissed as unfounded. The judgment may be appealed after communication.

**Trial stage:** --

**Court hearing:** --

#### **24. Case file no. 3053/105/2018 – Ploiești Court of Appeal**

**Parties:** Conpet – respondent

    Cristache Vasile Gabriel – claimant

    Bocsan Ioan – claimant

**Object:** Cristache Vasile Gabriel and Bocsan Ioan have filed a sue petition requesting the court to declare that during the periods mentioned in the workbooks they were employed and actually worked 100% of the work program in the fields of the first and second occupational categories, namely special conditions, and consequently to request the respondent to issue the certificates.

**Clarifications:** By the **Decision no. 3227/05.11.2018** The Prahova Tribunal rejects the claim as unfounded. The judgment was appealed by the claimants.

**Trial stage:** Appeal

**Court hearing:** --

#### **25. Case file no. 3058/105/2018 – Ploiești Court of Appeal**

**Parties:** Conpet – respondent

    Radu Marin – claimant

    Brutaru Gheorghe – claimant

**Object:** Radu Marin and Brutaru Gheorghe have filed a sue petition requesting the court to declare that during the periods mentioned in the workbooks they were employed and actually worked 100% of the work program in the fields of the first and second occupational categories, namely special conditions, and consequently to request the respondent to issue the certificates.

**Precizări:** By the **Decision no. 3228/05.11.2018** The Prahova Tribunal rejects the claim as unfounded. The judgment was appealed by the claimants.

**Trial stage:** Appeal

**Court hearing:** 25.02.2019

#### **26. Case file no. 3059/105/2018 – Prahova Tribunal**

**Parties:** Conpet – respondent

    Bratu Vasile - Virgiliu – claimant

    Nita Marian - Paul – claimant

**Object:** Bratu Vasile - Virgiliu and Nita Marian - have filed a sue petition requesting the court to declare that during the periods mentioned in the workbooks they were employed and actually worked 100% of the work program in the fields of the first and second occupational categories, namely special conditions, and consequently to request the respondent to issue the certificates.

**Clarifications:** By the **Decision no. 3601/05.12.2018** the Prahova Court dismisses the action filed by the claimants Bratu Vasile-Virgiliu and Nita Marian-Paul, in contradiction with the respondent SC Conpet SA, as unfounded. It notes that the respondent has not requested the payment of court costs. The judgment may be appealed after communication.

**Trial stage:** --

**Court hearing:** --

#### **27. Case file. 3056/105/2018 –Prahova tribunal**

**Parties:** Conpet – respondent

    Mihaila Georgiana - Zoe – claimant

    Constantin Doru – claimant

**Object:** Mihaila Georgiana - Zoe and Constantin Doru have filed a sue petition requesting the court to declare that

during the periods mentioned in the workbooks they were employed and actually worked 100% of the work program in the fields of the first and second occupational categories, namely special conditions, and consequently to request the respondent to issue the certificates.

**Clarifications: By the Decision no. 3720/13.12.2018** The Prahova Tribunal dismisses the action as unfounded. The judgment may be appealed after communication.

**Trial stage:** --

**Court hearing:** --

## **28. Case file no. 3055/105/2018 – Prahova Tribunal**

**Parties:** Conpet – respondent

Voinescu Sorin – claimant

Manolache Cristian – claimant

**Object:** Voinescu Sorin and Manolache Cristian have filed a sue petition requesting the court to declare that during the periods mentioned in the workbooks they were employed and actually worked 100% of the work program in the fields of the first and second occupational categories, namely special conditions, and consequently to request the respondent to issue the certificates.

**Clarifications: By the Decision no. 3719/13.12.2018** The Prahova Tribunal dismisses the action as unfounded. The judgment may be appealed after communication.

**Trial stage:** --

**Court hearing:** --

## **29. Case File no. 2965/105/2018 –Prahova Tribunal**

**Parti:** Conpet – respondent

Istrătescu Laurențiu – claimant

Petrescu Ioan – claimant

**Object:** Istrătescu Laurențiu and Petrescu Ioan have filed a sue petition requesting the court to declare that during the periods mentioned in the workbooks they were employed and actually worked 100% of the work program in the fields of the first and second occupational categories, namely special conditions, and consequently to request the respondent to issue the certificates.

**Clarifications: By the Decision no. 3736/14.12.2018** The Prahova Tribunal admits the action. It finds that the claimants benefit 100% from the 1<sup>st</sup> occupation category for the activities carried out at the respondent unit for the periods specified in the expert report of Luca Marcel Constantin. It requests the respondent to issue to the claimants' certificates showing the period, the occupation category and their working percentage. Please note that court costs are not being claimed. The decision may be appealed by appeal after communication.

**Trial stage:** --

**Court hearing:** --

## **30. Case File no. 3062/105/2018 –Ploiești Court of Appeal**

**Parties:** Conpet – respondent

Stanciu Vasile – claimant

Dumitrescu Ștefan – claimant

**Object:** Stanciu Vasile and Dumitrescu Ștefan have filed a sue petition requesting the court to declare that during the periods mentioned in the workbooks they were employed and actually worked 100% of the work program in the fields of the first and second occupational categories, namely special conditions, and consequently to request the respondent to issue the certificates.

**Clarifications: By the Decision no. 3609/05.12.2018** The Prahova Tribunal dismisses the action as unfounded. The decision was appealed by Stanciu Vasile.

**Trial stage:** Appeal

**Court hearing:** --

## **31. Case file no. 3057/105/2018 –Prahova Tribunal**

**Parties:** Conpet – respondent

Pelin Simona – claimant

Pelin Marian – claimant

**Object:** Pelin Simona and Pelin Marian have filed a sue petition requesting the court to declare that during the periods mentioned in the workbooks they were employed and actually worked 100% of the work program in the fields of the first and second occupational categories, namely special conditions, and consequently to request the respondent to issue the certificates.

**Clarifications:** By the **Decision no. 3737/14.12.2018** The Prahova Tribunal admits the action. It finds that the claimants benefit 75%-100% of the first occupational category group, of the working program, as the case may be, for the activities carried out at the respondent during the periods expressly mentioned in the expert report drawn up by expert Luca Marcel Constantin, which is an integral part of this decision. It requests the respondent to issue to the claimants certificates showing the period, the occupation category and their working percentage. Please note that court costs are not being claimed. The decision may be appealed by appeal after communication.

**Trial stage:** Appeal

**Court hearing:** --

### 32. Case File no. 3060/105/2018 –Bihor Tribunal

**Parties:** Conpet – respondent

Pop Liviu – claimant

Ciordas Gheorghe – claimant

**Object:** Pop Liviu and Ciordas Gheorghe have filed a sue petition requesting the court to declare that during the periods mentioned in the workbooks they were employed and actually worked 100% of the work program in the fields of the first and second occupational categories, namely special conditions, and consequently to request the respondent to issue the certificates.

**Clarifications:** By the **Decision no. 3522/26.11.2018** The Prahova Tribunal admits the exception of territorial incompetence invoked by the court. Refers the case to the Bihor Tribunal for further settlement.

**Trial stage:** Merits

**Court hearing:** 21.03.2019

### 33. Case File no. 3702/105/2018 –Ploiești Court of Appeal

**Parties:** Conpet – respondent

Târcavu Agripina – claimant

Neagu Petre – claimant

**Object:** Târcavu Agripina and Neagu Petre have filed a sue petition requesting the court to declare that during the periods mentioned in the workbooks they were employed and actually worked 100% of the work program in the fields of the first and second occupational categories, namely special conditions, and consequently to request the respondent to issue the certificates.

**Clarifications:** By the **Decision no. 3627/10.12.2018** The Prahova Tribunal dismisses the application as unfounded. The decision was appealed by Târcavu Agripina.

**Trial stage:** Appeal

**Court hearing:** --

### 34. Case File no. 3701/105/2018 –Prahova Tribunal

**Parties:** Conpet – respondent

Soare Iuliana – claimant

Raicu Roxana – claimant

**Object:** Soare Iuliana and Raicu Roxana have filed a sue petition requesting the court to declare that during the periods mentioned in the workbooks they were employed and actually worked 100% of the work program in the fields of the first and second occupational categories, namely special conditions, and consequently to request the respondent to issue the certificates.

**Clarifications:** By the **Decision no. 3771/17.12.2018** The Prahova Tribunal dismisses the action as unfounded. The judgment may be appealed after communication.

**Trial stage:** --

**Court hearing:** --

### **35. Case file no. 2646/241/2017 –Horezu Court**

**Parties:** Podureanu Iordachi – claimant

Conpet SA – respondent

**Object:** Podureanu Iordachi formulează cerere de chemare în judecată solicitând obligarea Conpet SA la plata sumei de 600 lei lunar reprezentând despăgubiri periodice majorate și cheltuieli de judecată.

Podureanu Iordachi had filed a sue petition requesting Conpet SA to pay the amount of 600 lei per month, representing increased periodic damages and court costs.

**Clarifications:** --

**Trial Stage:** Merits

**Court hearing:** 07.03.2019

### **36. Case File no. 3996/105/2018 –Prahova Tribunal**

**Părți:** Conpet – respondent

Ispas Gabriel – claimant

**Object:** Ispas Gabriel has filed a sue petition requesting the court to declare by its decision that Conpet SA shall be required to grant the first occupation category and to issue a certificate regarding the period for which the occupation category is granted: 13.10.1971-19.02.1974; 26.06.1975 - 29.08.1983.

**Clarifications:** --

**Trial stage:** Merits

**Court hearing:** 14.01.2019

### **37. Case file 3997/105/2018 –Prahova Tribunal**

**Parties:** Conpet – respondent

Mohora Cristina – claimant

Stănescu Nicolae Cristinel –claimant

Stănescu Doru Vasile – claimant

**Object:** Mohora Cristina, Stănescu Nicolae Cristinel and Stănescu Doru Vasile have filed a sue petition requesting the court to declare by its decision that Conpet SA shall be required to grant the second occupation category and to issue a certificate regarding the period for which the occupation category is granted, as follows: Mohora Cristina for the period 16.11.1998 – 01.01.2011, Stănescu Nicolae Cristinel for the period 27.06.1987 – 15.12.2008 and Stănescu Doru Vasile for the period 16.03.1987 – 23.09.1989; 05.10.1990 – 01.01.2011.

**Clarifications:** By the Decision no. 66/14.01.2019 The Prahova Tribunal rejects the application as unfounded. The judgment may be appealed after communication.

**Trial stage:** --

**Court hearing:** --

### **38. Case file no. 3998/105/2018 –Prahova Tribunal**

**Părți:** Conpet – respondent

Iacob Florica – claimant

Vasilaş Adrian –claimant

Dinu (fromer Ristache) Cristina – claimant

**Object:** Iacob Florica, Vasilaş Adrian și Dinu (former Ristache) Cristina have filed a sue petition requesting the court to declare by its decision that Conpet SA shall be required to grant the second occupation category and to issue a certificate regarding the period for which the occupation category is granted, as follows: Iacob Florica for the period 04.08.1980 – 27.03.1982; 01.12.1983 – 01.01.2011, Vasilaş Adrian for the period 02.09.1980 – 16.09.1980; 21.10.1981 – 17.04.1982; 14.12.1983 – 01.01.2011 and Dinu (former Ristache) Cristina for the period 16.11.1984 – 01.05.1985; 09.10.1985 – 21.07.1986; 17.02.1987 – 26.09.1987; 19.04.1989 – 01.01.2011.

**Clarifications:** By the Decision no. 238/30.01.2019 The Prahova Tribunal rejects the application as unfounded. The judgment may be appealed after communication.

**Trial stage:** --

**Court hearing:** --

### **39. Case file no. 4334/105/2018 –Ploiești Court of Appeal**

**Parties:** Conpet SA – respondent

Cazan Marian Ion – claimant

**Object:** Split from the case file no. 2972/105/2018. Cazan Marian Ion has filed a sue petition requesting the court to declare that during the periods mentioned in the workbooks he was employed and actually worked 100% of the work program in the fields of the first and second occupational categories, namely special conditions, and consequently to request the respondent to issue the certificate.

**Precizări:** Split from the case no. 2972/105/2018. By the **Decision no. 3427/19.11.2018** The Prahova Tribunal dismisses the application as unfounded. The decision was appealed by the claimant.

**Trial Stage:** Appeal

**Court hearing:** --

### **40. File no. 4768/105/2018 – Ploiești Court of Appeal**

**Parties:** Conpet – respondent

Neagu Petre – claimant

**Object:** Neagu Petre has filed a sue petition requesting the court to declare that during the periods mentioned in the workbooks he was employed and actually worked 100% of the work program in the fields of the first and second occupational categories, namely special conditions, and consequently to request the respondent to issue the certificates.

**Clarifications:** Aplitted from the case file no. 3702/105/2018. By the **Decision no. 3633/10.12.2018** The Prahova Tribunal dismisses the application as unfounded. The decision was appealed by the claimant.

**Trial Stage:** Appeal

**Court hearing:** --

### **41. File no. 10636/281/2018 –Ploiești Court**

**Parties:** Conpet SA – intimated party

Grigorescu Gabriel- contestant

**Object:** Grigorescu Gabriel filed an appeal against for the execution against the garnishment made by BEJ Petrov Sergiu Alexandru in the execution file no. 30/2018.

**Clarifications:** By the **Decision no. 2594/26.11.2018** The Ploiești Court acknowledges the exception of the delay of the grounds of appeal against the execution, invoked by the additional application, an exception invoked by the court, *ex officio*. In that regard, it rejects the disputed execution as being submitted too late. It dismisses the appeal for the enforcement against the garnishment order dated 10.04.2018 as unfounded. The judgment may be appealed after communication.

**Trial Stage:** --

**Court hearing:** --

### **42. Case File no. 5212/105/2018 – Prahova Tribunal**

**Parties:** Conpet SA – respondent

Fondul Proprietatea SA – claimant

**Object:** Fondul Proprietatea SA has filed a sue petition requesting the court:

1. To request Conpet to pay the amount of 734,747.04 lei, representing the dividends net value related to a percentage of 6% of Conpet's share capital, respectively for 524,366 shares held by the claimant by the registration date of AGOA Conpet on 25.04.2007 (namely 14.05.2007), for the financial year 2006,

2. To resuest Conpet to pay damages, namely the legal interest in respect of dividends from the due date of the amount requested in section 1 and up to the date of filing the sue petition (namely 09.11.2018) in the amount of 579,015.97 lei.

3. To request Conpet to further pay the statutory interest on the dividends net value from the date of filing of the sue petition and up to the actual payment of the amounts claimed,

4. To request Conpet to pay the costs of this dispute

**Clarifications:** --

**Trial stage:** Merits

**Court hearing:** --

#### **43. Case File no. 27181/281/2018 –Ploiești Court**

**Parties:** Conpet – intimated party

BEJ Petcu Alexandru – intimated party

Dobrogeanu Dumitru – contestant

**Object:** Dobrogeanu Dumitru formulates an appeal for the execution against the forced execution which is subject to the enforcement order Decision no. 669/20.12.2011 issued by the Prahova Tribunal in the case file no. 14660/281/2005 requesting the court:

1. The cancellation of the Official Report of accepting the actual payment offer concluded on 26.11.2018 at BEJ Petcu Alexandru, payment offer file no. 2/2018;

2. To order the payment for the lack of use for 2018 according to the decision 669/20.12.2011 issued by the Prahova Tribunal which presents the enforcement title by updating the claim amounting to 53,116 lei from the date of the decision until the effective payment thereof.

3. The costs of the proceedings.

**Clarifications:** --

**Trial stage:** Merits

**Court hearing:** --

#### **44. Case file no. 7452/118/2018 –Constanța Tribunal**

**Parties:** Conpet – respondent

Cristina Adrian – claimant

**Object:**

**Clarifications:** --

**Trial stage:** Merits

**Court hearing:** --

#### **45. Case file no. 5308/105/2018 –Prahova Tribunal**

**Parties:** Conpet – respondent

Mohora Cristina – claimant

**Object:** Split from the case file no. 3997/105/2018. Mohora Cristina, Shas filed a sue petition requesting the court to declare by its decision that Conpet SA shall be required to grant the second occupation category and to issue a certificate regarding the period for which the occupation category is granted, as follows: the period 16.11.1998-01.01.2011,

**Clarifications:** By the Decision no. 68/14.01.2019 the Prahova Tribunal dismisses the application as unfounded.

The decision may be appealed after communication.

**Trial stage:** --

**Court hearing:** --

#### **46. Case file no. 2969/105/2018 – Prahova Tribunal**

**Parties:** Conpet SA – respondent

Ilina Nicolae – claimant

Bucică Marius Florin – claimant

**Object:** The claimants have filed a sue petition requesting the court to declare that during the periods mentioned in the workbooks they were employed and actually worked 100% of the work program in the fields of the first and second occupational categories, namely special conditions, and consequently to request the respondent to issue the certificates.

**Clarifications:** Through the Decision no. 3521/26.11.2018 the Prahova Tribunal dismisses the application as unfounded. The decision may be appealed after communication.

**Trial stage:** --

**Court hearing:** --

**b) List of the case files on the docket of the courts of law on 31.12.2018 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 59/06.2004
- 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:** Merits

**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 Oil Transport System 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 **Decision no. 128/20.01.2016** the Târgu Carbunesti Court of Appeal 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 appealed 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:** Merits - retrial

**Court hearing:** 26.03.2019

### **3. Case File no. 8425/281/2015 – Ploiești Court**

**Parties:** Conpet SA- respondent-reconvenient

Panaiteșcu Mircea – claimant-respondent

**Object:** Claims. Panaiteșcu 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.

**Clarifications:** By the Decision no. 5772/29.06.2018 The Ploiești Court of Appeal partially approves the sue petition. Partially approves the counterclaim. It requests the respondent to pay an annual rent in the amount of 58.89 lei (79.66 kg STAS wheat) for the respondent to exercise the easement right for a land area of 461 square meters corresponding to the 2.5 m passage space, at the time of the action. The respondent is ordered to pay the costs in the amount of 20 lei representing a legal stamp duty for the approved head of claim, and 600 lei representing expertise fee for the agriculture specialty, and 600 lei for the reduced attorney fee. Separate court costs are set for the respondent's account. The judgment was appealed by Conpet.

**Trial stage:** Appeal

**Court hearing:** 26.02.2019

### **4. Case File no. 1372/212/2017 – Constanța Court**

**Parties:** Conpet SA – respondent-reconvenient

Cruceanu Alin Florinel – claimant-respondent

**Object:** Cruceanu Alin Florinel has submitted a sue petition 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, Constanța County and the plot of land in surface of 460 sqm located in Lazu commune, 31, Luceafărului street, Constanța 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, Constanța 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 easement right.

**Trial stage:** First court

**Court hearing:** 28.02.2019

**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 (A.N.R.M.) 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:** 20.02.2019

**6. File no. 2323/120/2018 – Dâmbovița Tribunal**

**Parties:** Conpet SA – respondent-reconvenient

Buzatu Florin – claimant-respondent

**Object:** Buzatu Florin has filed a sue petition, asking the court:

1. Order the respondent Conpet SA to pay the claimant the amount of 150,000 EUR, payable at the NBR exchange rate on the day of the payment (amount to be reassessed upon completion of the expert real estate appraisal report to be carried out in probation, we shall resize and specify the value of the claims, corroborated with the appropriate adjustment of the stamp duty), representing the fair and equitable compensation for the damage suffered by restricting the possibility of exercising its right to property on the land area of 5980 sqm located in the urban space of Slobozia Moară, Dâmbovița County, having the cadastral number 70618, registered with the land registry under 70618/UAT Slobozia Moară, Dâmbovița County, on which are found the underground gas pipelines and the overground devices of the respondent, land that cannot be used for the purpose of constructing a building;

2. Order the respondent Conpet SA to pay a 1,000-euro monthly indemnity payable at the exchange rate of the NBR on the payment day, starting with the delivery of the Decision throughout the existence of the underground pipelines and overhead devices on the land owned by the respondent and to bear all the costs incurred by the claimant for the pre-authorization stages of the construction;

3. Subsidiarily, it orders the respondent to erect all the constructions built on the claimant's property, namely the gas pipelines and the overhead devices, to bring the land to its original condition or to enable the claimant to perform the obligation to do so, at the exclusive expense of the respondent;

4. Order the respondent Conpet SA to pay the costs of the judicial proceedings.

Conpet will file a counterclaim.

**Trial stage:** Merits

**Court hearing:** 13.02.2019

#### **7. Case file no. 16016/281/2018 –Ploiești Court**

**Parties:** Conpet SA –claimant

Protect Colector SRL – respondent

**Obiect:** Conpet formulează cerere de chemare în judecată societății Protect Colector S.R.L. pentru ca prin hotărârea pe care o va pronunța instanța să dispună:

**Object:** Conpet has submitted a sue petition against Protect Collector S.R.L. asking the court to order:

1. Obligation of the respondent Protect Collector S.R.L. to pay to Conpet S.A. the amount of 26,626.70 RON representing damages in the amount of 20% due according to art. 16.6 of service agreement no. S-CA 124 / 27.04.2016.
2. Order the respondent to pay the court costs.

Protect Collector SRL has filed a counterclaim requesting the court to declare the absolute nullity of the service agreement no. S-CA 124 / 27.04.2016.

**Trial stage:** Merits

**Court hearing:** 12.03.2019

c) List of case files on the docket of the courts of law on 31.12.2018 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 has filed a sue petition requesting the court:

- to rule the obligation Biodiesel S.R.L to pay to Conpet S.A. the amount of 216,821.44 lei, representing the rent for the period June to rule the obligation of 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 Court of Appeal rejected the exception of the contract non-execution. It admitted in part the petition formulated by the claimant Conpet SA Ploiești 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) 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 Bacău Court of Appeal.

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 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:** Merits – suspended

**Court hearing:** --

## 3. Dosar nr. 6179/105/2009 - Tribunalul Prahova

**Parti:** Conpet S.A. - creditor

Petroconduct S.A. – debtor

### 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 remedies it had at its disposal.

**Court hearing:** 07.02.2019

## 4. 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 10<sup>3/4</sup> "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 Court of Appeal admitted the recourse, annulled the court order ruled by the First Court and sent the case to retrial. By the **Decision 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 for the recourse and 2500 lei for the expert fee. Vasrep formulated a recourse. By the **Decision no. 141 / 15.01.2015** the Ploiesti Court of Appeal rejected the recourse as unfounded.

**Trial stage:** Merits

**Court hearing:** 28.03.2019

##### **5. Case File no. 2803/120/2013 - Dambovita 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:** Merits

**Court hearing:** 25.02.2018

##### **6. Case File no. 7932/118/2013\* – Constanța Tribunal**

**Parties:** Conpet SA - civil party

Bivolaru Gabriel, Chihia 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, Chihia Marin, Mangalea Gheorghe, Ahălanei 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, Chihia Marin, Mangalea Gheorghe, Ahălanei 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, Chihia Marin, Mangalea Gheorghe, Ahălanei 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, Chihia Marin, Mangalea Gheorghe, Ahălanei 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, Chihia Marin, Mangalea Gheorghe, Ahălanei 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, Chihia Marin, Mangalea Gheorghe, Ahălanei 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 Court of Appeal admitted the appeals filed by the Prosecutor's Office within to the Constanta Tribunal and by the defendants Bivolaru Gabriel, Chihai 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 \* / a1).

By the **Conclusion no. 93 / 28.02.2017** the Constanța Tribunal rejected as ungrounded the requests and exceptions formulated by the defendants Bivolaru Gabriel, Chihai Marin, Meridicos 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 Court of Appeal, 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 Court of Appeal.

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. The exception was rejected as inadmissible.

**Trial stage:** Merits- retrial

**Court hearing:** 06.03.2019

#### **7. 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:** Merits

**Court hearing:** 12.02.2019

#### **8. 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, Grigorescu 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 Bucşani - injured party

Mayor's Office Şotânga - injured party

Romtelecom S.A. – South East Operations Division – Dâmboviţa 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 Silişte - Ploieşti.

By the Decision no. 1284 / 05.11.2018 The Dâmboviţa Court for the deed committed in September 2010 in the area of Bucşani locality, jointly charges the defendants: Dumitru Nica - Constantin, Dumitru Nica - Gheorghe, S.C. Duniag Instal S.R.L., S.C. Anaver Vila Grup S.R.L., Grigoraşcu Dominel Ion, Georgescu Anda and Marasescu Marian to pay the amount of 2.083,20 lei to CONPET S.A. The judgment was appealed by Conpet, the defendants and the Public Prosecutor's Office.

**Trial stage:** Appeal

**Court hearing:** --

#### **9. Case File no. 1510/262/2014 – Moreni Court**

**Parties:** Conpet SA - claimant

Pîrvu Gheorghe – respondent

Pîrvu Nicolae - respondent

Grigorescu Gabriel - respondent

Zlăteanu Dragoş Marian - respondent

Dărmăneşti Commune, legally represented by the Mayor of the Dărmăneşti Commune - respondent

SC Nimb Dâmboviţa 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 Dărmăneşti commune, Dâmboviţa 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:** Merits - Suspended

**Court hearing:** --

#### **10. Case File no. 6819/118/2013 – Constanţa 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 scrap 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:** Merits

**Court hearing:** 07.03.2019

**11. 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:** Merits

**Court hearing:** 07.03.2019

**12. 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:** Merits

**Court hearing:** 19.04.2019

**13. 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:** Merits

**Court hearing:** 03.04.2019

**14. Case File no. 2899/62/2015 – Brașov 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, consisting of the secured claim of 40,927.28 lei and the unsecured claim of 2,023.57 lei.

**Trial stage:** Merits

**Court hearing:** 19.03.2019

**15. Case File no. 91/116/2016 – Călărași 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).

**Clarifications:** By the Decision no. 93/30.07.2018 the Călărași Tribunal admits the civil claims filed by the civil party Conpet SA Ploiești. It requires the defendant Anton Petrișor to pay the amount of 13,713.49 lei, representing the value of the works for the remediation of damages from the pipes in the Bărăganu-Călărași area, Paicu, Nicolae Bălcescu commune, and the defendant to jointly be liable for the same amount also together with the defendants Stancu Alexandru Emilian, Avram Gheorghe and Nițu Nicolae according to SP no. 69/2016 of the Călărași Tribunal, delivered in file no. 1032/116/2016, final by DP no. 1881 / A / 2016 a CAB and with the defendants Ioniță Gheorghe Aurel, Nistor Tiberiu, Stan Remus Constantin-according SP no. 142/15.09.2014 issued by the Călărași Tribunal in file no. 2623/116/2013 and with the defendant Poteraș Cristinel - according to S.P. no. 212/28.11.2013 issued by the Călărași Tribunal in the file no. 2037/116/2013. The judgment was appealed by the defendants.

**Trial stage:** Appeal

**Court hearing:** 22.02.2019

**16. Case File no. 8156/281/2014 – Ploiești Court**

**Parties:** Conpet SA – civil party

Matei Marinel – claimant in revision

**Object: Qualified theft.** Revision. Matei Marinel formulated a request for revision of the criminal decision no. 1383/14.10.2013 pronounced by the Ploiești Court of Appeal in file no. 19230/281/2011.

**Trial stage:** Merits

**Court hearing:** 14.02.2019

**17. 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 public 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, M M, 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 Ploiești 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:** Merits

**Court hearing:** 11.02.2019

#### **18. Case File no. 1450/214/2016 – Costești Court**

**Parties:** Conpet SA – civil party

Şerban 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 appealed. By the Conclusion no. 194 / 13.10.2016 the Argeș Tribunal rejected the contestation as unfounded.

**Trial stage:** Merits

**Court hearing:** 07.02.2019

#### **19. 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:** Merits

**Court hearing:** 26.02.2019

## 20. Case File no. 8262/281/2016 – Ploiești Court

**Parties:** Conpet SA – creditor

Association Fotbal 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 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 Fotbal Club Conpet 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 FotbalClub Conpet.

**Trial stage:** Merits

**Court hearing:** --

## 21. Case File no. 219/281/2017 – Prahova Tribunal

**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.

By **sentence no. 1831 / 09.03.2018** Ploiești Court of Appeal admits the writ of summons. It requests the respondent to pay to the claimant the amount of lei 37,017.28 representing unpaid non-ferrous waste, according to ADM contract no. 79/06.03.2014. It requests the respondent to pay to the claimant the amount of lei 6,737,02 representing penalties for delay, according to art. 11.1 of the ADM contract no. 79/06.03.2014, calculated until 20.10.2016. It requests the respondent pay to the claimant the amount of lei 2,562.63 as court costs of which the amount of lei 1,917.63, as legal stamp duty, the amount of lei 600 representing the fee for accounting expertise and lei 45 representing the equivalent value of the confirmation of company details. The judgment was appealed by Conpet.

By the **Conclusion dated 29.11.2018** the Prahova Tribunal admits the request to suspend the case. Under Art. 75 of the Law no. 85/2014 it suspends the case as a result of the opening of the insolvency proceedings against the summoned respondent. The conclusion may be appealed throughout the suspension period.

**Trial stage:** Appeal-Suspended

**Court hearing:** --

## 22. Case File no. 3666/281/2017 – Prahova Tribunal

**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).

**Clarifications:** By the **sentence no. 864/08.02.2018** The Ploiești Court of Appeal admits the writ of summons filed by the claimant CONPET S.A., against the respondent GENERAL REMAT SORT S.R.L., and work point located in Constanța, Constanța County. It requests the respondent to pay to the claimant the samount of lei 2,286 representing unpaid non-ferrous waste, according to ADM contract no. 132 / 23.04.2015. It requests the respondent to pay to the claimant the samount of lei 4,914.90 representing late payment penalties, according to art.9.1 of the ADM contract no.132 / 23.04.2015, calculated up to 31.12.2016. It requests the respondent to pay to the claimant the samount of lei 1,065 in court costs, of which the amount of lei 465 representing the judicial stamp duty and the amount of lei 600 lei representinf accounting expertise fee. The judgment was appealed by Conpet.

By **decision no. 2667/14.11.2018** the Prahova Tribunal admits the appeal, partially amends the appealed sentence and consequently: It requests the respondent to pay to the claimant the samount of lei 8.206,74 lei, representing late payment penalties calculated until 15.10.2017. The judgment may be appealed after communication.

**Trial stage:** --

**Court hearing:** --

### 23. 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.

By **sentence no. 258 / 06.02.2018** the Călărași Court admits the request for completion of the Civil Sentinece no. 1694/2017 dated September 19th, 2017, pronounced by the Călărași Court in file no. 2345/202/2017, request filed by the applicant Conpet S.A. Pursuant to art. 444 Code of Civil Procedure, it completes the judgment in the sens that it requests the respondent to pay the claimant Vasile Stoian legal interest calculated in the amount of lei 15136.23 as of 30.09.2014 and until the date of actual payment. It maintains the other provisions of the sentence. Final by failure to appeal.

By **decision no. 601 / 18.09.2018** the Călărași Tribunal admits the appeal declared by the claimant Conpet S.A. against the respondent Vasile Stoian against the civil sentence nr.1694 / 2017 of the Calarasi Court which it

changes, in part, by requesting the respondent to pay the court costs in the amount of lei 862. It admits the request for the restitution of the stamp duty paid in the appeal (lei 33) and orders the restitution thereof. The judgment may be appealed after communication.

**Trial stage:** --

**Court hearing:** --

**24. Case File no. 1656/295/2017 – Timiș Tribunal**

**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.

Clarifications: By the **sentence no. 132 / 12.02.2018** the Sânnicolaul Mare Court rejects the writ of summons formulated and specified by the claimant Conpet SA, against the respondent Zeri Andrea and PFA Zeri Andrea, having claims as subject-matter. It rejects the application for granting the court costs as claimed by the respondents Zeri Andrea and PFA Zeri Andrea as unfounded. The judgment was appealed against by Conpet.

**Trial stage:** Appeal

**Court hearing:** 12.02.2019

**25. 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) lei 50,094,8 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) lei 343,839.57, consisting in the amount of lei 331,271.57 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:** Merits

**Court hearing:** 22.04.2019

**26. 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 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 lei 927,154.06 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.

3. The suspension of the measures established by Decision no. 14/21.06.2017, issued by the Chamber of Accounts Prahova, points no. I.2 and I.3, respectively, measures 2 and 3 thereof until the final settlement of the case.

**Clarifications:** By the **conclusion of 23.02.2018** the Prahova Court rejects the application for the suspension of the execution of the administrative act as unfounded. The judgment was appealed by Conpet SA.

By **decision no. 2946/19.09.2018** the Court of Appeal of Ploiești admits the appeal. It quashes the decision under appeal in full and sends the case back to the same court of law.

By **decision no. 1850/09.11.2018** The Prahova Tribunal admits the application, orders the suspension of the execution of the measures 2 and 3 established by the decision no. 14/21.06.2017, issued by the Prahova Chamber of Accounts until the final settlement of the case. Enforceable. The judgment was appealed by the Court of Accounts. Deadline: 15.02.2019

**Trial stage:** Merits

**Court hearing:** 26.03.2019

**27. Case File no. 689/42/2017 – Ploiești Court of Appeal**

**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

By **sentence no. 24 / 01.02.2019** the Ploiești Court of Appeal partially admits the petition for legal action. It orders the partial annulment of the tax inspection report F BZ 584 dated 31.10.2016, of the tax decision F BZ 436/31.10.2016 and of the decision 114/06.04.2017 regarding the following findings: - point I on the profit tax in the amount of lei 2,435,078 lei related to the sponsorship expenses - point X - tax and profit in the amount of lei 12,915 for the advertising and publicity expenses in the amount of lei 80,719 and the related VAT in the amount of lei 19,372. - point XI - tax and profit related to advertising and publicity expenses in the amount of lei 1,129,500. – point XII - tax and profit related to the rent expenses in the corresponding amount of lei 442.545 - point XIII - tax on the external travel expenses in the amount of lei 207.614 lei. It maintains the contested documents. The judgment may be appealed after communication.

**Trial stage :** --

**Court hearing :** --

**28. Case File no. 31709/212/2017 – Constanța Court**

**Parties:** Conpet – petitioner

SPIT Constanța – appellee

**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.

**Clarifications:** By the **conclusion of 20.03.2018** the Constanța Court suspends, pending the final settlement of the files no. 2768/118/2017 and no. 4323/118/2017 - pending before the Constanța Tribunal, the judgement on the contravention complaint. The conclusion was appealed by SPIT Constanța. By the decision no. 21/05.09.2018 the Constanța Court admits the appeal. It quashes the decision under appeal in full and considering it again for judgement, it rules: it rejects the request for the suspension of the case under the provisions of art. 413 par. 1 point 1 Code of civil procedure. Final.

**Trial stage:** Merits

**Court hearing:** --

#### **29. 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 CONSULTANȚA PENTRU INFRASTRUCTURI TERESTRE 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:** Merits

**Court hearing:** --

#### **30. 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.

**Clarifications:** By the sentence no. 2539/24.07.2018 the Targoviste Court of Appeal admits the action. Ir orders

the respondents to jointly and severally pay to the claimant the amount of 37.872,18 lei in respect of civil damages representing the value of the travel to the place of the deed for the finding purposes, the work to replace the pipe removed and the fiber optic remediation works, as well as the payment of the legal interest related to the main debit, calculated from 10.04.2011, the date of the offense and up to the actual payment date. It orders the respondents to jointly and severally pay to the claimant the amount of 1,742 lei as court costs representing the the judicial stamp duty. The judgment may be appealed after communication.

**Trial stage:** --

**Court hearing:** --

### **31. Dosar nr. 4991/281/2018 – Judecătoria Ploiești**

**Părți:** Conpet SA – contestator

Dobrogeanu Dumitru – intimat

**Obiect:** Conpet SA formulează contestație la executare împotriva actelor de executare întocmite de Societatea Civilă Profesională de Executori Judecătoreschi Goslan și Stângă, după cum urmează:

-Încheierea din data de 06 februarie 2018;

-Înștiințarea din data de 06 februarie 2018;

-Adresa precizatoare din data de 01 martie 2018 a Somației din data 06 februarie 2018.

și solicită:

1. Anularea încheierii din data de 06 februarie 2018 emisă în dosarul nr. 4526/2017 privind stabilirea cheltuielilor de executare silită.

2. Anularea înștiințării din data de 06 februarie 2018 emisă în dosarul nr. 4526/2017 privind declanșarea urmăririi silită împotriva CONPET în vederea actualizării cu rata inflației a creanței stabilite în titlul executoriu reprezentat de Decizia civilă nr. 669/20.12.2011, de la data de 20.11.2011 până la data plății efective, pronunțată de Tribunalul Prahova în dosar nr. 14660/281/2005;

3. Anularea adresei precizatoare din data de 01 martie 2018 a somației din data de 06 februarie 2018 emisă în dosar nr.4526/2017, privind achitarea de către CONPET doar a actualizării creanței de 53.116,00 lei pe anul 2014.

4. Întoarcerea executării prin restabilirea situației anterioare acesteia.

5. Cheltuieli de judecată.

**Precizări:** Prin **Încheierea nr. 1515/19.06.2018** Judecătoria Ploiești admite excepția netimbrării cererii de chemare în judecată, invocată din oficiu. Anulează cererea ca netimbrată. Hotărârea poate fi atacată cu apel după comunicare.

**Stadiu procesual:** --

**Termen:** --

### **32. Case File 611/310/2018 –Sinaia Court**

**Parties:** Conpet SA – petitioner

Sinaia U.A.T. SINAIA through the Mayor

**Object:** Conpet files a complaint against the Minutes of finding and sanctioning of contraventions no. 4 dated March 5, 2018 concluded by Sinaia U.A.T. requesting the admission of the complaint and the annulment of minutes Minutes of finding and sanctioning of contraventions, and subsidiarily the replacement of the sanction by a warning. By the appealed Minutes, Naparus Georgeta, inspector of the Sinaia U.A.T., following a check on 05.03.2018, at 3PM, in Sinaia, 2000 range - Bucegi Mountains, refuge 2000, Prahova County, found the following: "works were executed with the non-observance of the building permit no. 70/29.08.2016 that: The roof on the rear façade has a slope along the entire length of the façade; by this change the following measurements are exceeded: the built area > 150.00 sqm, POT > 18%, developed larger > 230.00 sqm, CUT > 0.36; A supporting wall was built to support the beam; The works were done in 2017." Through the sanction resolution, the Mayor of Sinaia applied the sanction with a fine of 50,000 lei according to art. 26 lit. b) of Law no. 50/1991 and ordered the following measures: stopping works and compliance with the law.

**Clarifications:** By the Decision no. 60/23.01.2019 The Sinaia Court rejects the complaint of violation as unfounded. Maintains the Minutes of finding and sanctioning of contraventions no. 4/05.03.2018 elaborated by the Sinaia City Hall. The decision may be appealed after communication.

**Trial stage:** --

**Court hearing:** --

**33. Case File no. 1064/192/2018 – Bolintin Vale Court**

**Parties:** Conpet SA – petitioner

Găiseni City Hall – intimated party

**Object: Contravention complaint.** Conpet filed a complaint of violation against the Minute no. 78/21.02.2018 concluded by the Găiseni City Hall requesting its cancellation and the exemption from the payment of the fine (500 lei) applied pursuant to art. 493 par. 5 of Law no. 207/2015 regarding the Fiscal Code for breaching the provisions of art. 461 par. 2 of the Law no. 207/2015 (failure to declare the building in due time).

**Clarifications:** By sentence no. 911/03.07.2018 The Bolintin Vale Court of Appeal admits the complaint. The judgment may be appealed after communication.

**Trial stage:** --

**Court hearing:** --

**34. Case File no. 8615/280/2018 – Argeș Tribunal**

**Părți:** Conpet – contestant

LAVI STAR 2007 SRL – intimated party

BEJ Copaci Vasile Dorel of the Associate Bureau of Judicial Executives Bucescu Emanoil Aron and Copaci Vasile Dorel – intimated party

**Object:** Appeal against execution. Conpet filed an appeal against execution against the termination of the forced execution conclusion dated 14.05.2018 disposed in the execution file no. 228/2018 by the bailiff Copaci Vasile Dorel from the Associated Bureau of the Judicial Executives Bucescu Emanoil Aron and Copaci Vasile Dorel requesting the court to order the termination of the forced execution conclusion no. 228/2018 dated 14.05.2018 of the bailiff Copaci Vasile Dorel and to require him to continue the forced execution for the purpose of calculating and recovering from the debtor LAVI STAR 2007 SRL the amount representing the update of the main debit with the legal interest from the date of the final stay of the enforceable title represented by the Decision no. 8072/11.09.2014 and until full payment of the main debit. It also asks the intimated parties to pay the court costs in question.

**Clarifications:** By the **Decision no. 7544/22.11.2018** The Pitesti Court dismisses Conpet's appeal as unfounded. The decision was appealed by Conpet.

**Trial Stage:** Appeal

**Court Hearing:** --

**35. Case file no. 14772/281/2018 –Ploiești Court**

**Părți:** Conpet SA – claimant

Valin Construction Project SRL – respondent

**Object:** Conpet has filed a sue petition asking the court to:

- order the respondent to pay to Conpet SA the amount of 529.80 lei according to invoice no. PH CON FA 3378/26.04.2016, representing the value of the rental on 24.04.2016 of the special vehicle of TATRA mobile make with registration number PH-58-ZZZ, which is a Conpet property;
- order the respondent to pay to Conpet SA legal penalties in the amount of 114.06 lei, calculated until 02.07.2018, and to continue to pay them until the full payment of the debit;
- Order the respondent to pay the court costs.

**Clarifications:** By the Decision no. 148/11.01.2019 The Ploiesti Court of Appeal admits the above-mentioned summons. It requests the respondent to pay the claimant the sum of 120.95 lei as default penalties, calculated from the due date until 13.09.2018, the date of payment of the main debit in the amount of 529.80 lei according to the invoice no. CON FA 3378/26.04.2016. The respondent is ordered to pay to the claimant the amount of 62.08 lei as court costs for the stamp duty. The decision may be appealed after communication.

**Trial Stage:** --

**Court Hearing:** --

### **36. Case file no. 2782/229/2018 – J== Fetești Court**

**Părți:** Conpet SA – claimant

Zacon Trandafir – respondent

**Object:** Conpet SA has filed a sue petition against Zacon Trandafir so that based in the evidence to be administered, the court shall pronounce a decision by which:

- to find the absolute nullity of the sale-purchase agreement no. 1047/03.02.1999, concluded between Conpet SA as the seller and Zacon Rose as buyer;
- to order the respondent to pay the court costs.

Subsidiarily, the respondent Zacon Trandafir is required to pay the value of the property at the fair market value determined by the report of a judicial technical expertise.

**Trial stage:** Merits

**Court hearing:** 09.05.2019

**Likelihood of admission of the action:** 50%

### **37. Case file no. 9638/315/2018 –Târgoviște Court**

**Parties:** Conpet SA – petitioner

The Public Prosecutor's office attached to the Târgoviște Court– intimated party

**Object:** Conpet files a complaint against the Ordinance in regard to the rejection of the claim no. 143/II/2/2018 dated October 1, 2018 by the First Prosecutor of the Public Prosecutor's Office attached to the Târgoviște Court, by which the Conpet S.A. claim against the Order of Classification given on 04.06.2018 by the Public Prosecutor's Office attached to the Targoviste Court in file no. 595/P/2013, regarding the commission of the offense of qualified theft, deed provided for in art. 228 par. 1 - art. 229 par. 1 sect. b and par. 3 sect. A of the Criminal Code requesting the cancellation of the Ordinances, the continuation of the criminal investigation and the investigations in order to sue the suspects Spirea Robert Marius, Drăguț Marian, Niță Sorin and Sandu Marian for committing the offense provided by art. 228 par. 1 - art. 229 par. 1 sect. b and par. 3 sect. a of the Criminal Code, as well as for the recovery of the damage caused to our company.

**Clarifications:** By the order of 23.01.2019, the Târgoviște Court of Appeal admits the complaint and ordered the case to be filed with the prosecutor in order to complete the criminal prosecution of the suspects in this case file, as regards to the perpetration of the crime of qualified theft, by art. 228 par. 1 rap. to art. 229 par. 1 sect. b) and par. 3 sect. a) of the Criminal Code. Final

### **38. Case file no. 983/281/2016 –Ploiești Court**

**Parties:** Conpet SA – claimant

Dobrogeanu Dumitru – respondent

**Object:** Conpet files an application for restitution of the legal stamp duty in the amount of 1,000 lei paid by our company in the file no. 983/281/2016 through PO no. 2025 dated 25.03.2016 and the stamp duty in the amount of 658.37 lei paid by our company in the file no. 8115/281/2016 through OP no. 4249 dated 29.06.2016.

**Clarifications:** By the **Conclusion no. 44/09.01.2019** the Ploiești Court admits the application. It orders the restitution to the contestant of the amount of 1,000 lei paid by the contestant as judicial stamp duty in the file no. 983/281/2016 and the amount of 658.37 lei paid by the contestant as judicial stamp duty in the file no. 8115/281/2016. The judgment may be appealed after communication.

**Trial stage:** --

**Court hearing:** --

### **39. Case File no. 4562/105/2018 –Prahova Tribunal**

**Părți:** Conpet SA – claimant

Agenția Județeană Pentru Ocuparea Forței De Muncă Prahova

**Object:** Anulare act administrativ. Conpet formulează cerere de chemare în judecată prin care a solicitat anularea actului administrativ reprezentat de dispozitia AJOFM nr. 223/27.02.2018 prin care a respins solicitarea Conpet de a beneficia de subvenția alocată pentru stagiari

Cancellation of the administrative act. Conpet filed a sue petition by which it requested the cancellation of the

administrative act represented by the AJOFM provision no. 223/27.02.2018 refusing Conpet's request to benefit from the grant awarded to trainees

**Trial stage:** Merits

**Court hearing:** Decision delivery postponed to 07.02.2019

#### **40. Case file no. 24107/281/2018 –Ploiești Court**

**Părți:** Conpet SA – claimant

Dobrogeanu Dumitru – respondent

**Object:** Conpet files a sue petition asking the court that by its decision to order the return of forced execution under the enforceable title represented by the decision no. 669 from 20.12.2011 of the Prahova Tribunal in the execution file no. 15/2013 of B.E.J. Goslan Mihai, by partially restoring the situation prior to the execution, in order to oblige the respondent Dobrogeanu Dumitru (under Article 723 of the Civil Procedure Code) to pay the following amounts to the undersigned:

- **8,202.82** lei representing the amount received unduly as the amount for the lack of use related to the period 16.08.2012 - 31.12.2012, updated with the inflation index for the period 01.01.2013 - 21.03.2013;
- **298,99** lei representing the fee received unduly by the Bureau of the Judicial Executor Mihai Goslan;
- **1,000 lei**, representing the lawyer's fee.

It also requests the updating of the amounts of 8,202.82 lei, 298,99 lei and 1,000 lei with the default interest starting with 15.04.2013 (the date of the Minutes for the release of amounts in the execution file No. 15/2013) to day and further until the date of actual payment.

**Trial stage:** Merits

**Court hearing:** 04.03.2019

#### **41. Case file no. 27022/3/2018 – București Tribunal**

**Parties:** Conpet – creditor

PETROCONSTRUCT GROUP S.R.L – debtor

**Object:** Bankruptcy. Conpet SA filed an application for the admission of the claim for the amount of 17,176.14 lei (debits and penalties) for the renting of the spaces according to the agreement ADM 803/05.12.2017 and renting of a vehicle according to the order.

**Trial stage:** Merits

**Court hearing:** 16.04.2019

#### **42. Case file no. 28232/281/2018 –Ploiești Court**

**Parties:** Conpet SA –claimant

Mihoc Oil SRL – respondent

**Object:** Conpet SA filed a sue petition requesting the court by its decision:

1. To order the respondent MIHOC OIL S.R.L. to pay to CONPET S.A. the amount of 57,450 lei representing damages in the amount of 20%, due according to art. 17 of the service agreement no. S-CA 47/28.01.2016, following the termination of the agreement by the default of the respondent
2. To order the respondent to pay the court costs.

**Trial stage:** Merits

**Court hearing:** --

#### **43. Case file no. 11356/315/2018 – = Târgoviște Court**

**Părți:** Conpet SA – petitioner

Public Prosecutor's Office attached to the Târgoviște Court

**Object:** Conpet files a complaint against the Ordinance in regard to the rejection of the claim no. 182/II/2/2018 dated 12.11.2018 by the First Prosecutor of the Public Prosecutor's Office attached to the Târgoviște Court, by which the complaint of Conpet S.A. against the Classification Order given on 21.08.2018 by the Public Prosecutor's Office attached to the Târgoviște Court, in the file no. 1746/P/2013, on the offense of theft, deed provided for in art. 228 par. 1 of the Criminal Code asking for the admission of the complaint, abolition of the

Ordinances, continuation of the criminal investigation and investigations in order to identify the offenders and prosecuting them for committing the offenses during the period 02 - 06.03.2013, the Ø14" and Ø20" oil pipelines transiting comuna Butimanu, Dâmbovița County.

**Clarifications:** By the conclusion of 22.01.2019 the Târgoviște Court of Appeal rejects the complaint. The Judicial costs advanced by the state in the amount of 50 lei shall be borne by the petitioner. Final.

#### **44. File no. 27968/281/2018 –Ploiești Court**

**Părți:** Conpet SA – petitioner

Public Prosecutor's Office attached to the Ploiești Court

**Object:** Conpet files a complaint against the Ordinance in regard to the rejection of the claim no. 289/II/2/2018 dated 16.11.2018 by the First Prosecutor of the Public Prosecutor's Office attached to the Ploiești Court, by which the complaint of Conpet S.A. against the Classification Order given on 04.09.2018 by the Public Prosecutor's Office attached to the Ploiești Court, in the file no. 6296/P/2010, on the offense of theft, deed provided for in art. 228 par. 1 of the Criminal Code asking for the admission of the complaint, abolition of the Ordinances, continuation of the criminal investigation and investigations in order to identify the offenders and prosecuting them for committing the offenses on 08.06.2010 on the oil transport pipeline from Siliște-Ploiești.

**Clarifications:** By the Conclusion no. 52/15.01.2019 The Ploiești Court dismisses the complaint as unfounded. It orders the petitioner to pay the amount of 150 lei, representing court costs advanced by the state. Final.

#### **45. Case File no. 4279/255/2018 – Judecătoria Marghita**

**Părți:** Conpet SA – petent

Parchetul de pe lângă Judecătoria Marghita

**Object:** Conpet files a complaint against the Ordinance in regard to the rejection of the claim no. 11/II.2/2018 dated 03.12.2018 by the First Prosecutor of the Public Prosecutor's Office attached to the Marghita Court, by which the complaint of Conpet S.A. against the Classification Order given on 04.09.2018 by the Public Prosecutor's Office attached to the Marghita Court, in the file no. 903/P/2013, asking for the admission of the complaint, abolition of the Ordinances, continuation of the criminal investigation and investigations in order to identify the offenders and prosecuting them for committing the offense found on 14.05.2013 consisting in damaging the Ø 4" oil transport pipeline Petru - Marghita, in the area of Petrești, Bihor county, for oil theft purposes.

**Trial stage:** Merits

**Court hearing:** 14.02.2019

#### **d) List of the case files finalized in 2018 in which CONPET S.A. had the quality of Party**

##### **1. 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: Declaratory action.** 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 employment category, 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. This decision is final and without appeal.

## **2. 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 order:

- the annulment of the act entitled Executory Title no. 14962 / 12.12.2016
- the annulment of the Summons no. 14961/12.12.2016 and of the other acts of execution carried out by the intimated party.

**Clarifications:** By the **Decision 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.

## **3. 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 Minute no. 316 concluded on 27.04.2017. This decision is final and without appeal.

## **4. Case File no. 7245/105/2015 – Ploiești Court of Appeal**

**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 employment category, and to rule the obligation of Conpet SA to issue the certificate stating the period, group and percentage of the work in the superior employment category.

**Clarifications:** By the **Decision 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 orders the obligation of the respondent to issue to the claimant a certificate stating the period, the employment category and the percentage in which he has worked. It found that no court costs were required. The decision was appealed by Conpet.

By **decision no. 707/15.03.2018** the Ploiești Court of Appeal admits the appeal. It fully modifies decision in the meaning that it dismisses the action as unfounded.

#### **5. 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 employment category 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 employment category) and to rule the payment of the amount to the pension house according to the law for the second employment category.

**Clarifications:** By the **Decision 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 appealed by the claimant.

#### **6. 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 Court of Appeal.

**Clarifications:** By the **Decision no. 2388 / 07.03.2016** the Ploiești 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.

Caesar Filip Prodimpex paid on 15.03.2018 the court costs set by the Decision no. 2388/07.03.2016, respectively the amount of 36,264.87 lei.

#### **7. Case File no. 231/105/2016 –Ploiești Court of Appeal**

**Părți:** Conpet SA – respondent

Dragomir Florin Victor – claimant

**Object:** Dragomir Florin Victor initiated a legal suit requesting the court to find that during the period 09.05.1990 – 01.01.2011 he has effectively worked 100% of the working hours in the sections of the second employment category and the first employment category, namely special conditions, and consequently to order the respondent Conpet SA to issue the certificates.

By the **Decision no. 3409/18.08.2017** the Prahova Tribunal admitted action in part. The court found that the claimant benefited 100% from the first employment category for the activities carried out within the respondent unit, for the period specified in the report of expert Luca Marcel Constantin. It orders the obligation of the respondent to issue to the claimant a certificate stating the period, the employment category and the percentage in which he has worked. It rejects the end of the claim for special work conditions as unfounded. Please note that no court costs are required. The decision was appealed by Conpet.

By **decision no. 2628 / 22.11.2017** the Ploiești Court of Appeal rejects the appeal as unfounded.

#### **8. Case File no. 2549/270/2015 – Bacău Tribunal**

**Parties:** Conpet SA – respondent

Compania Națională de Transport Gaze Naturale- 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:

built

- 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 Bacău Tribunal for competent resolution. By the Decision nr. 665 / 26.09.2017 the Second Civil Section of the Bacău Tribunal admitted the exception of functional non- competence of the Second Civil Section of the Bacău Tribunal. It send the case to the competent Court of Bacău - Civil Division I. The result is a negative conflict of jurisdiction and it sends the case to Bacău Court of Appeal-Administrative Litigation Division for Negative Conflict Resolution, which constitutes the object of the case file no. 603/32/2017.

The Second Civil Section of the Bacău Tribunal was established as having competence to settle the case.

By decision no. 100 / 08.02.2018 The Bacău Court rejects the appeal as unfounded.

#### **9. 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 right in rem.

**Clarifications:** By the **Decision 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 Ploiești. It partly admitted the action. It ruled the obligation of the respondent SC Conpet SA Ploiești 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.

By decision no. **398/27.03.2018** The Prahova Court rejects the appeals filed by the appellants in the Decision no. 6535/12.07.2017 as unfounded. It admits the appeal declared by the respondent appellant Conpet SA Ploiești against the conclusion dated 27.09.2017. It partially alters the appealed decision in the meaning that it fully accepts the material error correction claim. It orders the correction of the material errors slipped in the decision no. 6535/12.07.2017 consisting in indicating the respondent's CNP and the unique registration code and the registration number with the Trade Register. It maintains the remainder of the conclusion's provisions only in respect of the respondent's domicile.

#### **10. Case File no. 6683/105/2015 – Ploiești Appellate Court**

**Parties:** Conpet SA - respondent

Muscalu Florian Aurelian, Ceptureanu Romeo, Dobrică Virgil, Rădulescu Loredana Emilia, Mărgărit Cornelius, Negoită Gheorghe, Pârvu Ilie, Străchineșcu Dumitru, Străchineșcu 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 employment category, the first employment category and in special and extraordinary labour conditions respectively, and consequently to rule the obligation of Conpet to issue the 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 notes that no court costs were required. The court order was appealed by Conpet.

By **decision no. 765 / 21.03.2018** The Ploiești Court of Appeal rejects the appeal as unfounded. It notes that no court costs have been claimed.

#### **11. 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 Constanța Court of Appeal 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 Lupusor 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 appealed by the defendants and Conpet.

By the **decision no. 368 / 23.03.2018** The Constanta Court of Appeal admits the appeals filed by the defendant appellants Polifroni Dimu, Safir Marius, Staicu Tudor and Lupusoru Nicusor and the civil party SC CONPET SA. It finds that the total damage to the civil party SC Conpet SA Ploiesti consists of: - 357755,88 lei which is the amount for the crude oil transported to the final beneficiaries; - 2936,97 lei which is the cost of the intervention for the damage dated 21.06.2010 at Ferma 3 Mamaia Sat. - 1987,62 lei the cost of emptying the tanks from SC Munca Ovidiu S.A. - The amount of 71,200 liters of crude oil; It orders the restitution of 71,200 liters of crude oil to the civil party SC Conpet SA. It removes the charge of the respondents to pay the amount of 23,435 lei to the civil party SC Conpet SA representing the amount for 11297 kg of crude oil. It orders the respondents to pay jointly to the civil party SC Conpet SA the amount of 362,680,47 lei representing the damage not recovered. It maintains the other provisions of the decision of the first instance should they not conflict with this decision.

## 12. 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 Cărbunești 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.

## 13. Case File no. 3715/105/2007 - Prahova Tribunal

**Parties:** Fondul Proprietatea S.A. – claimant

Conpet S.A. – respondent

**Object:** Fondul Proprietatea 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 order the respondent to pay the court costs.

**Clarifications:** By the **decision no. 151/17.01.2018** The Prahova Tribunal admits the request. It cancels art. 4 of OUG no. 2 of 25.04.2007. The respondent is ordered to pay the claimant the amount of 10,765.84 lei as court costs. The decision was appealed by Conpet.

By **decision no. 210 / 27.04.2018** Ploiești Court of Appeal admits the appeal. It partially amends the appealed sentence in the sense that it allows the exception of the lack of interest in cancelling the AGOA decision no. 2/25.04.2007 - Art. 4 sect. C) and rejects the request in this regard as being irrelevant. It orders the reduction of the costs of the claimant in the first instance down to the amount of 5,000 lei. It keeps the remainder. It orders the intimated party to pay to the appellant the amount of 20.15 lei as court costs. Final.

#### 14. Case File no. 726/105/2016 – Ploiești Appellate Court

**Parties:** Conpet SA – respondent

Crângășu Silviu - claimant

**Object:** Appeal of the decision to dismiss. Crângășu Silviu introduced a legal suit requesting the court to pronounce a decision ruling:

- the annulment of the decision to dismiss 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 **Decision no. 1976/17.05.2017** the Prahova Tribunal rejected the action as unfounded. It took note that the intimated party did not claim court costs. The decision was attacked with appeal by Crângășu 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. By the conclusion no. 430 / 20.02.2018 The ICCJ rejects the request made by the claimant, Crângășu Silviu, regarding the displacement of the process subject of the file no. 726/105/2016 of the Ploiești Court of Appeal – First Civil Division. Final.

By the **decision no. 1268 / 17.05.2018** The Ploiești Court of Appeal rejects the appeal as unfounded.

#### 15. 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 **Decision no. 2036/07.09.2017** the Medgidia Court admitted the civil action filed by the injured person Conpet S.A. Ploiești 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 appealed by the defendants.

By **decision no. 554/08.05.2018** The Constanța Court of Appeal admits the appeals of the defendants and amends the sentence on the criminal side. It maintains the remainder.

#### **16. Case File no. 6072/105/2017 – Ploiești Court of Appeal**

**Parties:** Conpet SA - respondent

Grozea Vasile, Voinea Jan - claimants

**Object:** Declaratory action. 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 unfounded. The Decision was appealed by the respondents.

By decision no. 1622/14.06.2018 The Ploiești Court of Appeal rejects the appeals as unfounded. Final.

#### **17. Case File no. 51/281/2018 – Prahova Tribunal**

**Parties:** Conpet – intimat

Avram Gheorghe – contestator

**Object:** Avram Gheorghe files an appeal for the execution against the Conclusion dated 11.12.2017 issued in the file no. 89/2017 of BEJ Petrov Sergiu Alexandru, by which forced execution costs were set in the amount of 1,371 lei representing the execution costs and the fees of the bailiff, as well as the suspension of execution of the expenses until the settlement of the appeal against the execution which, according to art. 669 par. 4 The Code of Civil Procedure is not subject to a bail. The Court Costs are included.

**Clarifications:** By the conclusion no. 731/23.03.2018 The Ploiești Court admits the exception of the insufficient stamping. It cancels the appeal against the execution as being insufficiently stamped. The decision was appealed by Avram Gheorghe.

By the decision no. 923/26.06.2018 The Prahova Tribunal dismisses the appeal as unfounded.

#### **18. Case File no. 872/202/2018 – Călărași Tribunal**

**Parties:** Conpet – claimant

Protopopescu Sergiu – respondent

**Object:** Presiding Judge's Order. Conpet filed a sue petition requesting the court to order the respondent to allow Conpet to have temporary access to the land in Dragalina commune, on an area of 8.381 sqm, Tarlaua no.137, Parcel A2 and A3, for 60 days from the date on which the constructor enters the site, in order to accomplish the works for the objective: "*Replacement of the import oil pipeline Ø 24" Bărăganu - Călăreți, on 14 sections with a total length of 16.295 m, between the Bărăganu - Călăreți pumping stations*" drafted by Petrostar SA Ploiești under Project no. 160/4066/2013.

**Clarifications:** By the decision no. 365/20.02.2018 Calarasi Court dismisses as inadmissible the application for a Presiding Judge's Order. It orders the the claimant to pay the respondent the amount of 1300 lei as court costs. The judgment was appealed by Conpet.

By the **decision no. 506/19.06.2018** The Călăraș Tribunal rejects the appeal. It orders the appellant to pay the court costs in the amount of 1,800 lei (costs incurred in the appeal).

#### **19. 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.

**Clarifications:** By the **decision no. 649/01.02.2018** The Ploiești Court admits the request. It orders the respondent to pay the claimant the amount of 7113.28 lei, out of which the amount of 3957.53 lei represents the rent for the period 26.05.2014 - 13.01.2017, 2732.42 representing late payment penalties calculated until 31.08.2017 and 423.33 lei representing damages for the lack of use of the land for the period 14.01.2017 - 26.04.2017. It orders the respondent to pay to the claimant late payment penalties of 0.1% per day of delay calculated on the main outstanding balance in the amount of 3957.53 lei representing the rent equivalents from 01.09.2017 until the actual payment of such debit. It orders the respondent to pay the claimant the court costs in the amount of 460.66 lei, representing a legal fee for stamp duty. The decision is final since there was no appeal.

#### **20. 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 **Decision 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 capacity to stand trial. It rejected the exception of the passive capacity to stand trial of the impleaded, the Romanian State, through the Ministry of Public Finance - AJFP Bacau. It rejected the impleader formulated by the respondent Conpet SA in contradictory with the Romanian State through the Ministry of Public Finances - AJFP Bacau- decision which is final since there was no appeal.

#### **21. 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 employment category 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 employment category.

**Clarifications:** By the **Decision 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 employment 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 decision is final since there was no appeal.

## 22. Case File no. 9919/281/2017 - Ploiești Court

**Parties:** Company Litex Impex SRL - contestant

ASSET LEASING IFN SA – intimated party

ACON BUSINESS SOLUȚION 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

DIRECȚIA GENERALĂ REGIONALĂ A FINANȚELOR PUBLICE PLOIEȘTI -

withheld third party

DIRECȚIA SILVICĂ PRAHOVA - withheld third party

FIMPLAST IMPEX SRL - withheld third party

FIMPLAST IMPEX 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 Ploiești 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 Roșu Cristian Cornel;

- the cancellation of the anticipated maturity, the 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.

**Clarifications:** By the **decision no. 1241 /19.02.2018** The Ploiesti Court takes note of the motion to withdraw made by the respondent Litex Impex SRL. The decision is final since there was no appeal.

### **23. Case File no. 18/54/2002 –Craiova Court of Appeal**

**Parties:** Conpet SA – respondent

Gărăiacu Vasile (deceased) – claimant

**Object:** Gărăiacu Vasile filed an action under the Law 10/2001. The action concerns a land of 1.220 m<sup>2</sup> located in comuna Barbătești, Gorj county.

**Clarifications:** By the Decision no. 59/14.03.2002 (Case No. 1197/2002) the action was dismissed. The decision was appealed by the claimant.

By the **decision no. 1067/02.04.2018** The Craiova Court of Appeal finds the appeal as obsolete. The decision may be appealed after communication.

**Trial stage:** --

**Court hearing:** --

### **24. Case File no. 4996/256/2015 – Medgidia Court**

**Parties:** Conpet SA – civil party

Sprivac Florin Alexandru, Roșu 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 decision 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 is final since there was no appeal.

### **25. Case File no. 2811/105/2010\* – Ploiesti Court of Appeal**

**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 **Decision 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 Decision 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 appealed by ICIM S.A.

By **decision no. 223/04.05.2018** The Ploiesti Court of Appeal rejected the appeal as unfounded. The decision may be appealed after communication. The decision is final since there was no second appeal.

**26. 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 unfounded 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 appealed Conpet.

By **Decision no. 1239/26.09.2018** The Prahova Tribunal admits the exception of the lack of stamping of the appeals, which is invoked *ex officio*. It cancels the appeals, on the grounds that they are not stamped. Final.

**Trial stage:** --

**Court hearing:** --

**27. 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.

By **Decision no. 1239/26.09.2018** The Prahova Tribunal admits the exception of the lack of stamping of the appeals, which is invoked *ex officio*. It cancels the appeals, on the grounds that they are not stamped. Final.

**Trial stage:** Appeal

**Court hearing:** --

## **28. Case File no. 13560/281/2018 – Ploiești Court**

**Parties:** Conpet – petitioner

The Public Prosecutor's office attached to the Ploiești court– intimated party

**Object:** Conpet files a complaint against the Complaint Rejection Ordinance no. 94/II/2/2018 dated 22.05.2018 by the First Prosecutor of the Public Prosecutor's Office attached to the Ploiești Court, by which the complaint of Conpet S.A. against the Order of Classification given on 29.01.2018 by the Public Prosecutor's Office attached to the Ploiești Court was wrongfully dismissed, in the file no. 7598/P/2008, regarding the offense of attempted qualified theft, deed provided by art. 32 rap. to art. 228 par. 1 - 229 par. 3 sect. a of the Criminal Code and we request the cancellation of the Ordinances, the continuation of the criminal prosecution and the investigations in order to identify the offenders and prosecuting them for the damage caused to the Călăreți - Ploiești oil pipeline, in the area of Berceni, Prahova county, deed which was found on 21.08.2008.

**Clarifications:** By **final conclusion (disinvestment) 1513/18.09.2018** the Ploiești Court rejects Conpet's complaint as unfounded, and it orders the petitioner to pay the amount of 100 lei for the court expenses advanced by the state. Final.

**Trial Stage:** --

**Court hearing:** --

## **29. Case File no. 13561/281/2018 –Ploiești Court**

**Parties:** Conpet – petitioner

The Public Prosecutor's office attached to the Ploiești court– intimated party

**Object:** Conpet files a complaint against the Complaint Rejection Ordinance no. 98/II/2/2018 dated 21.05.2018 by the First Prosecutor of the Public Prosecutor's Office attached to the Ploiești Court, by which the complaint of Conpet S.A. against the Order of Classification given on 22.11.2017 by the Public Prosecutor's Office attached to the Ploiești Court was wrongfully dismissed, in file no. 8572 / P / 2012, regarding the commission of the property damage provided by art. 253 par. 1 Criminal Code and requests the cancellation of the Ordinances, the continuation of the criminal prosecution and the investigations in order to identify the offenders and and prosecuting them for the damage caused on 10.07.2012, for the purpose of gasoline theft, of the Ø 3½" Boldești - Ploiești pipeline, in the area of the Boldești Scăieni, Prahova County (damage 864.68 lei).

**Clarifications:** By **final conclusion (disinvestment) no. 1926/13/09/2018** the Ploiești Court rejects Conpet's complaint as unfounded, and it orders the petitioner to pay the amount of 100 lei for the court expenses advanced by the state. Final.

**Trial Stage:** --

**Court hearing:** --

**30. 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

**Clarifications:** By the decision no. 269/19.01.2018 The Ploiești Court of Appeal partly admits the sue petition. It orders the respondent to pay the claimant the amount of 13.050 lei, representing damages under the contract no. S-CA-CD 75/09.03.2016. The respondent is ordered to pay to the claimant the amount of 732 lei, representing court costs, stamp duty. The decision is final since there was no second appeal.

**31. Case File no. 7237/105/2016 – Ploiești Court of Appeal**

**Parties:** Conpet – respondent

Petrotel Lukoil SA – respondent

Toma Marian – claimant

**Object:** Declaratory action. 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.

Through the **Sentence no. 950/08.03.2018** the Prahova Tribunal partially admits the stated request. It finds that the claimant benefits from the Occupational Group I 100% for the activities carried out within the SC Petrotel Lukoil SA, for the periods: 04.03.1980 – 26.10.1983 si 14.03.1985 – 18.03.1985. It requests the respondent SC Petrotel Lukoil SA to issue to the claimant the certificate showing the period, the group and the percentage in which he carried out its activity. It rejects the action against Conpet SA. The judgment was appealed against by Toma Marian.

By **decision no. 1780/19.09.2018** the Ploiești Court of Appeal admits the appeal, partially changes the sentence in the sense that it admits the action in full. It finds that the claimant benefits from granting the Occupational Group I 100% and from 18.03.1985-1.04.2001 for as long as she worked in SC Conpet SA and also requests this respondent to issue the certification according to the provisions of the present decision. It keeps the remainder of the provisions of the sentence. It takes note that no court costs have been claimed. Final

**Trial stage:** --

**Court hearing:** --

**32. Case File no. 23204/302/2017 –Bucharest Tribunal**

**Parties:** Conpet SA – intimated party

Attorney-at-Law practice of Lawyer Dobrogeanu Păun Ioan

Dobrogeanu Păun Ioan

**Object:** Appeal against enforcement. Attorney-at-Law practice of Lawyer Dobrogeanu Păun Ioan and Dobrogeanu Păun Ioan formulated an appeal against the forced execution,

which constitutes the object of the forced execution case file no. 10/2013 of BEJ Răduță Nicoleta and of the acts of execution, namely: the garnishment address of 29.09.2017, the garnishment notification of 29.09.2017, the conclusion of 29.09.2017, the conclusion of 29.09.2017 regarding the establishment of the additional enforcement costs (lei 550.97) and the conclusion of 23.02.2013 of the Court of District 5 Bucharest regarding the approval of the forced execution. With court costs.

**Clarifications:** By the **sentence no. 2346/19.03.2018** the Court of District 5 admits the exception of the lack of capacity to stand trial, invoked by BEJ Raduță Nicoleta. It rejects the appeal against the enforcement filed by the claimant Individual Laywer Office Dobrogeanu Păun Ioan against the appellees Conpet SA and the Bailiff's Office Răduță Nicoleta as being brought by a person without an active capacity to stand trial. It admits the exception of the lack of passive capacity to stand trial invoked by the appellee Bailiff's office Raduță Nicoleta. It rejects the appeal against enforcement filed by the claimant Dobrogeanu Păun Ioan against Bailiff's Office Raduță Nicoleta, as being directed against a person without a passive capacity to stand trial. It accepts the exception of the delay, invoked by the court *ex officio*. It rejects the appeal against enforcement as being formulated too late, having as object the forced execution itself, the decision of 25.02.2013, pronounced by the Court of District 5 Bucharest in file no. 4198/302/2013, and the decision on the determination of the additional execution costs, issued on 29.09.2017 in the enforcement file no. 10/2013 of the bailiff's Office Răduță Nicoleta. Otherwise, it rejects as unfounded the appeal against enforcement by claimant Dobrogeanu Păun Ioan against the appellee Conpet SA. It rejects as unfounded the claimants' request having the object of court costs. It requests the claimants to jointly and severally pay to the Bailiff's Office Răduță Nicoleta the amount of lei 458.15 for the photocopying and communication expenses with regards to the enforcement file. The judgment was appealed by C. I. Av. Dobrogeanu Păun Ioan.

By **decision no. 3938 / 23.10.2018** the Bucharest Tribunal rejects the appeal as unfounded. Final.

### **33. Case File no. 29201/3/2012\* – Bucharest Court of Appeal**

**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 lei 3,962,725.98 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 appealed by the respondents and Conpet SA.

By **decision no. 1404 / 24.10.2018** Bucharest Court of Appeal admits, in part, the civil action brought by

Conpet S.A. and requests the defendants to pay the following amounts to the civil party: 1. jointly the defendants Pavel Vasile; Peştişor Marius Sever; Dinu Ion; Peştişor Dumitru Valeriu; Tinca Florinel Mircea; Niţă Sorin to pay the amount of lei 54,687.42 (the act of 20/21.08.2008); 2. jointly Pavel Vasile; Peştişor Marius Sever; Dinu Ion; Peştişor Dumitru Valeriu; Tinca Florinel Mircea; Niţă Sorin; Cobzaru Eugen-Constantin; Dumitru Gabriel to pay the amount of lei 109,374.84 (the act of 28/29.08.2008); 3. jointly the defendants Pavel Vasile; Peştişor Marius Sever; Dinu Ion; Peştişor Dumitru Valeriu; Niţă Sorin; Costachi Constantin to pay the amount of lei 3,719.98 (the act of 28/29.09.2008); 4. jointly the defendants Peştişor Marius Sever; Dinu Ion; Cobzaru Eugen-Constantin; Peştişor Dumitru Valeriu; Niţă Sorin; Spirea Geon; Drăguţ Marian and Tincă Florinel Mircea to pay the amounts of lei 46,601.42 (the act of 20/21.10.2008); 5. jointly the defendants Peştişor Marius Sever; Peştişor Dumitru Valeriu; Spirea Geon; Drăguţ Marian; Constantin George-Alin to pay the amount of lei 38,377.64 (the act of 27/28.10.2008); 6. jointly the defendants Dinu Ion and Niţă Sorin to pay the amount of lei 47,972.05 (the act of 27/28.10.2008); 7. jointly the defendants Peştişor Marius Sever; Spirea Geon; Dinu Ion, Peştişor Dumitru Valeriu; Drăguţ Marian; Constantin George Alin and Cobzaru Eugen-Constantin to pay the amount of lei 48,429.84 (the act of 28/29.10.2008); 8. Jointly the defendants Dinu Ion, Sandu Marian and Niţă Sorin to pay the amount of lei 49,989.97 (the act of 28/29.10.2008); 9. jointly the defendants Peştişor Marius Sever; Spirea Geon; Dinu Ion; Peştişor Dumitru Valeriu; Drăguţ Marian; Constantin George Alin and Cobzaru Eugen-Constantin to pay the amount of lei 47,972.05 (the act of 29/30.10.2008); 10. jointly the defendants Dinu Ion and Niţă Sorin to pay the amount of lei 47,972.05 (the act of 29/30.10.2008); 11. jointly the defendants eştişor Marius Sever; Spirea Geon; Dinu Ion; Peştişor Dumitru Valeriu; Drăguţ Marian; Constantin George Alin; Cobzaru Eugen-Constantin; Niţă Sorin and Dumitru Constantin to the amount of lei 94,617.60 (the act of 14/15.11.2008); 12. the defendant Dinu Ion to pay the amount of lei 41,395.20 (the act of 16/17.11.2008); 13. jointly the defendants Peştişor Marius Sever; Spirea Geon; Dinu Ion; Peştişor Dumitru Valeriu; Tincă Florinel-Mircea; Drăguţ Marian; Constantin George Alin; Niţă Sorin; Dumitru Constantin and Sandu Marian to pay the amount of lei 123,002.88 (the act of 18/19.11.2008); 14. jointly the defendants Peştişor Marius Sever; Spirea Geon; Dinu Ion; Peştişor Dumitru Valeriu; Cute Marian; Constantin George Alin; Niţă Sorin; Cobzaru Eugen-Constantin and Dumitru Constantin to pay the sum of 123,002.88 lei (the act of 19/20.11.2008); 15. jointly the defendants Toncu Ştefan and Sandu Marian to pay the amount of lei 3.067,34 (the act of 16/17.10.2008); 16. on the defendant Toncu Ştefan to pay the amount of lei 38,341.75 (the act of 18/19.10.2008); 17. the defendant Toncu Ştefan to pay the amount of lei 41,118.90 lei (the act of 19/20.10.2008); 18. the defendant Toncu Ştefan to pay the amount of lei 24,538.72 (the act of 28/29.10.2008).

#### 34. Case File no. 23166/281/2017 – Prahova 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 request 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.

**Clarifications:** By the **sentence no. 6129 / 23.07.2018** The Ploiești Court admits the request in part. It orders the reversal of the forced execution carried out in the enforcement file no. No. 771/2012 of the Bailiff's Office Goslan Mihai. It requests the defendant Dobrogeanu Dumitru to pay to the claimant the amount of lei 29,769.8, updated with the legal interest from the date of the final ruling of this judgment until the date of the actual payment. It requests the defendant Dobrogeanu Dumitru to pay to the claimant the court costs in the amount of lei 300, representing the equivalent of the judicial stamp duty. The remainder of the request is dismissed as unfounded. The judgment was appealed by Dobrogeanu Dumitru and Conpet SA.

By **Conclusion no. 145 / 04.10.2018** pronounced in the file no. 23166/281/2017/a1 the Prahova Tribunal admits the exception of the inadmissibility of the appeal, which is invoked *ex officio*. It Rejects the appeal as inadmissible. It rejects the appellant's claim for court costs as unfounded. Final.

By **decision no. 166 / 26.10.2018** the Prahova Tribunal admits the Conpet SA appeal, partially amends the contested sentence, in the sense that it requests the defendant Dobrogeanu Dumitru to pay to the claimant the amount of lei 104,040.64, instead of lei 29,769.8, an amount to be updated with the statutory interest from the date of pronounciation of this judgment until the date of the actual payment. It otherwise keeps the provisions of the appealed sentence. It requests the appellee to pay to the appellant the amount of lei 250, as court costs representing stamp duty.

### 35. File no. 1805/228/2018 –Făurei Court

**Parties:** Conpet – claimant

Prosecutor's office attached to the Însurăței court- intimated party

Conpet files a complaint against the Rejection Ordinance no. 10/II/2/2018 submitted on 19.06.2018 by the First Prosecutor of the Prosecutor's Office attached to the Însurăței Court, in which the Conpet S.A.'s complaint against the Nolle Prosequi ruled on 11.04.2018 by the Prosecutor's Office attached to the Însurăței Cour, in the file no. 195/P/2010, regarding the attempted aggravated theft crime, act provided by art. 32 par. 1 Penal Code in reference to art. 228 par. 1 - 229 par. 1 letter d and par. 3 letter a of the Penal Code requesting the admission of the complaint, the abolition of the said Ordinance, the continuation of the criminal prosecution and the investigations in order to identify the offenders and to submit them to penal liability for committing the act found on 21.03.2010 consisting in damage for the purpose of stealing the petroleum product of the oil transport pipeline Ø 20 “Bărăganu - Onești, within the Zăvoaia locality - Calmațui river overpassing, Brăila county (damage in the amount of lei 54,944.57).

**Clarifications:** By the **conclusion of 11.10.2018** Făurei Court rejects the complaint as unfounded and requests Conpet to pay the amount of lei 50 representing court expenses forwarded by the state. Final.

### 36. Case File no. 2694/236/2016 - Giurgiu Court

**Parties:** Conpet through BEJ Raduță Nicoleta - petitioner

Conpet - creditor

Stan Remus Constantin - debtor

SC Trans Denimar SRL - withheld third party

**Object:** BEJ Raduță 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 Raduță 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 Raduță 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. Final by failure to appeal.

### **37. File no. 10393/311/2018 –Slatina Court**

**Parties:** Conpet – claimant

Prosecutor's office attached to the Slatina court – intimated part

Conpet files a complaint against the Rejection Ordinance for the claim no. 163/II/2/2018 submitted on 03.09.2018 by the First Prosecutor of the Prosecutor's Office attached to the Slatina Court, in which it wrongly rejected the Conpet S.A.'s complaint against the Nolle Prosequi ruled on 02.07.2018 by the Prosecutor's Office attached to the Slatina Court, in the file no. 417/P/2013, on the abolition of the Ordinances, the continuation of the criminal prosecution and the investigations in order to identify the offenders and to submit them to penal liability for the damage in order to steal gasoline, of the transport pipeline Ø 6%" "FI Ticleni – Ploiești – near the Curtișoara locality, Olt county, act found on 04.01.2013 (damage in the amount of lei 5,106.43).

**Clarifications:** By sentence no. **1239/06.11.2018** the Slatina Court rejects the complaint formulated by Conpet SA as unfounded. It keeps the solution given by Ordinance no. 417/P/2013 of 02.07.2018 of the Prosecutor's Office attached to the Slatina Court, as legal and sound. It requests the claimant to pay the amount of lei 50 as court costs forwarded by the state. Final.

### **38. File no. 11541/311/2018 –Slatina court**

**Parties:** Conpet SA – claimant

Prosecutor's office attached to the Slatina court – intimated part

**Object:** Conpet files a complaint against the Rejection Ordinance for the complaint no. 174/II/2/2018 submitted on 08.10.2018 by the First Prosecutor of the Prosecutor's Office attached to the Slatina Court, in which it wrongly rejected the Conpet S.A.'s complaint against the Nolle Prosequi ruled on 04.09.2018 by the Prosecutor's Office attached to the Slatina Court, in the file no. 5676/P/2009, on the commitment of aggravated theft provided and punished under art. 228 par. 1 rep. To art. 229 par. 3 letter a of the penal code, requesting the admission of the complaint, the abolition of the Ordinances, the continuation of the criminal prosecution and the investigations in order to identify the offenders and to submit them to penal liability for the damage, in order to steal oil, of the transport pipeline Ø 10%" "Ghercești – Icoana – near the Cătănele locality, Schitu commune, Olt county, act found on 17.11.2009 (damage in the amount of lei 2,931.63).

**Clarifications:** By sentence no. **1295/19.11.2018** the Slatina Court rejects the complaint formulated by Conpet SA as unfounded. It keeps the Ordinance of the prosecutor's office attached to the Slatina court no.

5676/P/2009 of 04.09.2018 as legal and sound. It requests the claimant to pay the amount of lei 20 as court costs forwarded by the state. Final.

#### **39. File no. 2777/262/2018 –Moreni court**

**Parties:** Conpet SA – claimant

Prosecutor's office attached to the Moreni court – intimated party

**Object:** Conpet files a complaint against the Rejection Ordinance for the complaint no. 26/II/2/2018 submitted on 07.09.2018 by the First Prosecutor of the Prosecutor's Office attached to the Moreni Court, in which it wrongly rejected the Conpet S.A.'s complaint against the Nolle Prosequi ruled on 18.07.2018 by the Prosecutor's Office attached to the Moreni Court, in the file no. 777/P/2009, on the commitment of aggravated theft provided and punished under art. 228 par. 1 rep. To art. 229 par. 3 letter a of the penal code, requesting the admission of the complaint, the abolition of the Ordinances, the continuation of the criminal prosecution and the investigations in order to identify the offenders and to submit them to penal liability for stealing gasoline during 17 – 20.07.2009, from the pipeline that crosses the Bana area, Moreni municipality.

**Clarifications:** By **certification from 20.11.2018** the Moreni Court rejects the complaint formulated by Conpet SA as unfounded. It requests the claimant to pay the state the amount of lei 50 as court costs forwarded for the settlement of this case. Final.

#### **40. File no. 2903/262/2018 –Moreni court**

**Parties:** Conpet SA – claimant

Prosecutor's office attached to the Moreni court – intimated party

**Object:** Conpet files a complaint against the Ordinance ruled on 07.09.2018 by the First Prosecutor of the Prosecutor's Office attached to the Moreni Court, in which it rejected the Conpet's complaint against the Ordinance ruled on 19.07.2018 by the Prosecutor's Office attached to the Moreni Court, in the file no. 650/P/2012, on the commitment of aggravated theft provided and punished under art. 228 par. 1 rep. To art. 229 par. 1 letter b of the penal code, requesting the abolition of the Ordinances, the continuation of the criminal prosecution and the investigations in order to identify the offenders and to submit them to penal liability for stealing some pipeline sections on 13.05.2012, 01.07.2012 and 04.06.2013.

**Clarifications:** By the **certification from 19.11.2018** the Moreni Court rejects the complaint formulated as unfounded.

#### **41. File no. 2904/262/2018 –Moreni court**

**Parties:** Conpet SA – claimant

Prosecutor's office attached to the Moreni court – intimated party

**Object:** Complaint against the prosecutor's solution

**Clarifications:** By the **conclusion of 20.11.2018** the Moreni Court rejects as unfounded the complaint filed by CONPET SA against the Nolle Prosequi of 18.07.2018 issued by the Prosecutor's Office attached to the Moreni Court in file no. 1275/P/2011, kept through Ordinance no. 27/II/2/2018 issued by the First Prosecutor of the Prosecutor's Office attached to the Moreni Court. It requests the claimant to pay to the state the amount of lei 50, representing the equivalent of the court costs forwarded for the settlement of the present case. Final.

#### **42. File no. 2378/105/2009 – Ploiești Court of Appeal**

**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 Ploiești, 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 sentence no. 5872/18.12.2017** the Prahova Tribunal rejected the action as unfounded. The judgment was appealed by Cojocaru Irinel Alexandru.

By **decision no. 317/20.12.2018** The Ploiesti Court of Appeal rejects the appeal as unfounded. Final.

#### **43. Case File no. 12905/302/2017 - Bucharest Tribunal**

**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 5th 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. By **sentence no. 3197/30.04.2018** the Bucharest Court of district 6 dismisses as unfounded the appeal against enforcement. It requests the claimant to pay to BEJ Răduță Nicoleta the amount of lei 184.45 representing the expenses determined by the xercopy and the transmission of the enforcement file no. 16/2017. The judgment was appealed by Dobrogeanu Păun Ion.

By **decision no. 4731 / 19.12.2018** the Bucharest tribunal admits the appeal. It partially changes the appealed sentence in the sense that it: it admits in part the appeal against enforcement. It partially cancels the decision of 25.05.2017 issued in the enforcement file no. 16/2017 of BEJ Răduță Nicoleta, in the sense it removes the enforcement costs in the amount of lei 681,24. It keeps bailiff's fee in the amount of lei 1,573.24. It rules the amount of lei 52.68 lei calculated in relation to the amount of lei 681.24 lei, which was removed, to be refunded to the claimant. It keeps the claimant's obligation to pay the costs relating to the photocopying of the enforcement documents in the enforcement file no. 16/2017. Final.

#### 44. 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 Engeneering 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. 43929 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.

**Clarifications:** By the **sentence no. 613/14.03.2018** the Prahova Tribunal admits the writ of summons formulated by the claimant Association Terra Gaz Construct S.R.L. - Vialis Engineering S.A. It cancels the Decision no. 11/04.12.2017 and address no. 43929/31.10.2017 issued by the respondent. The judgment was appealed by Conpet.

By **decision no. 2629/19.07.2018** the Ploiesti Court of Appeal admits the appeal. It quashes the sentence and sends the case back to the court of first instance.

By **sentence no. 1847/09.11.2018** the Prahova Tribunal notes the withdrawal from the trial. The judgment may be appealed after communication.

#### 45. Case File no. 950/281/2018 – Prahova Tribunal

**Părți:** Conpet – contestant

Dobrogenu Dumitru – intimated party

BEJ Mihai Goslan – intimated party

**Object:** Conpet filed an application for the return of the execution by requesting the court to order the return of the forced execution under the enforceable title represented by the decision no. 669 dated 20.12.2011 of the Prahova Tribunal in the execution file no. 710/2013 of B.E.J. Goslan Mihai, by partially restoring the situation prior to the enforcement, in order to order the respondent Dobrogeanu Dumitru (under Article 723 of the Code of Civil Procedure) to pay the following amounts:

- 1,000 lei representing the amount unduly paid by way of expenses (lawyer's fee).
- 1,062.3 lei representing the fee unduly received by the Office of the Judicial Executor Judge Mihai Goslan
- 111 lei, representing the amount cashed for copying the execution case file.

Subsidiarily, Conpet asks BEJ Mihai Goslan to pay the amount of 1,062.3 lei representing unduly received fee.

Court Costs included.

**Clarifications:** By the decision no. 4557/25.05.2018 The Ploiești Court admits the lack of passive capacity to stand trial of BEJ Mihai Goslan and consequently rejects the claim made by the claimant CONPET SA in contradiction with this defendant as being brought against a person without a passive capacity to stand trial. It partly approves the application. It orders the return of forced execution carried out in the execution file no. 710/2013 of B.E.J. Mihai Goslan through the restitution by the respondent Dobrogeanu Dumitru to the claimant CONPET SA of the amount of 2.062,3 lei. The respondent Dobrogeanu Dumitru is ordered to pay to claimant the amount of 189,23 lei, as court costs costs. The decision was appealed by Dobrogeanu Dumitru. By the **decision no. 1728/18 10.12.2018** The Prahova Tribunal dismisses the appeal as unfounded. Final.

#### **46. Case File no. 9472/315/2018 –Târgoviște Court**

**Parties:** Conpet SA – petitioner

The Public Prosecutor's office attached to the Târgoviște court – intimated party

Conpet files a complaint against the Complaint Rejection Ordinance no. 93/II/2/2018 dated 26.09.2018 by the First Prosecutor of the Public Prosecutor's Office attached to the Târgoviște Court, by which the complaint of Conpet S.A. against the Order of Classification given on 26.03.2018 by the Public Prosecutor's Office attached to the Ploiești Court was wrongfully dismissed, in the file no. 368/P/2013, regarding the offense of attempted qualified theft, deed provided by art.228 par. 1 - 229 par. 1 sect. b of the Criminal Code and we request the cancellation of the Ordinances, the continuation of the criminal prosecution and the investigations in order to identify the offenders and prosecuting them for the deed found on 03.01.2013 consisting in the removal of a supporting support for the Ø 6<sup>5/8</sup>" Teiș-Moreni crude oil pipeline, at the crossing of the Ialomița river, Teiș, Dâmbovița county (prejudice - 1.733,23 lei).

**Clarifications:** By the **Conclusion of 06.12.2018** the Târgoviște Court dismisses the complaint as unfounded and orders Conpet to pay the amount of 50 lei for judicial expenses to the state. Final.

**HEAD OF LEGAL DEPARTMENT**  
**Legal Adviser Cornel Bănică**

The undersigned, **Grigorescu Daniela-Alexandra**, translator authorized by the Ministry of Justice, with the authorization no. **28921**, I do hereby certify the accuracy of this translation with the original Romanian document, which has been seen by me.

Translator,

## INDEPENDENT AUDITORS' REPORT

### To the Shareholders of CONPET S.A.

1-3 Anul 1848 St., Ploiești, Prahova Conty, Postal Code 100559, Romania  
Registration: 1350020

### Opinion

We have audited the financial statements of CONPET S.A. (the Company), which comprise the statement of financial position as at December 31, 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

The financial statements as at and for the year ended 31 December 2018 are identified as follows:

• Net assets/Total equity:	661,552,409 RON
• Net profit for the year:	60,676,014 RON

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2018, and of its financial performance and its cash flows for the year then ended in accordance with the Order of the Minister of Public Finance no. 2844/2016 for the approval of the accounting regulations compliant with International Financial Reporting Standards.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), UE Regulation no. 537/2014 of the European Parliament and of the Council („The Regulation”) and Law no. 162/2017 („The Law”). Our responsibilities under those standards and regulations are further described in the **Auditor's Responsibilities for the Audit of the Financial Statements** section of our report. We are independent of the Company in accordance with International Ethics Standards Board of Accountants Code of Ethics for Professional Accountants (“IIESBA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in Romania, including the Regulation and the Law, and we have fulfilled out other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue recognition</b></p> <p>Please see Note 20. a) Turnover</p> <p>Revenue recognition policy is described in Note 2 "Accounting Policies - Revenue Recognition".</p> <p>In accordance with International Standards on Auditing, there is an implicit risk on revenue recognition due to the pressure on management in obtaining the planned results.</p> <p>The Company's main activity is Oil transport, performed by the Company through the National Transport System of crude oil, condensate and ethane as concessionaire, but also transport performed on railway.</p> <p>Revenue is recorded upon acceptance by the customer of the quantities transported and the transport fees are approved by the NAMR (National Agency for Mineral Resources).</p>	<p>Our audit procedures included, among other:</p> <ul style="list-style-type: none"> <li>- Evaluation of processes and controls on the existence and accuracy of the recorded revenues.</li> <li>- Audit procedures for testing that revenues were recorded in the appropriate period.</li> <li>- Testing a sample of receivables by sending direct confirmation letters.</li> </ul>

#### Other information - Administrators' Report

Administrators are responsible for the preparation and presentation of Other information. The Other information comprise the Administrator's report, including the non-financial representation, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Other information and, in doing so, consider whether the Other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the Administrator's report, which includes the non-financial representation, we read and report whether the Administrators' report is prepared, in all material respects, in accordance with the Order of Minister of Public Finance no 2844/2016, articles 15-19, respectively 39-42 of the accounting regulations in accordance with International Financial Reporting Standards.

Based solely on the work required to be undertaken in the course of the audit of the separate financial statements, in our opinion:

- a) The information given in the Administrators' for the financial year for which the financial statements are prepared, is consistent, in all material respects, with the financial statements;
- b) The administrators' Report, including the non-financial representation has been prepared, in all material respects, in accordance with OMFP no. 2844/2016, points 15-19, respectively 39-42, of the accounting regulations compliant with the International of Financial Reporting Standards.

In addition, based on our knowledge and understanding of the entity and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Administrators' report. We have nothing to report in this regard.

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the Order of the Minister of Public Finance no. 2844/2016. and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error,

as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on other legal and regulatory requirements**

We were appointed by the General Shareholders' Meeting on 29 November 2016 to audit the financial statements of the Company for the year ended 31 December 2018. Our total uninterrupted period of engagement is 3 years, covering periods ending 31 December 2016 to 31 December 2018.

We confirm that:

- Our audit opinion is consistent with the additional report presented to the Audit Committee of the Company, which is issued with the same date as the current report. We also remain independent of the audited entity in conducting the audit.
- We have not provided to the Company the prohibited non-audit services referred to in article 5 (1) of EU Regulation no 537/2014.



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030922

#### **Other matters**

This report of the Independent Auditor is addressed exclusively to the Company's shareholders, as a body. Our audit was undertaken in order to report to the Company's shareholders all those aspects that we are required to state to them in a financial audit report and for no other purposes whatsoever. To the extent permitted by law, we do not accept or take responsibility to anyone other than the Company and its shareholders, as a body, for our audit work, for the report on the financial statements and the report on the Administrators' Report, or for the opinion we have formed.

For and behalf of BDO Audit SRL

Registered in the Public Electronic Report with no. 018 / 2001

Authorized by the Authority for Public Oversight of Statutory Audit Activity  
(ASPAAS), Series FA No. 19 Temp. 14

Partner's name: Vasile Bulata

Registered at the Chamber of the Financial Auditors of Romania with no. 1480 / 2002 Bucharest, Romania

Authorized by the Authority for Public Oversight of Statutory Audit Activity (ASPAAS), Series FA No. 19 Temp. 94 19 March 2019

Note: This is the English translation of the Romanian version of the auditor's report. In case of any discrepancies the Romanian version will prevail.



**CONPET S.A., România**  
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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<sup>2</sup> 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-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	
<b>A</b>	<b>The net profit, reintegrated with the provision related to employees share of profit (a+b), distributed for:</b>	<b>65,766,014</b>	
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	<b>The retained earnings representing surplus achieved from revaluation reserves, distributed for:</b>	<b>5,340,483</b>	
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	<b>Other reserves, distributed for:</b>	<b>1,105,807</b>	
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 Chiș  
S.s. Illegible, Stamp

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

Head of Accounting Department,  
Econ. Roxana Dăuș  
S.s. Illegible

Endorsed,  
Head of Legal Department  
Legal Adviser Cornel Bănică  
S.s. Illegible

## MARKET RELEASE

CONPET S.A., headquartered in Ploiești, No.1-3, Anul 1848 Street, registered at the Trade Register Office attached to Prahova Court under no. J29/6/1991, tax identification number 1350020, legally represented by Mr. CHIŞ Timur - Vasile, Director General, with a subscribed and paid-up share capital amounting 28,569,842.40 RON, informs the investors that, by Resolution of the Ordinary General Meeting of Shareholders no. 3 dated 23.04.2019, was approved the distribution of the amount 64,652,923 RON as dividends due to the shareholders:

The amount comes from:

a). the distribution of the accounting profit achieved in 2018:	59,242,229 RON
b). the distribution of the retained earnings representing surplus achieved out of revaluation reserves:	4,304,887 RON
c). the distribution as dividends of other reserves	1,105,807 RON

*The cumulative value of the gross dividend per share amounts to 7.46782718 RON/share, of which the tax on dividend will be withheld, within the quota provided by the legislation in force on payment date.*

The shareholders entitled to receive dividend distributed out of the profit allocated following the completion of the 2018 financial year, as well as of the distribution of the retained earnings and other reserves are the ones registered in the consolidated Register of shareholders (held by „Depozitarul Central” S.A.) at **the registration date** approved by the Ordinary General Meeting of Shareholders, namely **11.06.2019**, proportionally to the participation quota to the share capital. (**ex-date 10.06.2019**).

The Ordinary General Meeting of Shareholders approved, within the meeting dated 23.04.2019 the settlement of the date of **June 27<sup>th</sup>, 2019 as payment date**, namely the calendar date on which the distribution of the revenues related to securities holding becomes certain.

**The date of deferred payment** for the non-resident shareholders represented by Participants opting for payment deferral and who wish for the application of the more favorable provisions of the Convention on the avoidance of double taxation concluded between Romania and their residence country will be the date of **17.10.2019**. **The term for the submission of the fiscal residence certificate** in original or authorized copy is the date of **27.09.2019**.

The net value of dividends will be calculated as follows:

- The gross value of the dividends related to each shareholder will be calculated by multiplying the number of shares held **at the registration date** by the aggregate value of the gross dividend per share, the resulted amount being rounded up or down to two decimals;
- The tax on dividend will be calculated and retained pursuant to the provisions of the Fiscal Code;
- The net payment value of dividends will be represented by the difference between the gross value and the related tax.



CONPET S.A., Romania

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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



The expenses incurred by dividends' payment will be borne by the shareholders.

The payment method of the dividends will be communicated to the shareholders before payment performance, by way of a market release.

Additional information regarding the necessary documents in view of dividends payment can be obtained at CONPET S.A. headquarters in Ploiești, No.1-3 Anul 1848 Street, the Financial Department, phone no: 0244/401.360, extension 2668.

Director General,  
Eng. Timur-Vasile Chiș  
S.s. Illegible  
Stamp

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



Subject to analysis and endorsement in the BoA meeting dated \_\_\_\_\_ and approval in the O.G.M.S. meeting dated \_\_\_\_\_

## NOTE:

### **regarding the approval of discharge of administration of CONPET S.A. administrations for the financial year ended 31.12.2018.**

As per the dispositions of Art.111, Para (2), Letter no.31/1990 on companies, republished, subsequent amendments and completions, corroborated with the provisions of Art.(15), Para 3, Letter (i) of the Articles of Incorporation of CONPET S.A.

Along the year 2018, the Board of Administration has carried out the activity in the following compentence:

#### **A. *The provisionally appointed administrators***

##### **Period 01.01.2018– 17.05.2018**

- **Văduva Constantin**, Chairman of the Board of Administrational 05.12.2017 – 29.01.2018.
- **Stan – Olteanu Manuela - Petronela**, Chairman of the Board of Administration during 29.01.2018 – 17.05.2018
- **Popa Claudiu – Aurelian**, BoA member;
- **Lefter Răzvan Ștefan**, BoA member
- **Iacob Constantin - Ciprian**, Romanian citizen;
- **Bugică Radu** - BoA member;
- **Spînu Adrian**, BoA member (\* until 22.01.2018)
- **Matei Ion– Cristian, BoA member**; (\* starting 29.01.2019)

The provisional administrators were appointed at 28.11.2017, following the application of the cumulative voting method, by OGMS Resolution no.5/28.11.2017, with a mandate duration of 4 months until the completion of the selection procedure provided in the EGO no.109/2011 on the corporate governance of public enterprises, approved with amendments and completions by Law no.111/2016.

On 05.03.2018, by OGMS Resolution no.1/05.03.2018 it was approved the extension of mandate of the administrators appointed by OGMS Resolution no.5/28.11.2017 with mandate up to 28.03.2018, namely for a period of 2 months – up to 28.05.2018 and was appointed as provisional administrator Mr. Matei Ion – Cristian (provisionally appointed by the BOA Decision no.2/29.01.2018, respectively until the OGMS meeting, as administrator on the

vacancy due to waiver of membership of the Board of Administration a Mr. Antonio - Adrian Spînu).

**Period 07.05.2018– 22.08.2018**

- **Stan – Olteanu Manuela Petronela**, Chairman of the Board of Administration
- **Popa Claudiu – Aurelian**, BoA member;
- **Lefter Răzvan Ștefan**, BoA member;
- **Iacob Constantin - Ciprian**, Romanian citizen;
- **Matei Ion - Cristian**, Romanian citizen;
- **Gavrilă Florin - Daniel**, Romanian citizen;
- **Ilași Liviu**, BoA member.

At 17.05.2018, following the application of the cumulative voting method, by OGMS Resolution no.3/17.05.2018 were provisionally appointed in capacity, for a period of 4 months of the administrators mandate, namely up to 17.09.2018 or until the completion of the selection procedure provided by EGO no. 109/2011 on corporate governance of public enterprises, approved with subsequent amendments and completions by Law no. 111/2016, where it held earlier than the date of expiry of administrators' mandates.

**B. The Administrators named by the OGMS following the carry out of the recruitment and selection procedure as per EGO no.109/2011 on corporate governance of public enterprises, approved subsequent amendments and completions by Law no.111/2016**

**Period 22.08.2018– 31.12.2018**

- **Gheorghe Florin - Cristian**, Chairman of the Board of Administration
- **Popa Claudiu – Aurelian**, BoA member;
- **Iacob Constantin - Ciprian**, Romanian citizen;
- **Gavrilă Florin - Daniel**, Romanian citizen;
- **Albulescu Mihai- Adrian** - BoA member;
- **Meșca Darius-Dumitru** - BoA member;
- **Pavăl Karina**, BoA member;

By OGMS Resolution no.5/22.08.2018, following the application of the cumulative voting method, the hereabove mentioned administrators were appointed in capacity, with a mandate duration extending over 4 years, as of 22.08.2018 and up to 21.09.2022 (inclusive of).

In consideration to the achievement of the strategic objectives set out in regards to the operational activity, the optimization of the performance and sustainable development of the company, in compliance with the corporate governance well-conduct, along the performance of the mandate, the administrators of CONPET S.A. Have fulfilled their attributions with responsibility, efficiency, transparency and professionalism against all stakeholders.





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The carried-out business, as well as the financial-economic results obtained in 2018 are being revealed as compared with 2017 in the Annual Report of the Administrators, as they are being contained in the audited annual financial statements related to the financial year 2018.

Based on the Annual Report of the Administrators for the financial year ended 31.12.2018 and the financial auditor Report, BDO Audit SRL on the financial statements related to 2018, is being submitted for approval of the Ordinary General Meeting of Shareholders the discharge of administration of the Company's administrators for the financial year ended 31.12.2018.

**CHAIRMAN OF THE BOARD OF ADMINISTRATION**

**Gheorghe Cristian – Florin**

**S.s. Illegible**

**Stamp**



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