

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

To,
the Ordinary General Meeting of Shareholders CONPET S.A.

NOTE
on the appointment of the financial auditor of CONPET S.A.

The company CONPET S.A. ("the company") has the obligation of auditing the annual financial statements, as per:

- Art. 7 ,Para (1) of **OMPF no. 2844/2016** for the approval of the Accounting Regulations compliant with the International Financial Reporting Standards mentioning that: *"the individual annual financial Statement prepared by entities based on the accounting regulations complaint with IFRS are subject to the statutory audit, according to the law"*;
- Art. 34, Para (1) of the **Accounting Law no. 82/1991**: *"(1) the annual financial statements of the legal persons, of public interest, are under statutory audit that is being performed by statutory auditors, natural persons or legal authorized persons, under the law"*.
- Art. 63, Para. (4) of Law no. 24/2017 regarding the issuers of financial instruments and marker operations: *"(4)The financial Statements, here included the consolidated ones, of the issuers are being audited by financial auditors, as per the regulations regarding the financial audit activity"*.

Also, besides the audit of the annual statements, the financial auditor has other obligations, as per the legislation applicable to the Company:

- a) As per the Regulation of the Financial Supervisory Authority (Ro.ASF) no.5 from May 10, 2018:

"ART. 144

The issuers whose securities are admitted for trading on a regulated market prepare, publish and submit to ASF and market operator the following reports:

B. Reports provided at Art. 82 of Law no. 24/2017

(4) At the end of each semester, the financial auditor will analyze all the transactions reported during the respective semester as per Art.82 of Law no.24/2017 and will draft, in maximum 30 days from the end of the reporting period, a report where he shall specify whether the price, corroborated with the rights and obligations undertaken by the parties, is correct against the other offers existing on the market. If the transactions are not being performed at the market price, there will be specified the causes that have led to such exemption and the price settlement-related policies. In maximum 24 hours from the receipt of the report from the financial auditor, the issuer prepares, publishes and submits to ASF and the market operator, as

per the model in annex 12, the report by which he submits for publishing the report prepared by the financial auditor.

C. Reports by which are being submitted, for publication, the additional reports provided at Art.94 Para (1) Letter (b) of Law no. 24/2017.

(1) The shareholders representing at least 5% of the total voting rights in GMS of a issuer may request the preparation of additional reports by the financial auditors, as per the provisions of Art.94 Para (1) Letter (b) of Law no.24/2017, with regards to operations falling under the reporting frame defined through the accounting international standards or the reporting sphere related to the periodic or continuous briefing provided by Law no.24/2017 and this regulation”.

b) As per the Regulation (EU) no. 537/2014 of the European Parliament and the European Union Council on specific requirements related to the statutory audit of the entities of public interest and abrogation of the Decision 2005/909/EC of the Commission, article 11:

“(1) The statutory auditors or the audit firms performing statutory audits at public interest entities submit an additional report of the audited entity to the audit committee, on the date of submission of the audit report at the latest”.

In addition to the legal requirement, the company has requested the financial auditor also the revision of the interim financial statements prepared for the first 6 months of the years 2020, 2021 and 2022 and to verify, half yearly and yearly, along the duration of the contract, the fulfilment degree of the performance indicators set out by mandate contracts of the administrators and the directors.

Consequently, considering that:

- As per Art. 47, Para (11) of EGO no. 109/2019 subsequent amendments and completions, *„the statutory auditors are being appointed prior to the completion of the financial year by the shareholders general meeting, and in case of autonomous administrations, by the board of administration, for a period of minimum 3 years”;*
- The financial auditor of the Company, the firm BDO Audit S.R.L., appointed by the General Meeting of Shareholders dated 29.11.2016 for a period of three years, namely up to 28.11.2019, has completed the audit services and as per the audit contract no. S-CA 532 from 09.12.2016 and the addendum no. 2 din 05.08.2019, the contract duration is until a new auditor is being appointed, but no later than 28.11.2019,

based on the Procurement Internal Procedural Norms, revision III, the company organized the simplified procurement procedure of the financial audit services for the years 2019, 2020 and 2021 and other services similar thereto.

At the procurement procedure have been received two offers from two audit firms.

The evaluation commission analyzed the clarification documents and the submitted offers and has named winner the audit firm BDO Audit S.R.L., with a fee in total amount of 66,300 EURO, VAT excluded, for all the services in the contract, for a 3 years' period.

The result of the awarding procedure had been presented to the Audit Committee that recommended to the Board of Administration of CONPET S.A. the appointment of the firm BDO Audit S.R.L. as financial auditor of CONPET S.A. for a period of 3 years.

The Board of Administration has endorsed the appointment of BDO Audit S.R.L. as financial auditor of CONPET S.A. for a 3 years' period, following the proposal of the Audit Committee.

As per Law no. 162/2017 on the statutory audit of the financial statements and of the annual consolidated and of the amendment of certain normative acts:

“ART. 62

Appointing the financial auditors and audit firms:

(1) the financial Auditor or the audit firm are being appointed by the general meeting of shareholders or the assembly of the associations of the audited company. The statutory audit is being performed based on the statutory audit contract to be concluded in written form, following the date of appointment of the financial auditor or the audit firm by the general meeting of shareholder or of the associations of the audit entity”.

As per the **Companies Law no. 31/1990**, Art.111, Para. (2) *”..... the general meeting is bound: [...] b¹) in case of enterprises whose financial statements are being audited, to appoint or dismiss the financial auditor and establish the minimum duration of the financial audit contract.”*

Considering the above, we hereby submit to the approval of the Ordinary General Meeting of Shareholders **the appointment** of the firm BDO Audit S.R.L. **as financial auditor of the company CONPET S.A. and the settlement of the minimum duration of the financial audit contract at three years as of the date of approval by OGMS, respectively for the years 2019, 2020 and 2021.**

**Chairman
Board of Administration,
Gheorghe Cristian – Florin**