

Report to the OGMS
of the Audit Advisory Committee
established within the Board of Administration of “CONPET” SA
on the appointment of the financial auditor and the setting of the financial audit services contract duration

1. The Audit Advisory Committee
(established by BoA decision no. 20/28.08.2018 and preserved by BoA Decision no.18/25.07.2019)

2. Composition of the Consultative Committee:

Gavrilă Florin – Daniel - President;
Iacob Constantin– Ciprian– Member;
Meșca Darius-Dumitru - Member

3. CLAIMS CONCERNING THE ACTIVITIES

The Audit Advisory Committee has an advisory function with regard to strategy and company policy on internal audit and financial audit.

In exercising these duties, the Audit Committee submits to the Board of Administration proposals for the selection, appointment, revocation of the external financial auditor, as well as the terms and conditions for remuneration thereof, following that the BoA nominations validated by the Board of Administration be subject to the approval of the General Meeting of Shareholders.

The executive management submitted to the Audit Committee “The NOTE on the nomination of the financial auditor of CONPET SA” no. 31468/06.08.2019, which was analyzed in the meeting held on 12.08.2019.

Based on the analysis carried out, the Audit Committee has established the following:

- The duration of the current audit contract (contract no. S-CA 532 of 09.12.2016, as amended by Addendum no. 2 of 05.08.2019) is up to the appointment of a new auditor, but no later than 28.11.2019;

- It was carried out the simplified procurement procedure for financial audit services for the years 2019, 2020 and 2021 and similar services thereof in accordance with the Internal Rules of the Company's procurement procedures, revision III;
- Within the acquisition two offers from two companies have been received, namely Mazars Romania SRL and BDO Audit SRL
- The proposals of the two bidders were the followings:
 - o The technical proposals of both companies meet the requirements set out in the scope of work, and
 - o the financial offers were:
 - 69,000 euro/3 years - the company Mazars Romania SRL, and
 - 66,300 euro/3 years - the company BDO Audit SRL
- according to the report of the award procedure no. 62/05.08.2019, considering the bids and award criteria, respectively "the lowest price", the evaluation commission, appointed by Decision No. 458/17.07.2019 of the Director General, designated as winner the company BDO Audit SRL, with a fee amounting to 66,300 euro, excluding VAT, for all the contract services, for a period of three years;
- the period of the contract is of 3 years from the appointment by the General Meeting of Shareholders, respectively the date of the OGMS Resolution.

4. Proposals

In conclusion, following the carried out analysis, we propose for approval to the Board of Administration the appointment of the company BDO Audit SRL as financial auditor of the company CONPET SA for a period of three years and **ask the Board to propose to the General Meeting of Shareholders the appointment of the company BDO AUDIT SRL as financial auditor of the company CONPET SA and determination of the financial audit services contract duration, for a period of three (3) years starting from the date of his appointment by the OGMS, for the years 2019, 2020 and 2021.**

Ploiesti
12.08.2019

The Audit Committee:

Gavrilă Florin – Daniel _____

IACOB Constantin – Ciprian _____

Meșca Darius-Dumitru _____