

Subject to analysis and endorsement in the BoD meeting dated \_\_\_\_\_ and approval in the O.G.M.S. meeting dated \_\_\_\_\_

**CONPET S.A.**

**ENDORSED,  
Board of Directors,  
By Decision no. \_\_\_\_\_ dated \_\_\_\_\_**

**Chairman  
Board of Directors,  
Gheorghe Cristian - Florin**

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

**NOTE:**

**Approval of the Distribution of Net Profit related to the Financial Year 2020 and of certain Amounts from the Retained Earnings**

As per Art.117<sup>^2</sup> of Law no.31/1990 on the companies, republished, and of Art.15 Para (3), Letter h) of the Articles of Incorporation, the Ordinary General Meeting of Shareholders approves the distribution of profit and settles the gross dividend.

The proposal of distribution of net profit related to the financial year 2020 and of certain amounts from the retained earnings has been completed considering the followings:

- *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;*
- *The 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 on the Fiscal Code;*
- *CONPET S.A. dividends policy.*

**The net accounting profit registered by the company CONPET at December 31, 2020 is in amount of 60,846,759 RON.**

As per Art. 1, Para (1), Letter e) of the Government Ordinance no.64/2001 “*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 revenues 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 no more than the level of an average monthly 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 expenditure of the financial year for which are being proposed as provision.

The provision constituted for premiums representing personnel share of profit related to 2020 is in amount of 6,656,393 RON.

Consequently, considering the provisions of Art.1 of the Government Ordinance no.64/2001, the profit that is to be allocated is in amount of 67,503,152 RON and is made up of the net accounting profit in amount of 60,846,759 RON, reinstated with the provision related to employees share of profit in amount of 6,656,393 RON.

The company has not distributed, during 2020, the dividends from the quarterly profit, based on the interim financial statements.

Therefore, the proposal with regards to the distribution of the net profit of the year 2020, reintegrated with the provisions for the employees share of profit, as well as of various amounts from the retained earnings, on the destinations provided by the Government Ordinance no.64/2001 is the following:

**A. The Distribution of the Net Profit of the Financial Year 2020**

<b>Crt.no.</b>	<b>Elements</b>	<b>Amount (RON)</b>	<b>The GD provision no. 64/2001</b>
a	Other distributions stipulated by law - payment exemption of the reinvested profit tax (account 1068), Art.22 of Law no.227/2015 on the fiscal code	1,531,818	Art.1, Para (1), Letter v)
b).	Dividends due to shareholders	59,314,941	Art.1, Para (1), Letter f)
<b>1</b>	<b>The net accounting profit of the financial year 2020, reported based on the audited annual financial statement</b>	<b>60,846,759</b>	
2	Employees share of profit schemes within the limit of 10% of the net profit but not more than the monthly average base salary achieved at the level of the economic operator reported in the corresponding financial year	6,656,393	Art.1, Para (1), Letter e)
<b>3</b>	<b>Total distributions (1+2)</b>	<b>67,503,152</b>	

Clarifications on the distributed amounts:

- the employees share of profit is in amount of 6.656.393 RON and represents 9.86% of the net accounting profit **reinstated with the provisions for the employees share of profit**. The amount representing the employees share of profit was established considering the dispositions of Art. (1), Letter e) of the Government Ordinance no.64.2001.
- other reserves representing fiscal facilities provided by the law, in amount of 1,531,818 RON, namely 2.52% to the net accounting profit during 2020, represents the amount of the reinvested profit for which has been applied payment exemption related to corporate tax during 2020, as per Art.22 of Law no.22/2015 on the Fiscal Code;
- the difference of 59,314,941 RON, namely 97.48% of the net accounting profit of the year 2020 is proposed to be distributed as dividends due to shareholders.

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

### Gross Dividend per Share

Considering that:

- the dividends due to the shareholders, as per the 2020 profit distribution proposal are in amount of 59,314,941 RON;
- the dividends are distributed to the shareholders proportionally to their stake in the share capital;
- the company's share capital registered at 31.12.2020 is of 28,569,842 RON, divided into 8,657,528 commons shares, nominative, indivisible with a nominal value of 3.3 RON,

there results a value of the gross dividend of **6,85125604 RON/share**.

### **B. The retained earnings representing excess achieved out of revaluation reserves distributed for:**

Crt.no.	Elements	Amount (RON)	Provisions of GO no.64/2001
1	<b>The retained earnings representing excess achieved out of revaluation reserves, distributed for:</b>	<b>2,552,906</b>	
a	The coverage of the retained earnings representing actuarial loss from the discount of the benefits grant on retirement	2,160,408	Art.1, Para (1), Letter f)
b)	Dividends due to shareholders	392,498	Art.1, Para (1), Letter f)

### Gross Dividend per 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 2,552,906 RON;
- the dividends are being distributed to the shareholders proportionally with their stake in the share capital, and
- the share capital of the company registered at 31.12.2020 is of 28,659,842 RON, divided in 8,657,529 ordinary shares, nominative, indivisible with a nominal value of 3.3 RON,

there results a value of the gross dividend of **0,04533604 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 **28/29.04.2020**.

The provisions of art. 86 Para (1) of Law no. 24/2017 regarding the issuers of 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 8, 2021** 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 statements, and
- the term for the submission of the annual financial statements, as per the Order of the Ministry of Public Finances no.58/2021 is of..." 150 days from the completion of the financial year..."

We hereby propose the settlement, by the OGMS, of the date of initiation of dividends payment on **June 24,2021**.

### 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 RON 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 Shareholders, and the payment manner will be notified 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:**

- **the distribution of net profit, reinstated with the employees share of profit, at the date of December 31, 2020, in amount of 67,503,152 RON;**
- **the distribution of the retained earnings representing excess achieved from revaluation reserves in amount of 2,552,906 RON;**
- **the settlement of the gross dividend in amount of:**
  - **6,85125604 RON/share** from the amounts distributed out of the net profit of the year 2020 (item A in this note);
  - **0,04533604 RON/share** from the amounts distributed out of the retained earnings (item B in this note);
- **the settlement of the date of 8 June, 2021 as registration date;**
- **the settlement of the date of June 24, 2021 as starting date of dividends payment.**

**Director General**  
**Eng. Dorin Tudora**  
**S.S. illegible**  
**Stamp**

**Economic Director  
Econ. Sanda Toader  
S.S. illegible**

Endorsed,

Legal Adviser Cornel Bănică  
S.S. illegible

Head of Legal Service,  
Econ. Roxana Dăuș

S.S. illegible