

ANNUAL REPORT

OF THE ADMINISTRATORS

of the Company CONPET S.A.

for the financial year ended at

December 31st, 2020



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Esteemed shareholders,
Esteemed investors,

Conpet is today a strong company, essential for the economy and the Romanian energy sector, with stable financial results and evolution and performance-oriented management, supported by professionals dedicated to their profession and ready to face the challenges that constantly arise in an industry that keeps the world constantly moving.

In the context of a particularly difficult year marked by a pandemic that has affected both global economies and the oil industry, CONPET has given its measure of professionalism, rapid and efficient readjustment, so that the activity of transport of crude oil by pipelines to carry on a trajectory of movement and safety incessantly, and without syncope. Therefore, after a reconfiguration of strategies, the reorganization of the way of working and the careful rethinking of ways in which to achieve our goals, CONPET continued to transport safely, honoring its customers to the same quality standards.

The company never ceased its activity, and its smooth running, in an unprecedented and totally unanticipated situation, was ensured by a joint and sustained effort of all the factors involved in this process: the members of the Board of Directors and the executive management, the TESA employees and the workers of the “front line” of the company, to which has been added the continuous collaboration with our clients to coordinate our activities, make the best decisions and implement the most effective measures so that work can be carried out without interruption. Learning to communicate and work differently and from afar, while keeping us connected and close, that was a challenge that I think we have successfully overcome due to the professional rigor, desire for success and common values that unites the workers of a guild accustomed to perform under any conditions.

While the way of working had to be reorganized having as priority the maintainance of health and safety of the employees, as well as continuing work, we have made every effort not to abandon our goals and successfully achieve the development programmes and strategies that we set out and assumed at the beginning of the year.

And we succeeded.

We finished the year, making a profit. Thus, compared to the revenue and expenditure budget approved for 2020, we recorded a net profit of 60.85 million RON, 9,7 % more than forecast and a turnover of 406.93 million RON, up to 0.5 % and transport revenues increased from 0.3 % as compared to programme.

CONPET is a company focused on continuously improving business, developing and streamlining, towards the future.

Thus, the degree of achievement of the Annual Investment Programme for 2020 of CONPET was achieved 87%, up to 4.28 million RON as compared to 2019.

Each year, the company invests in technical performance at the highest level, each time one step further. In 2020, CONPET commissioned the newest and largest crude oil storage tank at Calareti Station, with a capacity of 31,500 cm and equipped to the highest technological standards.

Also, in the context of the energy transition process and the company's policy of aligning with the new European environmental standards, I mention the commissioning in August of the first

electric locomotive - LEA of CONPET intended for the shunting service, a first which took place at Bărbătești Ramp in Gorj County.

CONPET continued to hold, last year also, the position as a major player on the local capital market. Currently included in 7 stock indexes (out of a total of 9), indicating economic and financial stability, transparency, visibility and maintaining increased investor interest, CONPET reached a capitalization of 659.7 million RON (76.20 RON/share).

In addition to its strong economic position, CONPET is also a company deeply interested in the needs and well-being of its employees, investing in staff development and promoting recognition of professional value. At the same time, the company is known for its involvement in the life of its community, through sponsorship, social responsibility and environmental protection, actions that have intensified over the last few years. In 2020, a greater attention was paid to the support of the health-care sector, as well as to information and accountability actions on the COVID-19 pandemic, carried out through internal communication and through CONPET's social media communication channels.

The 2020 balance sheet shows that CONPET has maintained its status as a strong and efficient company, in which the stability and adaptability of customers, shareholders and investors can be trusted.

Looking ahead, we will continue to value everything we have achieved and maintained so far: the experience, professionalism and loyalty of employees whose ambition is to provide high quality services. In addition, we will develop strategies and scenarios to ensure that the work of our company will continue safely for all its employees, with the respect and responsibility required by managing a strategic company, fundamental to the national security and well-being of the entire population.

Sincerely yours,

CRISTIAN - FLORIN GHEORGHE
CHAIRMAN OF THE BOARD OF DIRECTORS

1. COMPANY PRESENTATION

1.1 Report grounds

The Annual Report of the Board of Directors of CONPET SA for the year ended December 31st, 2020, 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;
- Article 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;
- Chapter VI Art. 7, item 7.18 regarding Administrator's Obligations from the Administration Contracts 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	March 23 rd , 2021
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	conpet@conpet.ro / www.conpet.ro
Tax 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	659,703,633.60 RON (76.20 RON/share at 30.12.2020)
Applied accounting standard	The International Financial Reporting Standards
Auditing	The Financial Statements concluded at December, 31 st , 2020 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.

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 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 by pipelines and by rail.

Company's Values:

- continuous learning and improvement;
- concern for people and environment;
- openness and quality improvement;
- flexibility and dynamism;
- communication and cooperation.

1.5 Shareholding

CONPET is a publicly owned company, listed at the Bucharest Stock Exchange, under COTE symbol.

The synthetic structure in the shareholding, at reference date 31.12.2020, is as follows:

- 58.7162%- The Romanian State by the Ministry of Economy, Energy and Business Environment;
- 41.2838% - Other shareholders natural or legal persons.

Shareholder's Name	Number of shares	Percentage%
The Romanian State by the Ministry of Economy, Energy and Business Environment	5,083,372	58.7162%
Legal persons	2,368,002	27.3519%
Natural Persons	1,206,154	13.9319%
Total	8,657,528	100.0000%

Table 1 - CONPET S.A. Shareholding Structure at December 31st, 2020

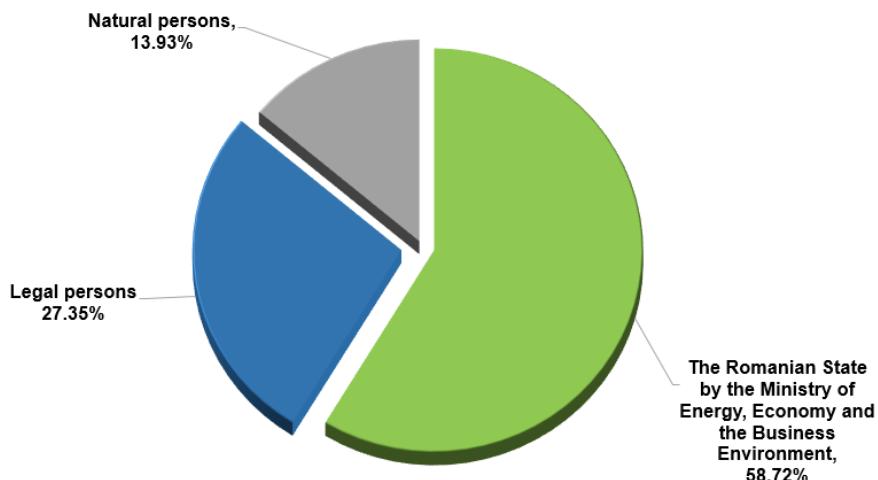


Chart 1 - CONPET S.A. Shareholding Structure at December 31st, 2020

The number of CONPET Shareholders registered at Depozitarul Central S.A. at the end of 2020 is of 13,095, increasing by 1.6% as compared to the end of 2019 (12,887 shareholders).

The share capital of CONPET at 31.12.2020 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 2020, the company did not hold own shares.

1.6 Company Organization

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.

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 established and assumed by the administrators through the Administration Plan, for the period 2018-2022, 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. The strategic objectives are:

- 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 2020 and TO DATE

March 5th, 2020

The Ordinary General Meeting of Shareholders (OGMS) approved the Revenues and Expenditure Budget and the Investment Program related to 2020;

March 29th, 2020

The Ordinary General Meeting of Shareholders (OGMS) approved the annual financial statements for the financial year 2019 and the net profit distribution related to the financial year 2019.

June 12th, 2020

The Ordinary General Meeting of Shareholders (OGMS) approved the Investment Strategy for the period 2020– 2025.

June 18th, 2020

The Ordinary General Meeting of Shareholders (OGMS) approved the transaction with SNTFM "CFR MARFA" resulting in the conclusion of an Addendum having as its object „Transport services by rail of oil and rich gas from the loading ramps to the destinations set by CONPET S.A.”.

September 24th, 2020

The Ordinary General Meeting of Shareholders (OGMS) approved the Revenues and Expenditure Budget (Budget) rectified for 2020.

September 24th, 2020

The Extraordinary General Meeting of Shareholders (EGMS) approved the initiation of the procedure for the augmentation of the share capital of the company CONPET S.A. by the value of the land plots held based on 48 land ownership certificate and formulation of a request to the Trade Register office attached to Prahova Law Court for the appointment of an authorized appraiser for the evaluation of the land plots in view of augmentation of the share capital.

March 10th, 2021

Took place the Extraordinary General Meeting of Shareholders with the agenda: Approval of the augmentation of the share capital by maximum value of 108,798,558 RON representing contribution in kind (the lands) amounting to 63,882,386.70 RON and cash amounting to

44,916,171.30 RON, from the actual value of 28,569,842.40 RON to the value of maximum 137,368,400.40 RON by issuance of a maximum number of 32,969,260 new shares, registered, dematerialized, at a price of 3.3 RON/share, equal with the nominal values, without share premium.

The EGMS has not met the presence quorum needed provided by the law for the augmentation of the share capital by contribution in kind.

March 11th, 2021

As in first call the presence quorum has not been met for holding the Extraordinary General Meeting of Shareholders on March 10th, 2021, the meeting took place in second call, namely on March 11th, 2021, with the same agenda.

The Extraordinary General Meeting of Shareholders has ascertained that neither in second call has been met the presence quorum provided by law necessary to decide the augmentation of the share capital by contribution in kind held based on the land ownership certificates.

3. CONPET 2020– EXECUTIVE SUMMARY

3.1 Operating Activity Indicators

The comparative situation of the quantities of products (crude oil, condensate and gas) transported through the National Transport System (NTS) and the revenues achieved, on transport subsystems in the period 2018-2020 is shown below:

Indicators	M.U.	2020	2019	2018	Variation%	
					2020/2019	2019/2018
TOTAL TRANSPORTED QUANTITIES	Thousand tons	6,685	7,124	6,855	▼ 6.2%	▲ 3.9%
Total transport revenues	mRON	402.79	402.02	380.58	▲ 0.2%	▲ 5.6%

Table 2 - Evolution of the transported quantities and transport related revenues during 2018 -2020

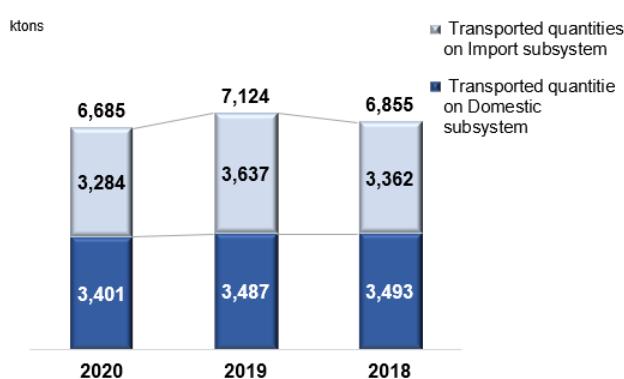


Chart 2 - Evolution of the quantities transported on the domestic and import subsystems between 2018 -2020

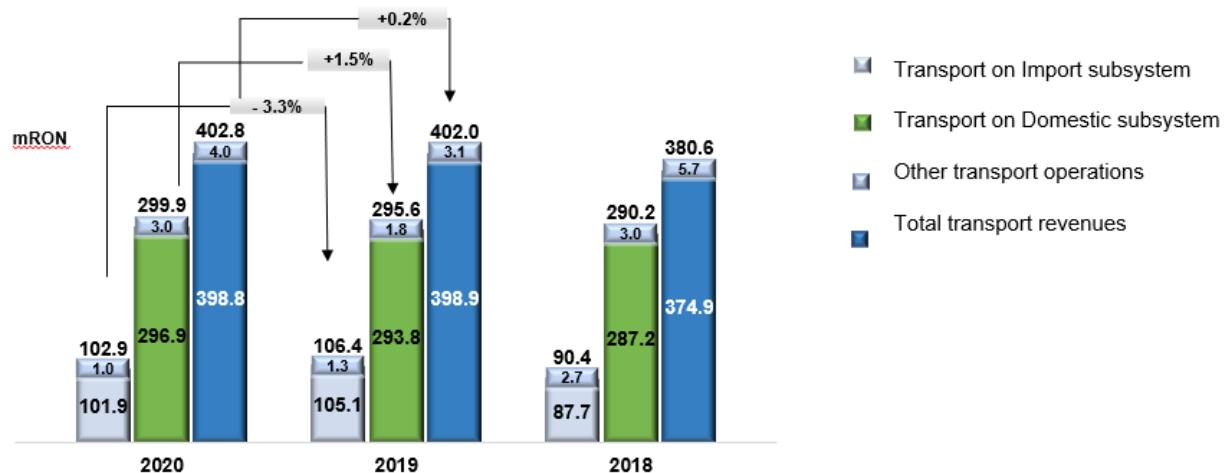


Chart 3 - Evolution of the Revenues transported on the domestic and import subsystems Between 2018 -2020

3.2. Financial Results Indicators

The economic and financial activity of CONPET SA in 2020 was performed based on the indicators included in the revenues and expenditure budget approved by the General Meeting of Shareholders.

The comparative evolution of the main indicators of financial results in the period 2018-2020, as well as the change in the values recorded in 2020 against the budget, is presented as follows:

Achieved 2020	BUDGET 2020	Variation% 2020 Budget	Indicators (mRON)	2020	2019	2018	Variation%	
							2020/2019	2019/2018
406.93	405.01	▲ 0.5%	TURNOVER	406.93	407.82	385.14	▼ 0.2%	▲ 5.9%
447.64	443.85	▲ 0.9%	Operating revenues, of which:	447.64	443.00	418.71	▲ 1.0%	▲ 5.8%
402.79	401.67	▲ 0.3%	Transport revenues	402.79	402.02	380.58	▲ 0.2%	▲ 5.6%
382.62	382.85	▼ 0.1%	Operating Expenses	382.62	380.85	352.47	▲ 0.5%	▲ 8.1%
65.02	61.00	▲ 6.6%	EBIT (operating profit)	65.02	62.15	66.24	▲ 4.6%	▼ 6.2%
47.38	48.12	▼ 1.5%	Value adjustments for fixed assets, less adjustments to user rights resulting from leases	47.38	46.64	44.50	▲ 1.6%	▲ 4.8%
112.40	109.12	▲ 3.0%	EBITDA	112.40	108.79	110.74	▲ 3.3%	▼ 1.8%
5.43	4.26	▲ 27.5%	Financial Result	5.43	7.55	5.45	▼ 28.0%	▲ 38.5%
70.45	65.26	▲ 8.0%	EBT (gross profit)	70.45	69.70	71.69	▲ 1.1%	▼ 2.8%
60.85	55.47	▲ 9.7%	NET PROFIT	60.85	58.88	60.68	▲ 3.3%	▼ 3.0%

Table 3 – Evolution of the results from the operating and financial activity 2018-2020 and 2020 vs BUDGET

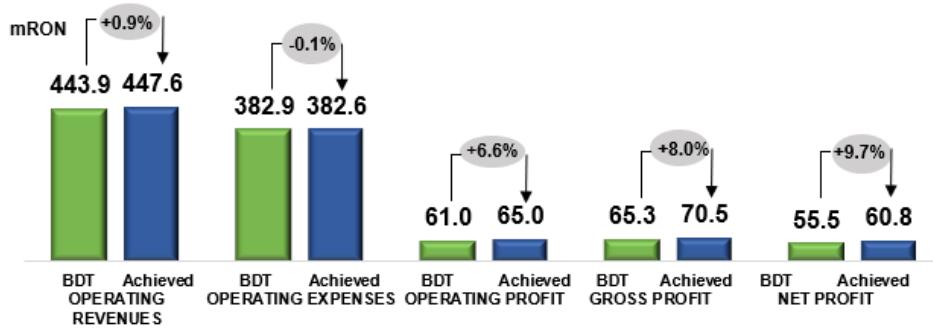


Chart 4 - Analysis of indicators achieved in 2020 as compared to BUDGET

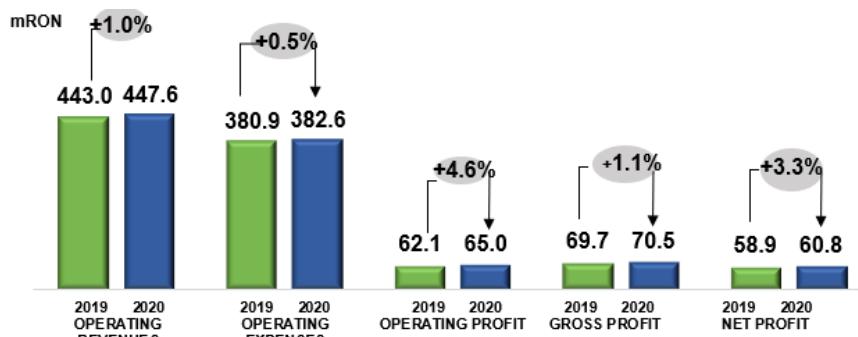


Chart 5 - Analysis of indicators achieved in 2020 as compared to 2019

The turnover achieved in 2020 amounting to 406.93 mRON is decreasing by 0.2% as compared to 2019.

The operating profit (EBIT) increased by 4.6%, from 62.15 million RON in 2019 to 65.02 million RON in 2020, while EBITDA increased by 3.3%, from 108.79 million RON to 112.40 million RON.

As compared to the budget, the operating profit increased by 4.02 mRON (6.6%).

The company ended 2020 with a net profit amounting to 60.85 million RON, 5.4 thousand RON higher than budgeted.

CONPET is a company paying substantial contributions to the consolidated State budget. The total amount paid in 2020, to the account of the state budget, was of 160 million RON, the most important of which are:

• VAT	44 mRON
• Tax on salaries and related contributions	63 mRON
• INCOME TAX	11 mRON
• Oil royalty	31 mRON

3.3 Investment Activity Indicators

The investment program related to 2020 included rehabilitation works of major transport pipelines and investment works for installations and related equipment to the Crude Oil National Transport System.

The investment projects targets both enhancing efficiency of the transport activity as well as operation, under safe conditions, of the National Transport System.

The annual investment program was carried out in proportion of 87%, as compared to the program. As compared to previous years, the investment evolution has increased, by 4.28 million RON more than in 2019, namely 14.77 million compared to 2018.

The comparative evolution of the achieved level of investment as compared to the programmed level for 2020, 2019 and 2018 belonging assets, is as follows:

Investments (mRON)	2020			2019			2018		
	Program	Achieved	Degree of achievement %	Program	Achieved	Degree of achievement %	Program	Achieved	Degree of achievement %
Total investments, out of which:	97.50	84.42	86.6%	86.00	80.14	93.2%	76.63	69.65	90.9%
Public domain	76.37	69.40	90.9%	71.38	66.67	93.4%	68.03	63.39	93.2%
Operating domain	21.13	15.02	71.1%	14.62	13.47	92.1%	8.60	6.26	72.8%

Table 4 – Evolution of investments achieved as compared to program 2018-2020

mRON



Chart 6 – Evolution of investments in the public domain achieved as compared to program 2018- 2020

Chart 7 - Evolution of investments in the operating area achieved as compared to program 2018-2020



Chart 8– Evolution of investments achieved as compared to program 2018-2020

During 2018-2020 77.97 km of pipeline have been replaced:

Indicator (km)	2020	2019	2018	Total
Replaced pipeline	29.42	16.09	32.46	77.97

Table 5 - No. of km of replaced pipeline during 2018-2020

3.4 Company's Stock Market Indicators

The market capitalization amounted to 659.70 million RON (76.20 RON/share) at 31.12.2020, respectively 689.14 million RON (79.60 RON/share) at 31.12.2019.

The evolution of COTE share and market capitalization during 2018 - 2020 is as follows:

Indicators	MU	31.12.2018	31.12.2019	31.12.2020
COTE closing price	RON/share	77.70	79.60	76.20
Market capitalization	mRON	672.69	689.14	659.70
	Million Euro	144.23	144.19	135.48

Table 6 - Evolution of COTE share and stock capitalization during 2018- 2020

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.

The net profit per share is of 7.03 RON/share in 2020, up to 0.23 RON as compared to 2019.

4. ANALYSIS OF THE COMPANY'S BUSINESS

4.1 Analysis of the operating activity

4.1.1 The regulatory Framework

CONPET SA is the operator of the crude oil, rich gas, condensate and ethane National Transport System(SNT). The transport service is being supplied under the natural monopoly regime based on the tariff set by NAMR.

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.

4.1.2 The crude oil, condensate, rich gas and ethane transport activity

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

The NTS was built taking into account the natural distribution of oil fields, so as to ensure the transport of oil from all these fields to refineries. The system operation is being made based on the local dispatch centers, coordinated from the Company's Central Dispatch.

The SNT's pipeline network is approximately 3,800 km long, currently being used a 3,161 km pipeline network.

The Crude Oil, Rich Gas, Condensate and Ethane Transport System has in composition more transport subsystems, as follows:

- ✓ The domestic crude oil and condensate transport subsystem, having in composition pipelines covering approx. 1,540 km, for the transport of crude oil and condensate from the extraction plants 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 subsystem is meant for the rich gas transport from the rich gas separation units in Ardeal (Biled and Pecica) to Petrobrazi refinery.
- ✓ The ethane transport subsystem provides the ethane transport from Turburea ethane separation platform to Arpechim Pitesti refinery. Currently, due to the inactivity of the Arpechim refinery, the subsystem is used only a portion of it, namely the pipeline linking the Totea warehouse to Petrobrazi refinery for the transport of condensate.
- ✓ The subsystem for the import crude oil transport provides the transport of crude oil from Oil Terminal Constanta to the refineries in Ploiești, Arpechim-Pitești and Midia.

For the crude oil, rich gas, condensate and ethane transport service, annualy CONPET has to develop a proper transport programme so as to provide free access to the available capacity of the system to all applicants, authorized legal persons, under equal conditions, on a non-discriminatory and transparent basis.

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.

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 facilities both in the pumping sites, all in the receipt sites.

These facilities shall consist of crude oil and condensate storage tanks, storage tanks for the storage of rich gas, technological pipes from the pumping/receipt warehouses, pumping aggregates, major pipelines, crude oil and rich gas loading and unloading ramps, rail tank cars.

The transported volume by products - crude oil, rich gas and condensate, programmed and achieved in 2020 and the extent of usage of the transport capacity, is as follows:

Transport Subsystems	Indicators and products	2020	2019	2018	Variation (%) 2020/2019
DOMESTIC	Domestic crude oil, condensate and light condensate				
	- programmed quantities (thousand tons)	3,442	3,410	3,443	▲ 0.9%
	- achieved quantities (thousand tons)	3,383	3,468	3,473	▼ 2.5%
	- degree of achievement	98.3%	101.7%	100.9%	- 3.4 p.p.

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Transport Subsystems	Indicators and products	2020	2019	2018	Variation (%) 2020/2019
IMPORT	- degree of use of the transport throughput	55.3%	56.6%	56.7%	- 1.3 p.p.
	rich gas				
	- programmed quantities (thousand tons)	18.2	20	21	▼9.2%
	- achieved quantities (thousand tons)	18.1	19	20	▼5.3%
	- degree of achievement	99.4%	95.0%	95.2%	+ 4.4 p.p.
	- degree of use of the transport throughput	15.5%	16.6%	17.4%	- 1.1 p.p.
	Total domestic subsystem				
	- programmed quantities (thousand tons)	3,460	3,430	3,464	▲ 0.9%
	- achieved quantities (thousand tons)	3,401	3,487	3,493	▼2.5%
	- degree of achievement	98.3%	101.7%	100.8%	- 3.4 p.p.
	- degree of use of the transport throughput	54.5%	56.0%	56.0%	- 1.5 p.p.
TOTAL	crude oil				
	- programmed quantities (thousand tons)	3,346	3,064	3,210	▲ 9.2%
	- achieved quantities (thousand tons)	3,284	3,637	3,362	▼9.7%
	- degree of achievement	98.1%	118.7%	104.7%	- 20.6 p.p.
TOTAL	- degree of use of the transport throughput	27.8%	30.8%	28.5%	- 3.0 p.p.
	- programmed quantities (thousand tons)	6,806	6,494	6,674	▲ 4.8%
	- achieved quantities (thousand tons)	6,685	7,124	6,855	▼6.2%
	- degree of achievement	98.2%	109.7%	102.7%	- 11.5 p.p.
TOTAL	- degree of use of the transport throughput	37.1%	39.5%	38.0%	- 2.4 p.p.

Table 7 - Transported quantities by types of products between 2018-2020

The degree of use of the transport system in 2020 was down by 2.4 p.p. as compared to 2019 reaching the level of 37.1%. The degree of use decreased due to the transport of smaller quantities by 439 thousand tonnes (6.2%) compared to 2019.

In 2020, 1,149 thousand tonnes of crude oil, 33.8% of all products (crude oil, rich gas and condensate) from domestic production were transported and delivered to refineries.

The evolution of the technological consumption on standardized products as compared to the levels recorded in 2020, 2019 and 2018, is as follows:

Products	2020			2019			2018		
	Standardized	Achieved	Variation	Standardized	Achieved	Variation	Standardized	Achieved	Variation
Import crude oil:	0.255%	0.169%	-0.09 p.p.	0.253%	0.118%	-0.14 p.p.	0.256%	0.120%	-0.14 p.p.
Domestic crude oil, condensate and light condensate	0.365%	0.350%	-0.02 p.p.	0.367%	0.317%	-0.05 p.p.	0.371%	0.327%	-0.04 p.p.
Domestic rich gas	7.383%	3.162%	-4.22 p.p.	7.383%	3.491%	-3.89 p.p.	7.383%	3.455%	-3.93 p.p.

Table 8- The evolution of technological standardized consumption as compared to achieved between 2018-2020

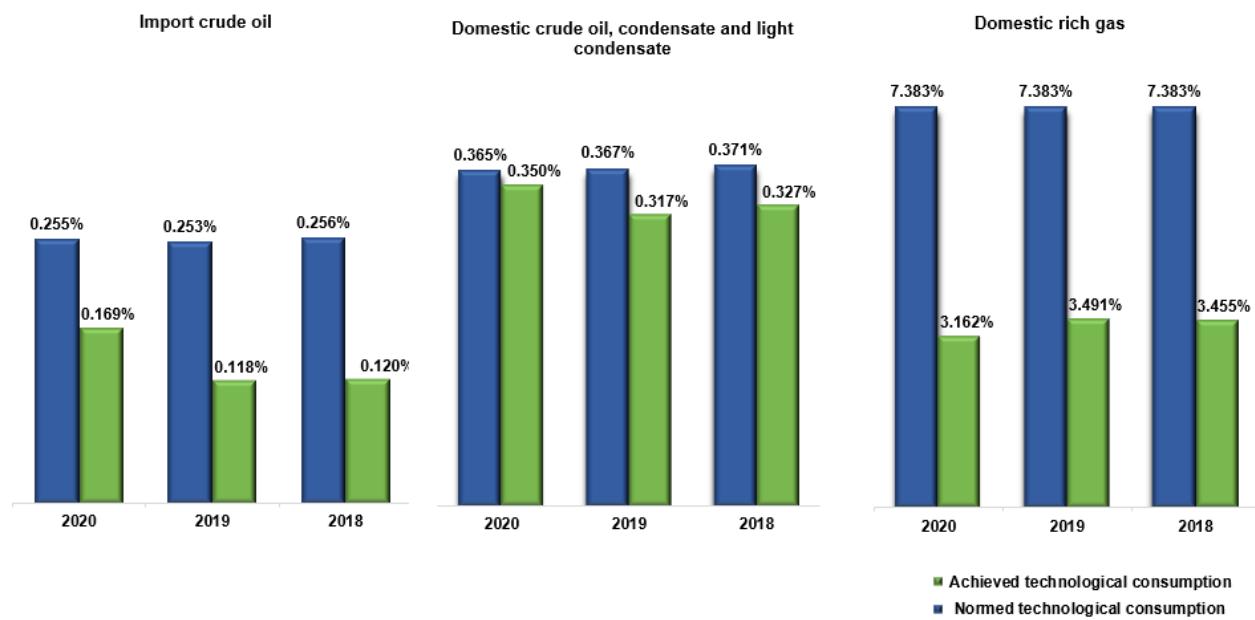


Chart 9 - Evolution of technological consumption on products between 2018-2020

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

The tariffs for the supply of crude oil, rich gas and ethane are regulated and approved by the NAMR and are distinguished for each transport subsystem.

The tariffs applied for the import transport subsystem vary according to the installment of transported quantity, being practiced the bracketing tariff model and the refinery- the hand-over site. Between 2019 and 2020, the following tariffs were applied:

➤ Tariffs from transport services on Domestic Subsystem

Period	Transport tariff (RON/ton)	Approved by NAMR Order no.
June 19 th , 2018 – December 30 th , 2019	84.37	117/2018
December 31 st , 2019 - December 31 st , 2020	87.53	427/2019

Tabel 9 - Transport tariffs Domestic Subsystem

➤ Tariffs for transport services on Import Subsystem

Period	Installments Thousands tons/month	Arpechim Refinery	Ploiești Basin (Petrobrazi and Petrotel Lukoil refineries)	Petromidia Refinery	Approved by NAMR Order no.
			RON/ton		
June 19 th , 2018 - December 30 th , 2019	< 120 > 120	38.85 16.60	38.00 16.00	27.00* 24.74*	117/2018
December 31 st , 2019 - December 31 st , 2020	< 120 > 120	40.40 17.25	39.50 17.00	15.00 12.85	427/2019

*)Starting 14.03.2019 up to 30.12.2019, for the transport relation with Petromidia refinery was applied a tariff of 14.00 RON/ton for installment up to 120 thousand tons and 12.00 RON/ton for installment bigger than 120 thousand tons (approved by NAMR Order no.172/2019).

Tabel 10 - Transport tariffs import subsystem

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The transport tariffs include a modernization quota meant exclusively for the financing of the investments related to the National Transport System.

The transport services are being contracted with the clients, based on a frame contract approved by the National Agency for Mineral Resources.

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

Contracted and completed transport services in 2020, are as follows:

Customer name	Contract Date and No.	Object of the contract	Duration month s	Contracted quantity (tons)	Quantity Achieved (tons)
OMV PETROM S.A.	BC 32/26.02.2019 (AA 2/25.02.2020)	Domestic crude oil transport, import crude oil, rich gas and light condensate	3	1,001,382	1,059,065
	BC OMV 108/25.03.2020		21	2,836,301	3,118,008
ROMPETROL RAFINARE S.A.	BC 438/12.12.2019	Import crude oil transport	12	117,000*	104,122
Petrotel-Lukoil S.A	BC 428/10.12.2019	Import crude oil transport	12	2,663,574**	2,391,594
Petrotel-Lukoil S.A	BC 427/10.12.2019	Domestic crude oil transport,	12	5,875**	3,867
NIS PETROL S.R.L.	BC NIS PETROL CF 480/20.12.2019	Unloading road tanks, loading, storage tanks and loading in rail tanks	12	12,000	8,562
STANDARD LOGISTIC d.o.o.	BCF 230/19.07.2019 (AA 2/10.04.2020)	Railway transport services for raw crude oil, on the route Biled -Stamora Moravița, beneficiary NIS a.d.	12	12,000	8,227 net crude oil 8,240 gross crude oil

Table 11- Contracted and carried out transport services in 2020

*) Value updated following the Addendum concluded in November with Rompetrol Refining S.A.

**) Value updated following the Addenda concluded in August with Petrotel Lukoil SA

The revenues achieved in 2020 from transport contracts concluded with customers, amounting to 402.8 million RON, are as follows:

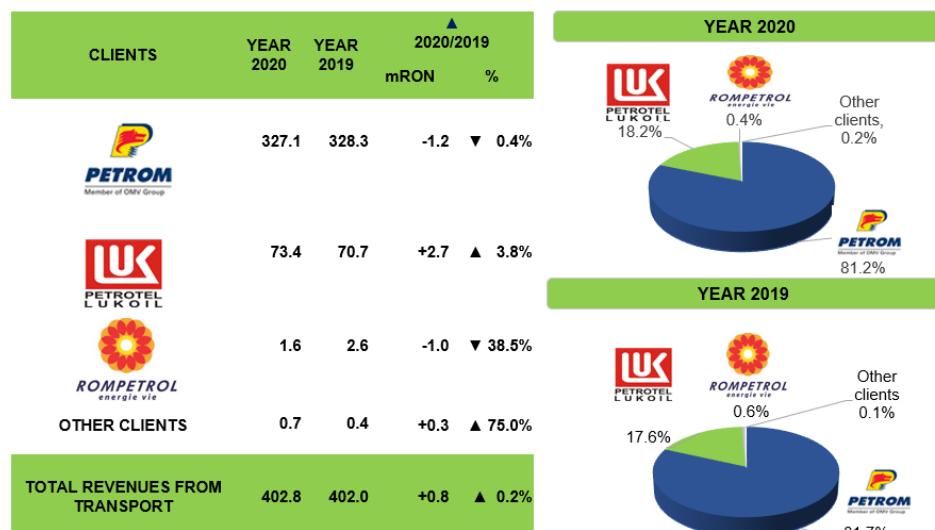


Chart 10 – Share of transport revenues by refineries

The transport services supplied by the company are addressed to a reduced number of clients, the volume thereof is closely related to the trade policy applied by the beneficiaries of the supplied services.

OMV Petrom is the client with the highest share in the transport revenues of the company (81.2%).

4.1.3 Other activities

The revenues achieved from other activities, with a contribution of 1.4% to the company's turnover, are represented by leases of lands, telecommunication equipments and rail tank cars shunting.

4.1.4 Analysis of the operating activity

In the table below is presented the evolution of the transport services supply and other services, for the period 2018-2020:

Indicators	M.U.	2020	2019	2018	Variation (%) 2020/2019	Variation (%) 2019/2018
Revenues from transport services domestic subsystem	Thousand RON	299,928	295,632	290,159	▲ 1.5%	▲ 1.9%
Revenues from transport services import subsystem	Thousand RON	102,857	106,385	90,420	▼ 3.3%	▲ 17.7%
Total revenues from transport services	Thousand RON	402,785	402,017	380,579	▲ 0.2%	▲ 5.6%
Revenues from rents	Thousand RON	1,633	1,593	1,483	▲ 2.5%	▲ 7.4%
Other revenues	Thousand RON	2,510	4,212	3,078	▼ 40.4%	▲ 36.8%
Turnover		406,928	407,822	385,140	▼ 0.2%	▲ 5.6%

Table 12 - Evolution of turnover revenues during 2018 2018-2020

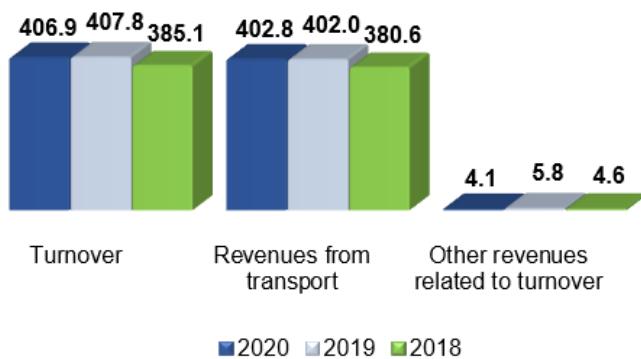


Chart 11– Evolution of turnover during 2018-2020

In 2020 the turnover recorded a decrease by 0.2% as compared to the level achieved in 2019. The transport revenues hold a share of 99% in total turnover, the difference of 1% representing revenues from various activities such as: leases of lands and telecommunication equipments, rail shunting.

4.1.5 Analysis of the supply activity

The procurement activity

The procurement activity performed in compliance with the of the Internal Procurement Norms of CONPET S.A.. and other internal procedures.

Between January - December 2020, 134 procurement procedures were initiated, with 116 procedures completed through the conclusion of contracts, the value of which is 48.25 mil. RON.

At the end of December 2020, 2 acquisitions were in progress, in the total estimated value of 122.13 mRON, respectively:

- 1 tendering procedure for a purchase with an estimated value of 116.68 mRON;
- 1 simplified procedure for a purchase with an estimated value of 5.45 mRON.

4.1.6. Legal acts concluded in the conditions of Art.52 Para (1) and (3) of EGO no.109/2011

At June 19th, 2020 Addendum no.3 to contract S-CA no. 57/28.03.2019 was concluded, having as scope the augmentation of rail transport services of crude and rich gas from the loading ramps to the destinations set out by CONPET S.A., respectively augmentation of the estimated value of the contract by the amount of 7,627,649 RON. The transaction with SNTFM CFR Marfa SA has been approved by the shareholders of the company in the OGMS meeting dated 18.06.2020.

The duration of the contract is of 4 years, starting 01.04.2019 up to 31.03.2023, inclusive of.

The performance guarantee is in quantum of 500,000 RON and the payment term is of 30 days from the invoice receipt. In the contract was provided also the delay penalties calculation in quantum of 0.03%/day. In what concerns the delay penalties, in the contract are being provided the followings:

- Should CONPET S.A. not honor the invoices within the payment deadline provided in the contract, it has the obligation to pay penalties in quantum of 0.03%/day, calculated at the outstanding amount, starting the first day of the maturity date.
- If the provider SNTFM CFR Marfa SA does not provide the rail tanks necessary for the achievement of the respective transport program, for the delay with more than one day compared to the schedule, CONPET S.A. is entitled to claim penalties in quantum of 0.03% per day, calculated at the value of the transport service related to the outstanding quantity, not taken over, starting the first day of delay.

4.1.7 Company mergers and reorganizations, procurements and disposals of assets during financial year 2020

During financial year 2020 there were no mergers and there have not been made purchases or alienations of fixed assets consisting of buildings and/or lands.

Purchases of tangible and intangible assets in 2020 were made in accordance with the investment program and the approved revenues and expenditure budget and are intended for deployment and modernization of activity.

The company has no open subsidiaries in Romania or abroad.

4.1.8 Implementation/development of the internal control management system

The internal control management system

The company CONPET SA, defined as a public entity in accordance with the Order of the Secretary General of the Government No. 600/2018, applies the Code of the internal control management of public entities approved by the aforementioned legislation.

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.

Within the company, the "Code of Ethics and Integrity of CONPET SA" is drafted and an ethics adviser is appointed by decision of the Director General. Each person in the organization has signed an individual commitment to comply with the rules of ethical conduct and integrity established by the Code of Ethics and Integrity of CONPET S.A.

The Ethics Advisor monitored the compliance, by the organization's staff with the principles and rules of conduct and provided advice and assistance in the field of ethics in accordance with CONPET S.A. Ethics Advisor's Work Regulation in force.

According to the provisions of OGSG no. 600/2018 for approving the Internal Control Management Code of public entities, the Monitoring committee of the internal control management system was appointed, by decision of the Director General, updated during 2020, in the light of changes in organizational structure.

The Monitoring committee of the internal control management system has the following duties:

- ✓ Draws up the Development Program of the internal control management system covering the objectives of CONPET SA in internal control management, including, for each standard of internal control management, activities, officers in charge and deadlines, as well as other relevant elements in implementing and developing the internal control management system.
- ✓ Highlights, distinctly, in the program, the actions of professional development in the field of internal control management system, 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.
- ✓ Centralizes by the technical secretariat, the significant risks in the Risk Register of CONPET SA, based on the identification of risks by the risk management teams at divisions, departments, services and offices directly subordinated to the Director General.
- ✓ 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 endorses annually the risk profile and the risk tolerance limit proposed by the technical secretariat based on the Risk Register within CONPET SA and submits to approval of the Director General;

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- ✓ Analyzes the annual plan of implementation of the control measures for the significant risks within Conpet S.A., drafted by the technical secretariat and submits to approval of the Director General
- ✓ Drafts, through the technical secretariat, information to the Director General, approved by the Chairman of the Monitoring Committee, on the deployment process of risk management and monitoring of performance at CONPET SA, based on annual reports from the directorates, departments, services and bureaus directly subordinated to the Director General.
- ✓ Analyzes the annual report on internal control management system and submits it for approval to the Director General.

The Committee shall cooperate with all organizational entities so as to implement and develop the internal control 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 of CONPET shall advise the Monitoring Commission and attends its meetings. Moreover, 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.

The development program of the internal control management system of CONPET SA for 2020 was approved by the Director General.

According to the provisions of the system procedure "Setting the objectives of CONPET", SMART objectives have been set for 2020, at the level of all organizational entities.

Between April - May 2020, the risk management teams (Ro. EGR) held meetings in which the corresponding risks to the set objectives were revalued and the implementation status of the control measures due were reviewed, and where appropriate, new control measures for risk mitigation and new deadlines for their implementation have been proposed, according to the procedure system "Risk management".

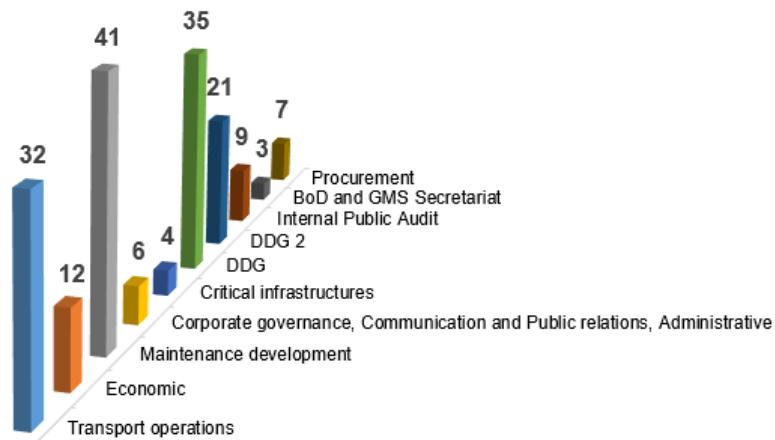
Following these meetings, the situation of the risks identified in the risk management team is as follows:

Crt. no.	Risk Management Team Name	Level of tolerance of the 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.	Transport Operations	24	7	1	0	32
2.	Economic	6	6	0	0	12
3.	Maintenance Development	3	21	17	0	41

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Crt. no.	Risk Management Team Name	Level of tolerance of the 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)	
4.	Corporate Governance, Communication and Public Relations, Administrative	4	0	2	0	6
5.	Critical Infrastructures	4	0	0	0	4
6.	Deputy Director General	8	12	15	0	35
7.	DDG 2	6	8	7	0	21
8.	Internal Public Audit	2	2	5	0	9
9.	BOA and GMS Secretariat Bureau	3	0	0	0	3
10.	Procurement	5	2	0	0	7
Total		65	58	47	0	170

Table 13 - Statement of risks identified in 2020



Chart

12 - Statement of risks within the company

The risk profile at CONPET SA level for 2020 is as follows:

- 65 tolerable risks (exposure 1-4);
- 58 high tolerability risks (exposure between 5-8);
- 47 low tolerability risks (exposure between 9-12);
- 0 intolerable risks (exposure 15-25);

The risk profile at CONPET SA in 2020 as compared to 2019 and 2018 is as follows:

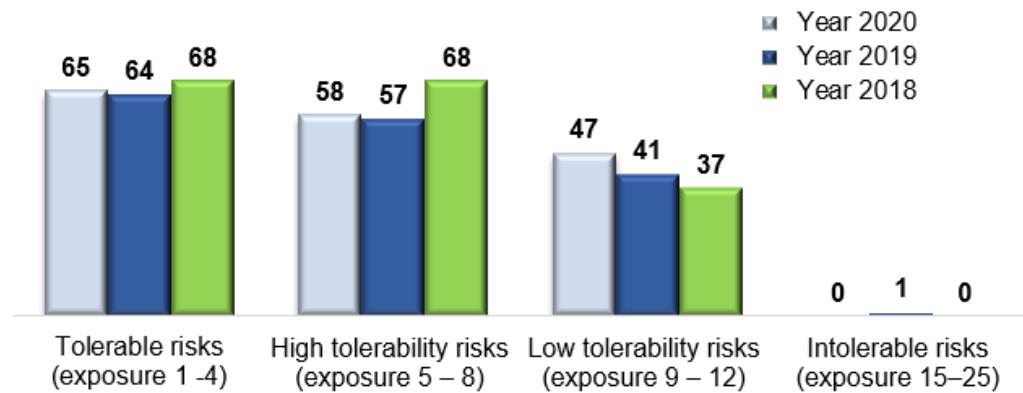


Chart 13 - Risk profile CONPET SA - comparative presentation 2018-2020

Based on the risk profile within CONPET S.A., the Monitoring Commission analyzed and endorsed the risk tolerance limit for 2020, which is up to 12, with a risk appetite at the average level (risks with exposure greater than 12 after their management are not accepted). If the exposure of a risk would increase above the tolerance limit, the Monitoring Commission shall meet for an analysis and the proposal for urgent action.

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 Annual Plan for the Implementation of Control Measures for Significant Risks is also developed in accordance with the requirements of O.S.G.G. no. 600/ 2018, which is approved by the Director General.

According to the program of development of internal control management system for the year 2020

the following actions were carried out:

- The Commission for monitoring the internal management control system has considered the need to revise the Code of Ethics and Integrity approved in November 2018. The analysis resulted in the need to update the Code of Ethics and Integrity. The updating activity is ongoing.
- The situations that may affect the continuity of the organization's activity have been reviewed, taking into account the changes in context, and the CONPET S.A. Continuity Plan was updated and approved in October 2020.
- The action to identify the activities of the entities and to determine which ones will be procedural has been resumed. By the "List of ACTIVITIES of CONPET S.A. - revised September 2020" it was established as procedural the activity "Identification and control of sensitive functions at CONPET SA level". The procedure is in the elaboration phase, to be approved in 2021.
- Between June - October 2020, the action of the Development Programme of the Internal Control Management System "Re-analysis of procedures and identification of measures to improve the internal management control system" has been implemented. SMI documents have been developed and revised and recommendations have been made for improvement, both in the missions carried out by the Internal Public Audit Office and in the internal audits of the integrated management system, carried out by the auditors of the Management and Internal/Managerial Control Systems service.

Also, in the analysis carried out by the management in August 2020, several actions were established to improve the SMI documentation (review procedures and flow charts), included in the AEM 28 Action Plan.

- Between June - July 2020, the action "Bringing to the attention of staff from all organizational structures the objective and purpose of the internal public audit activity, in order to comply with the deadlines set for the implementation of the recommendations made in the internal audit reports and the regular information of the Audit Committee on the state of implementation of the recommendations made" was implemented.
- The "Inventory of Sensitive Functions at CONPET S.A. level" has been revised, in conjunction with the updated Register of Significant Risks 2020 and the Corruption Risk Register.

All actions in the program of development of the internal control management system for 2020 were made on the terms set out in the program.

Following the evaluation of the internal control management system in accordance with OGSG no. 600/2018, it has been declared compliant at 31.12.2020 with all 16 standards implemented.

The report on the internal control management system at 31.12.2020 has been drafted in January 2021.

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 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 have been 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 SR EN ISO 14001: 2015. There were no non-conformities to the requirements of the reference documents.

During 2019, CONPET SA has developed a program to implement the new requirements/modified of the standard on health and safety at work. Transition to the requirements of standard SR ISO 45001: 2018, which replaces the SR OHSAS 18001: 2008 took place in 2019, when the recertification audit took place. No major nonconformities were identified to the requirements of this standard.

In view of the emergence of the Standard SR EN ISO 50001:2019, which replaces SR EN ISO 50001:2011, during 2020 a programme was carried out within the organization CONPET S.A. to implement the new/ modified requirements of the energy management standard. Transition to the

requirements of standard SR ISO 45001: 2018, which replaces the SR ISO 50001: 2008 took place in 2020, when the recertification audit took place. No nonconformities were identified to the requirements of this standard.

Following the external supervisory and transition audit to the requirements of the SR EN ISO 50001:2019 standard, carried out by the body DET NORSKE VERITAS-GERMANISCHER LLOYD in September 2020, certificates shall be maintained:

- 179568-2015-AQ-ROU-RvA, for the quality management system
- 179569-2015-AE-ROU-RvA, for the environment management system;
- 179565-2015-AHSO-ROU-RvA, for the occupational health and safety management system;
- 207619-2016-AE-ROU-RvA, for the energy management system;

Starting 2010, within CONPET SA the railway safety management system is implemented and maintained in accordance with the national legal requirements on railway safety and reference European directives. The field of application of this system includes the railway ramps where CONPET carries out railway shunting, for which the company holds the "Licence for the performance of rail transport services (railway shunting)", granted by the Romanian Railway Authority (Ro. AFER).

Also, for CF ramps in which CONPET S.A. performs only railway shunting for its own benefit/ for third parties/ on an industrial railway line not owned by the company, AFER issued on 21.09.2020 the Single Safety Certificate no. OMF 2020008, in accordance with the provisions of OMTIC no. 743/2020. The Single Safety Certificate is valid for 5 years, subject to periodic verification every year.

In order to determine the effectiveness of the integrated quality - environment - health and safety - energy and railway safety management system, in August 2020 the Management Analysis was carried out (AEM no. 28).

The main actions established as a result of this analysis, due and carried out in 2020, relate to the following aspects:

- ✓ Review of documents of the "Complaint handling and customer feedback analysis" process to improve questionnaires (by including details of compliance with HSE compliance obligations) and to include feedback questionnaires from OMV Petrom contractors as a relevant stakeholder).
- ✓ Review of the system procedure "Control of environmental non-compliances, SSM, SU", to ensure the availability of environmental non-compliance registers, OSH, SU from sectors and administrative offices in the internal computer network.
- ✓ Update of the Action Plan to meet environmental objectives in conjunction with "The list of significant environmental aspects and associated impacts generated by Conpet SA".
- ✓ Review of the system procedure "Identification of environmental aspects and associated impacts", code PS-MI-11 Ed.8 Rev.1 for the inclusion of provisions on updating, in the first quarter of each year, of the List of Significant Environmental Aspects and Associated Impacts generated by CONPET SA and the Action Plan for the Achievement of Environmental Objectives.
- ✓ Develop a procedure for identifying and announcing cases of SARS-CoV-2 infection within CONPET SA, as well as in relation to third parties (customers, suppliers).

In AEM 28 the following actions due in 2021 have also been established:

- ✓ Review of procedures “Elaboration of procedures and instructions”, “Elaboration of process sheets and flow charts”, “Control of documents”, “Control of records”, for adaptation to the circuit of electronically issued documents (with electronic signature).
- ✓ Analysis by the Critical Infrastructure Department, together with the heads of the organizational entities and the submission of a report to the Director General, on the possibility of ensuring the conditions for archiving documents issued electronically within CONPET S.A.
- ✓ Training of workers in the field of first aid by attracting authorized trainers.

Energy targets and objectives, as well as the energy reference period (2019), have been updated during 2020. The document “List of energy objectives and targets for 2020” includes the following objectives and targets:

Energy objective 2020	Energy target 2020
O1: Maintaining energy efficiency for electricity use.	O1/T1: Maintaining the electricity annual average specific technological consumption at a level of maximum 3.3 Kwh/product ton O1/T2: Maintaining the electricity annual average consumption in Conpet administrative buildings as compared to the reference period 2019.
O2: Increasing energy efficiency for uses of natural gas.	O2/T1: Reducing natural gas consumption at CONPET compared to the reference period 2019.
O3: Increasing energy efficiency for uses of diesel.	O3/T1: Reduction of specific diesel consumption for the rail shunting within CONPET as compared to the 2019 reference period
O4: Increasing energy efficiency for the uses of automotive fuels.	O4/T1: Maintaining the auto fuel consumption in CONPET compared to the reference period 2019.

Table 14 - Energy objectives and targets 2020

In order to meet these targets, was developed and approved the document: “Action plan for achieving energy objectives and targets”.

The stage of achieving objectives and energy targets for 2020 and the stage of the action in “Action Plan for achieving energy objectives and targets” will be reviewed in the meeting of analysis conducted by the management (AEM no. 29).

The internal audit of the integrated quality-environment-occupational health and safety management system and the railway safety management system shall provide information on compliance with the requirements of the references and applicable legal requirements. Internal audits are also aimed at assessing the effectiveness and continuous improvement of the management systems implemented.

Internal audits were carried out in accordance with the approved 2020 programme and the audit criteria set out in the audit plans. The results were communicated to the audited entities through the dissemination of the Audit Reports, to which were attached the Non-Compliance and Corrective Action Reports, (Ro. RNAC), opened during the audits. The company annually provides resources to develop adequate internal audit, mandatory requirement of the reference

standards SR SR EN 9001:2015, SR EN ISO 14001:2015, SR ISO 45001:2018 and SR EN ISO 50001:2019, as well as the regulations on railway safety.

4.1.9 Risk management

Within CONPET SA the Internal Control Management System has been implemented and developed, containing the 16 standards included in the Internal control management code of the public entities.

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 (sheet process, flow diagram and system procedure).

In the first half of 2020 have been identified, assessed and centralized risks that may affect the achievement of objectives. At CONPET level, a Significant risk register (with exposure level equal to or greater than 9) and an annual plan containing measures to control significant risks, responsible and time-frames for the measures were developed.

Assessment/reassessment of risks for 2021 will include the analysis stage of the implementation of measures to mitigate the risks for 2020 and will be conducted in accordance with the procedure system "Risk management", during which the risk register at CONPET will be updated.

In paragraph 4.1.8 "The development of the internal management control system" includes detailed information on risk management in 2020 within CONPET SA.

➤ **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, restoring and optimization of pumping programs for the stations with low production, expanding the modernization of pumping stations and continuous monitoring of process parameters and 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.

➤ **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 and adopt solutions for streamlining and optimizing transport activities conducive to maintaining the NTS to a high level of operational security.

The Company is dependent on the level of crude oil processing in Romania and the possibility of intervention in this area lays only in the demand of fuels in the market. The company CONPET can only prove at any time that is capable of providing quality services in the transport of crude oil, rich gas and condensate for any client. In order to ensure this, CONPET must be an active player and permanently interested in the market developments in this area of interest.

Following the petrochemical industry restructuring in Romania, the transport of crude oil derived products (rich gas) decreased severely, (transport of ethane is no longer made since 2009), which adversely affects the use of the subsystem related to these products.

Given the conditions, by the support of 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 bears 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 is less exposed to this risk due to the specific nature of the services sold, which are aimed at large companies with a particular financial situation.

The company has implemented a series of policies that ensure that the sale of services are made to customers with a rapid collection. The value of net claims (without adjustments for depreciation) represents the maximum amount at risk of collection.

Credit risk related to trade receivables is low because of the regular collection of counter transport services and guarantees received from customers (letters of guarantee). 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 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 is low, 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**

At international and regional level (the European Union):

The unpredictability of oil price developments will continue to impact the global economy. On short and medium term the oil prices are expected to continue to be pressured by uncertainty about the global economy, the trade war between the US and China as well as the relations between OPEC + (OPEC members plus non States - ex. Russia). Futures contracts on the oil market (5 years) do not exceed the barrier of \$ 60/barrel.

At the end of 2019, the price of crude oil stood above \$65/bbl, in a margin that allowed positive assessments for the beginning of 2020, marked by the tensions between the US and Iran.

During January and February 2020, as information about a possible outbreak of the new corona virus in China, but also against the background of increasing tensions between OPEC and Russia, the price of crude oil has started to depreciate steadily. Starting March, the oil price collapsed after Saudi Arabia reduced its sales prices, and flooded the markets with cheap oil, signaling the start of an oil war between OPEC and Russia. Thus, Brent type crude oil has reached the level of \$17.7/bbl, - the lowest level in the last 18 years.

The shock generated by the COVID-19 pandemic, the functioning of the economy at near zero levels, with air transport almost stopped and the global measures to halt the evolving health crisis, have generated an unprecedented development in the global crude oil demand market and its price. Thus on April 20th, we are dealing with a steep drop in the price of oil, the price of WTI oil with delivery in May reached -37 USD/bbl. A negative price means that, if the transaction is made,

the seller is willing to pay the buyer for the goods, the opposite being a normal commercial situation.

The physical crude oil market has been negatively affected by an overloaded supply of crude oil and full deposits. As the decrease in production could not keep pace with the decrease in consumption, the situation where oil was stored was thus established.

Producers and traders tried to sell crude oil using substantial discounts, which led to significant decreases between the resulting differences in crude oil types in all regions.

For the 2030 horizon, in order to take an overview of these price developments, several key market players can be closely followed, as can the present pandemic situation, which, at least noww does not appear to be manageable, the concrete and safe means to achieve this being not known.

A certain degree of certainty is that the major players in demand will be India and China as the world's largest oil consumers (1/5 of the global oil consumption). Meanwhile, the demand for oil in the US has increased. There is, also, another reason why China and India need to be monitored. Both countries rely overwhelmingly on imported oil. In China, the percentage of imported oil in its total consumption is almost 70% . In India, this percentage is even higher, by more than 80% . The United States, despite its modest increase in demand - by only 0.5% over the last decade, is still the world's largest oil consumer, raising around 20 million barrels of crude oil every day.

In terms of supply, the USA, OPEC and Russia must be followed. It is also essential to keep track of all information about the US-China trade war as the main factor in the reduction in oil prices.

On the European/regional downstream refining segment

Decline of the refining capacity would be reduced, by increasing the investment in increasing efficiency of existing capacity and implementation of superior technologies that will boost refining margins. This tendency is confirmed for the period 2018-2019 by refinery shutdowns stagnation in Central and Eastern Europe as well as the pursuit of modernization and integration of petrochemical capacity (ex. Croatia, Hungary). At Black Sea regional level, we notice a significant increase of the refining capacity of Turkey (25-30%) through the opening in November 2018 of a new STAR refinery (located in Izmir province, capacity 10 mil. tonnes/year) built by Azerbaijan SOCAR, which will provide the main raw materials to the petrochemical compound Petchim. It is estimated that the petrochemical products will address also the Romanian market, by SOCAR Petroleum.

The European refinery sector experienced the most significant recession in the period 2008-2013 with the total refining capacity being reduced from 765 million tons/year to 691 million tons/year by closing 12 refineries. By 2018, another 9 refineries had been closed, with refining capacity falling by 13%.

After a relative stabilization in 2019, the COVID 19 pandemic and the deep crisis generated throughout the oil industry value chain have caused negative reactions from the refining sector across the European continent, as follows:

- Antwerp Belgium Refinery (115.000 bbl/day) will be loss-making in the near future in any of the Covid evolution scenarios;
- Grandpuis refinery – Paris (90.000 bbl/day) owned by Total will be converted into a biorefinery at best;

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- Lindsey U.K. refinery also owned by Total (110.00 bbl/day) is sold to the Prax group for integrated petrochemical conversion;
- Priolo Italy's refinery, owned by Lukoil (35.000 bbl/day), has been below 40% of its capacity for several years and is at risk of closure;
- Europoort Rotterdam, (80.000 bbl/day) did not start after the scheduled stop at the beginning of 2020;
- Galp-Porto refinery, Portugal (110.000 bbl/day) was closed in April 2020 with the intention of reopening (not confirmed) in July 2020;
- Petroineos Grangemouth refinery in Scotland (200.000 bbl/day) is being analyzed with a view to reducing capacity/closing down.

Nationally, on the upstream segment - exploration and production of crude oil and condensate

In the short term, the main player in this segment - OMV Petrom will continue exploration in areas with high impact and depth (> 4,000 m) and extending offshore licenses in the Black Sea block XIX Neptun. The medium-term strategy will focus on maximizing recovery rates of deposits and streamlining/outsourcing the existing portfolio by transfer of operating licenses (ex. Agreement with Mazarine Energy Romania). As a result of the takeover licenses, on the upstream-production, in 2018 and 2019 players with small annual productions occurred, but they have been added to the portfolio of clients of CONPET SA (NIS Petrol, Serinus Energy).

On medium and long term, the downward trend will continue until 2025-2030 followed by an expected sharp decline. As shown in the Romanian Energy Strategy 2016 - 2030, with 2050 perspective (October 2018 version), lower production of crude oil will reach about approximately 1.7 million tonnes in 2030 and up to 1.15 million tons in 2050.

In the context of the massive decline in domestic production and moderate growth in consumption of petroleum products - especially on short and medium term, an increase in the quantity of oil imported is expected (while maintaining the same refining capacity of the country). Although in 2018 the crude oil imports of the main domestic producer - OMV Petrom were almost 45% below the level of 2017, commissioning of the facility of polifuels instalation of Brazi refinery at the beginning of 2019 supports future oil import to supplement quantities and use facilities at full capacity.

For the 1st half of 2020, the production of hydrocarbons at group level fell by 2.3% as compared to 2019 to 27.09 mil bep.

In Romania, hydrocarbon production was of 25.81 million bep or 141.8 thousand bep/day (1-6/19: 26.45 mill bep or 146.1 thousand bep/day). Oil and condensate production in Romania was relatively stable.

At national level in downstream - refining, storage and distribution of fuel

Also, the total amount of oil refined in 2019 (4.456 million tons) increased by approx. 8% compared to 2018. The total sales of refined products from the group OMV Petrom were of 4.987 thousand tons in 2018, representing a decline of 2% compared to the level recorded in 2017.

Petrotel Lukoil registered a decrease of 5.6 % in 2019, as compared to 2018, managing to refine 2.503 million tons of oil (the refinery has been in scheduled revision in 2019).

Projections of specialized analyzes on the downstream segment, refining and selling fuels in the medium term, take into account a relatively constant consumption until 2025, this being argumented by the equilibrium between the demographic decline and energy consumption and the impact of electro-mobility in the important economic sectors. In normal operation conditions, in a stable business environment and without major disruptive events, the termination of refining activity in Romania is unlikely, still a possible decrease due to increasing demand and pressure from other competitors being possible.

In the long term, beyond 2025, a significant decrease in fuel consumption is expected, generated by the major impact of the expansion of electro mobility in the freight transport sectors/industry also.

➤ **Capital Market Risk**

In the first nine months, the Romanian capital market was labeled as a border market by the agencies to classify stock exchange indices. Starting with September 21st, 2020, the agency FTSE Russell, the world leader of stock exchange index classification, decided that the Romanian capital market would be reclassified from the status of frontier market to the Emergent market.

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 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 Risk**

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

The effort of the company CONPET to constantly adapt to changing legislative requirements may generate additional costs and possible future changes in the legislative framework could have negative effects on the activity and profitability of CONPET (increased taxes, introduction of new taxes and duties, reduction or suspension of tax concessions, 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 14th, 2012, which amends and complements GD no. 1468/2005.

➤ The Personnel Risk and the Waging System

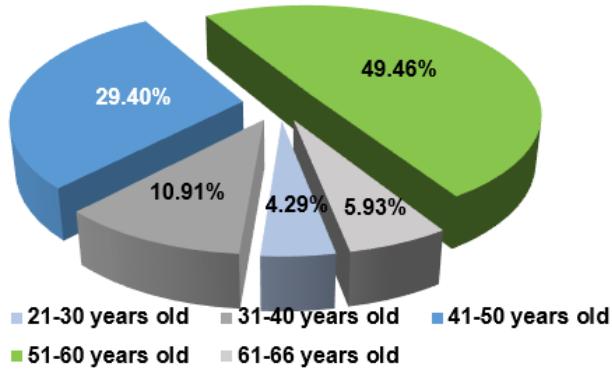


Chart 14 - Personnel structure by age groups

At December 31st, 2020, the structure according to age is not balanced, the age category with the highest rate ratio in the company is ranging between 51 - 60 years old (49.5%) and between 41-50 years old (29.4%).

The average age of CONPET personnel is high (49.3 years old), and the advantage it brings is the work experience accumulated by employees within the company, which indicates stability and professionalism.

The average age of the personnel employed in the last two years is 41 years, with an average work experience of 17 years.

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; being 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).

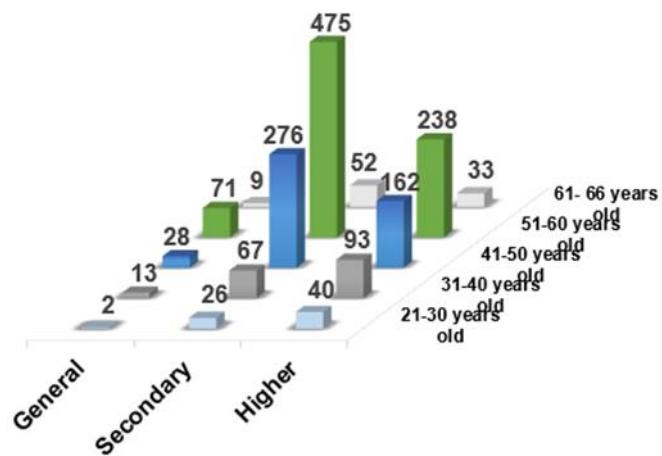


Chart 15 - Personnel structure by studies and age groups in 2020

In terms of level of education, the highest share is for employees who have medium and higher education and are between the ages of 41 and 60.

It should be noted that the age group of 41-50 years is relatively well represented by the scale of employees who will reach the standard retirement age in at least 12 years and a maximum of 25 years, and about 77% of this echelon has a seniority in society of more than 10 years.

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.

➤ **The risk caused by pandemic Corona virus (Covid-19)**

Besides the above mentioned risks the company is currently facing risks caused by pandemic corona virus (COVID-19). Under these circumstances the company CONPET SA adopted an Action plan to prevent and combat contamination of employees with the new corona virus (COVID-19), as well as to identify scenarios for ensuring business continuity in the premises of the company, if the occurrence of cases of infection with the new virus (COVID-19).

Ever since the beginning of this situation, CONPET adopted special measures to protect the employees and limit a potential extension of the disease COVID-19. Thus, measures for the prevention and protection in all sites where employees operate have been taken, including: limiting visitor access, which is allowed only in absolutely necessary situations, subject to the rules of disinfection set by CONPET, intensification of actions on prevention and hygiene, limiting internal travel at their workstations, establishing minimum staff for the smooth running of operations and ensure continuity in the transport of crude oil, in the light of the pandemic of Corona virus (Covid-19).

CONPET is a financially stable company that has the ability to quickly and efficiently implement emergency measures to be taken to protect the health of employees as well as to maintain safe administration of the crude oil National Transport System. In the context of the pandemic Corona virus (Covid-19), the company ensures business continuity. In terms of the Company's financial statements for the year 2020, the activity is not affected and there is no need to the adjustment thereof.

4.1.10. Internal and external audit

Internal audit

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

The internal public audit activity in 2020 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 mission request addressed by the management of the company.

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 endorsed and approved by the company's management. The reports include 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 9 internal audit missions have been performed in 2020, out of which: 4 internal audit missions, 2 formal advisory missions and 1 informal advisory mission. As a result thereof, 21 recommendations/solutions were made.

The missions carried out in accordance with the Internal Public Audit Plan were thematically:

- Improvement of the continuous professional training of staff;
- Planning IT resources;
- Improving the collaboration of entities involved in the implementation and follow-up of investments within CONPET SA (formal advice);
- Implementation of the program of transport of crude oil and condensate by pipelines, by rail and car;
- Organization of the work on environmental protection in accordance with the legal requirements for existing workstations under CONPET SA;
- Risk management within CONPET SA (formal advice).

The objective of the informal advisory mission was “Disposal of non-hazardous waste resulting from demolition work carried out with the completion of the investment works.”

Recommendations/solutions made by the internal auditors in the audit reports prepared in 2020 are implemented and being implemented, with no cases of outdated recommendations recorded. The Internal Public Audit Office shall continuously monitor the implementation of the recommendations and report on a half-yearly report to the Director-General and the Audit Committee on the status of the recommendations not implemented and in the process of being implemented.

External audit

The annual financial statements have been audited by the independent financial auditor BDO Audit SRL , appointed by GMS Decision no. 5/30.09.2019 for three years, starting with the financial year 2019. The financial auditor fulfilled the mission to review the interim quarterly financial statements drawn up for the first half of 2020.

4.1.11 Assessment of human resources and social dialog activity

Personnel structure

The number of employees on December 31st, 2020 was of 1,585 persons.

Following the adoption of measures on human capital resizing, the actual number of employees on December 31st, 2020, compared to 31.12.2019 is down by 14 people.

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.

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In 2020, the number of higher education employees was 566, increasing by 16 persons compared to 2019, and the number of secondary or general education employees has decreased from 1,049 people to 1,019 people.

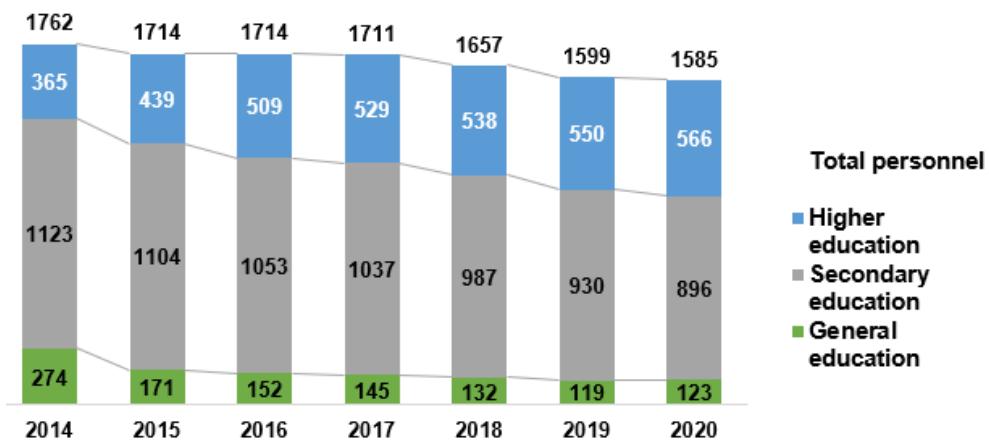


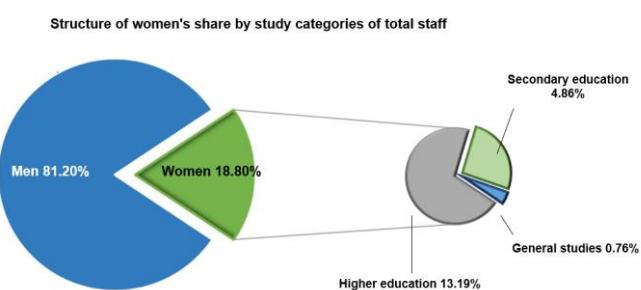
Chart 16 - Evolution of personnel structure by level of education between 2014 - 2020

Studies	Total	% in total employees	Women	% in total employees	Men	% in total employees
General	123	7.76%	12	0.76%	111	7.0%
Secondary education	896	56.53%	77	4.86%	819	51.67%
Higher education	566	35.71%	209	13.19%	357	22.52%
Total	1585	100%	298	18.80%	1287	81.20%

Table 15 - Personnel structure by education level and gender in 2020

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 number of staff who have completed higher education is 566 persons and represents 35.71 % of the total number of employees.



Structure of men's share by study categories of total staff

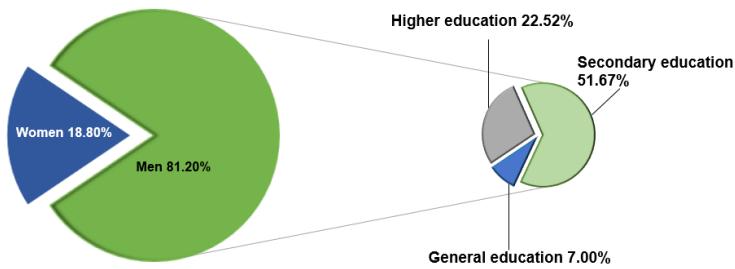


Chart 17– Structure of staff weight

The staff with managerial functions represents 6% of the total number of employees and the executive staff amounts to 94%. Of all employees with managerial positions, 25% is represented by female personnel.

In 2020 the structure of employees by categories was the following:

- ✓ Directly productive 588 employees;
- ✓ Technically productive 334 employees;
- ✓ Indirectly productive 258 employees;
- ✓ Administrative 272 employees.
- ✓ General service 133 employees.

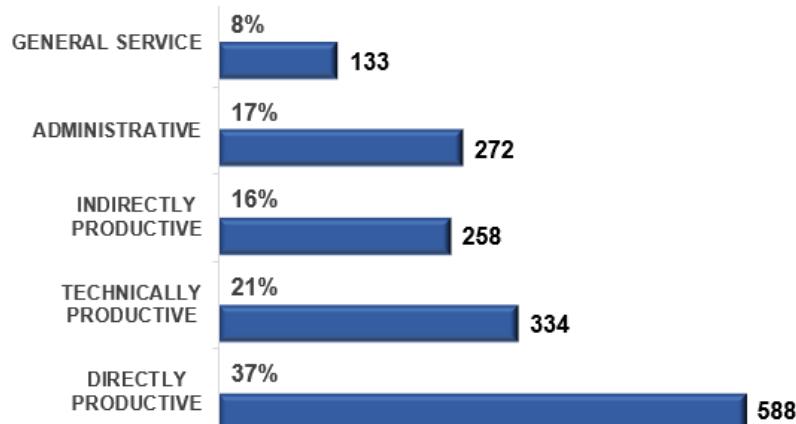


Chart 18 - The structure of employees by category in 2020

The degree of unionization of the workforce at the end of 2020 is 99.05%. During 2020, there have been no elements of a conflicting nature between employees and the management of the company.

Aspects regarding the Collective Labor Agreement

The Collective Labor Agreement was approved by Decision of the Board of Directors for a period of two years, starting with 01.01.2019 until 31.12.2020 and was registered with the Inspectorate of Labor Prahova on 27.12.2018.

The rights of the employees in the CLA were negotiated to ensure achievement of financial performance indicators set out in the Management Plan, succeeding, at the same time, to ensure

a balance between the interests of Employer and Union, taking into account that the interests of employees and the management of the company can not be divergent, and that the most important resource of the company is human resources.

In August 2020, at the request of the Free Union of CONPET, two rounds of negotiations were held between the social partners, culminating in the conclusion of an Addendum to the Collective Labour Agreement.

The Addendum concluded amended the pay scale to increase the basic salaries by 5% from October 1st , 2020 and extended the CLA by 12 months starting January 1st, 2021.

Changes in organizational structure

- ✓ The Board of Directors approved on 30.01.2020 a new organizational structure of the company, applicable starting with 03.02.2020.
- ✓ In addition, in order to make the decision-making process more flexible within the company, the Board of Directors approved on 28.07.2020 the modification of the organizational structure starting from August 3rd, 2020, in order to abolish the structure of the Critical Infrastructure Unit and Administrative Activities, with the consequence of the abolition of the position of director of this structure, the entities subordinated to this unit being taken over under the direct supervision of the Deputy Director General 2.

In conjunction with the new organization chart approved by the Board of Directors, the Rules of Organization and Functioning have been updated.

CONPET S.A. management pays particular attention to the process of optimal sizing of the resources necessary to achieve the objectives set, through managerial measures, in order to reduce expenses and optimize the functional structures in accordance with the current needs of the company, by constantly ensuring a balance between the number of personnel and the real technical-economic and administrative needs of the company.

In this context, at the level of directorates and departments, a new analysis was started in September 2020 to resize the human resources needs in line with the needs of society, with the aim of reorganizing the activity and efficiency of work, leading to increased profitability through the maximum efficient use of human and financial resources, through the efficient use of employees' working time. The analysis aimed at:

- ✓ identifying the correlation between the number of positions and the work volume;
- ✓ Identifying the degree of work load of every employee, as well as of the interaction of the activities performed between the occupants of the positions;
- ✓ Identifying the total use, by the occupant of the positions, of the working time related to the achievement of the work duties;
- ✓ Identifying the possibility that the duties of employees may be taken over by the other employees of the entity concerned, in compliance with the legal provisions on working time;
- ✓ the possibility of monitoring pipelines by extending routes or by alternatively tracking several routes by sector staff;
- ✓ the possibility for some employees to perform their duties at several low-activity points, and there is no need to maintain a full-time employee.

As a result of this analysis process, 14 posts were identified, which were disbanded in accordance with the Decision of the BoD.

Thus, the position was reduced by the 14 posts, with the consequence of the individual dismissal of 14 employees, occupants of those posts, for reasons not related to their person. The executive management has taken the necessary steps and drawn up all the necessary documents (modification of the state of functions, notices, dismissal decisions, etc.), so that the individual dismissal process of the employees is carried out in accordance with the legal regulations in force and in compliance with the provisions of the Collective Labor Agreement.

The Activity of Professional Training and Authorization

In order to maintain and/or develop specific skills and basic skills of human capital, the 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, sources for the provision of training. Special attention is paid to the training of technical staff (maintenance and operations), mainly for new skills necessary to carry out the safely operation of the National Transport System.

Crt. n ^o	Type of training and professional authorization 2020	Employees participants
1.	Various fields authorizations (specific of activity)	57
2.	Railway authorizations	210
3.	Training	220
4.	Qualifications/training/internal authorizations	481
Total		968

Table 16 - Structure of training/professional authorization courses in 2020

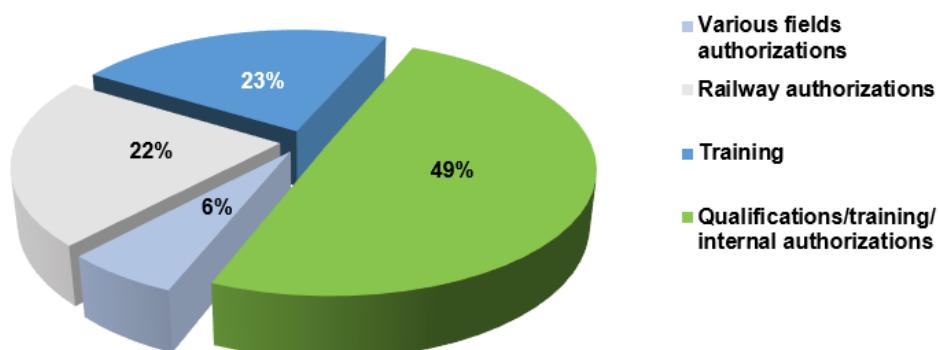


Chart 19 - Type of professional training and authorization 2020

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The training and professional authorization activities of employees of the company for 2020 were carried out with the approved revenue and expenditure budget.

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

In the first quarter of 2020 was carried out the action to evaluate the professional performance of employees for the work carried out in 2019. The evaluation was carried out in accordance with the Employee Performance Assessment Regulation - Annex 1 to the Internal Regulation.

Upon completion of the staff evaluation process, a professional performance evaluation report was prepared which included the results of the evaluation.

The evaluation of the professional performance of employees for the work carried out in 2020 will be carried out under a new regulation which was approved by the Board of Directors in December 2019. The document was drafted for:

- implementation of Standard 3 - Competence performance from the Development program for 2019, of the Internal Control Management System in CONPET SA;
- optimization of integrated performance evaluation system of employees within CONPET SA which envisages the establishment of individual SMART objectives and performance indicators for management positions.

At the same time, the new Regulation on the assessment of the professional performance of CONPET SA employees is in line with OGSG no. 600/20.04.2018 approving the Code of Internal Control Management, Law no.53/2003 rep. - the Labor Code, as well as with the Board of Directors' requests, that focus on the individual professional performance, a basic principle in labor relations.

The new evaluation criteria, individual objectives, performance indicators, target values and weights associated to the work of 2020 of the employees in management positions, were subject to conclusion of addenda to individual employment contracts of the employees, as laid down in each entity.

4.1.12 Analysis of the HSEQ activity

Identification of environmental aspects and environmental impact assessment

The environmental impact assessment activity is carried out in the production sectors whenever changes occur in the system involving environmental impact activities, the list of significant impact issues identified at company level being the basis for the development of the Environmental Management Programme and the Action Plan for the achievement of environmental objectives.

In 2020, environmental targets were revised, environmental aspects were updated at the location level and implicitly at the company level, with significant environmental aspects contained in a new Action Plan to meet environmental objectives. The progress in achieving fixed objectives and targets is regularly reviewed in the Analysis carried out by the management.

During 2020, an external online audit was carried out from the point of view of the environmental management system to verify compliance with the requirements of ISO 14001:2015. No deviations were found in compliance obligations in this area.

Regulation of activities in terms of environment and water management

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.

The company CONPET holds 39 permits for water management and 22 environmental authorizations.

During 2020 the following environmental authorizations were renewed and revised:

- 5 environmental permits were renewed for activities carried out within Biled, Marghita, Salonta, Pecica and Suplacu de Barcău loading ramps;
- 4 environmental permits were revised for Baicoi, Urlati, Mislea pumping stations, as well as for the domestic crude oil pipelines and related work points;
- annual environmental authorisation was endorsed for the crude oil transmission pipeline 24" Midia -Năvodari, issuer APM Constanta.

for the rest of the authorizations were obtained classifications of the application.

As regards the regulation from the point of view of water management during 2020, 13 water management permits for watercourse crossings by the SNTT pipeline routes have been renewed.

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 nonconformities. 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.

To verify compliance with legal requirements, in 2020 there 34 inspections were registered, their structure being as follows:

- 6 inspections National Environmental Guard - County Commissariats;
- 18 inspections Basins Administrations/Water Management Systems;
- 1 inspection the Environment protection Agency;
- 9 inspections Risk Secretariats (SEVESO).

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. During 2020, more accidental pollution was

reported, with the expenditure on decontamination of the affected areas reaching 752.2 thousand RON.

For compliance with the regulations required by the national legislation on environment in force, regarding management of dangerous waste, "paraffin - type" and "tank sludge", the company CONPET has the obligation to contract services for recovery/disposal thereof avoiding sanctions provided by EGO 195/2005 on environmental protection, Law 211/2011 on waste regime and GD 1061/2008 on the transport of hazardous waste in Romania.

Hazardous waste "tank sludge-type" is generated from the activity of storage of the crude oil in tanks (in time, mechanical impurities from crude oil settles generating this sludge), it must be periodically evacuated, in order to ensure the necessary storage space for the crude oil, respectively repairs/calibration of tanks, as well as the need to eliminate the risk of fires or pollution from oil storage tanks, tanks leaks, decanters and sewage that is no longer present in the technological and sludge deposits.

In 2020, 9 tanks and decanters were cleaned and the value of cleaning services was of 291.3 thousand RON.

Within the framework of technological flows carried out, under maintenance programmes, the major pipelines and/or local pipelines for the transport of crude oil shall be subject to the cleaning of the interior space with special devices called "smart pigging". Following the execution of inside cleaning of these pipelines, paraffin is generated which is a hazardous waste according to environmental legislation in force. Expenditure on the disposal of paraffin waste was about 31 thousand RON.

Monitoring of environmental factors

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 2020*" 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. The values recorded for each measured indicator were below the maximum limits provided for by the regulation, according to test reports issued. The physical and chemical analyzes to monitor environmental factors were taken through laboratories accredited according to SR EN 17025: 2005.

The results of monitoring the environmental factors are communicated to the environmental authorities as required by environmental permits.

To verify compliance with legal requirements, 54 external inspections were registered at 2020 level, 34 to verify compliance with legal requirements, planned inspections and 20 as a result of accidental pollution and/or follow-up of measures ordered at previous events.

4.2 Analysis of the corporate activity

4.2.1 Main components of the NTS infrastructure

Below is represented, on the map of the country, the Crude oil, Condensate, Rich gas and Ethane National Transport System.

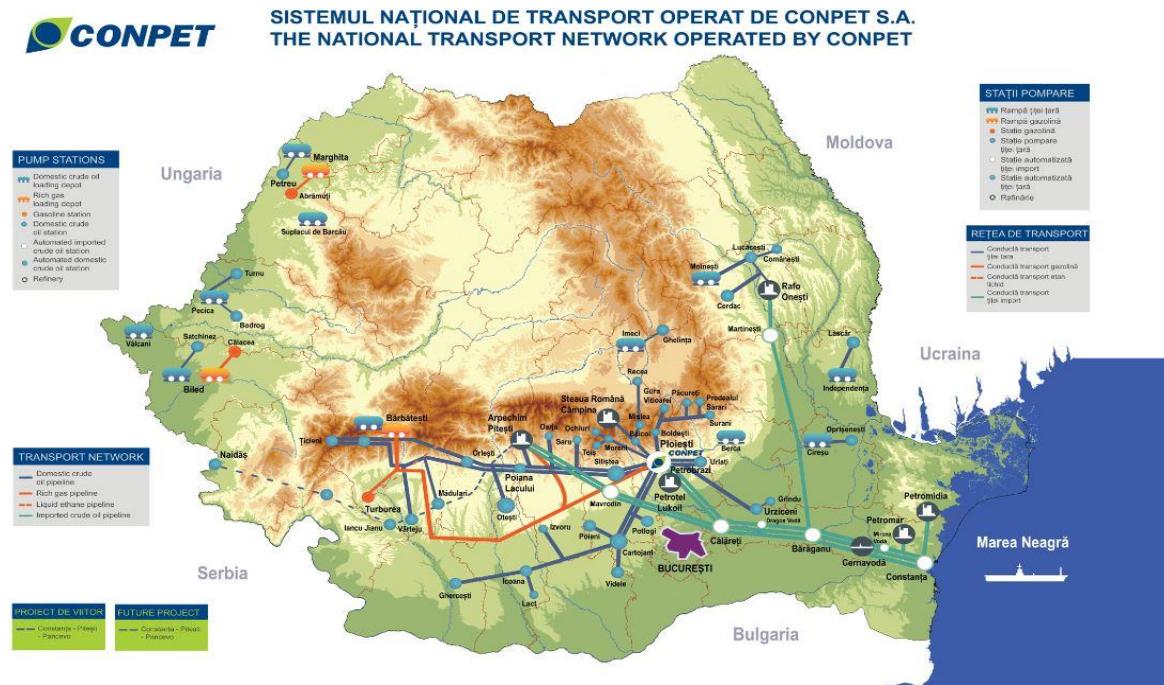


Chart 20- The National Transport System operated by CONPET

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.

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

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 subsystem has the following main components:

- **Ardeal component**, used to transport crude oil from the deposit to the railway loading ramps in rail tanks and by rail to the refineries in Ploiești or to Bărbătești unloading ramp.
- **Moldova component** used to transport crude oil from the production units related to Lucăcești, Comănești and Cerdac pumping stations to Rafo Onești and Dărmănești refineries. Currently, as the processing plants of crude oil from Rafo Onești and Dărmănești refineries do not operate anymore, the pumping of the crude oil taken over for transport is taken to the warehouse of Moinești loading ramp. 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 deposit was closed. The crude oil extracted from this area is being transported by the storage trucks to Ghelința/Comănești deposit. Starting 2019, the crude oil from Ghelința storage warehouse is transported by tankers to the loading dock Imeci, loaded into railway tanks and transported to Petrobrazi/Lukoil refinery.
- **Ghercești - Ploiești component** includes takeover of the crude oil from the production units related to Ghercești, Lact, Izvoru, Videle, Poeni, Roata and Potlogi pumping stations and transport of crude oil by pipeline to Petrobrazi refinery in Ploiești.
- **Țicleni–Ploiești component** includes two major pipelines with a length of approx. 250 km, thread I and thread II. Thread I major pipeline ensures the transport of crude oil from Țicleni and from Bărbătești unloading ramp to the refineries in Ploiești (with the possibility of pumping to Arpechim Pitești refinery, as well). Thread II major pipeline collects the crude oil and condensate from the pumping and repumping stations Mădulari, Orlești, Otești, Poiana Lacului, Oarja, saru, Siliște and Bucșani for supply to the refineries in Ploiești (or to the terminal in Arpechim Pitești).
- **Muntenia basin pipeline component** includes pipelines used to transport crude oil from the stations and deposits close to the city of Ploiești.
- **local pipeline component** used to transport crude oil from deposits to the loading ramps in railway tanks, and from here to the refineries in Ploiești.

The 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 Pitești and Ploiești. The transport subsystem has the following composition:

- major pipeline thread I Țicleni-Ploiești (served the region from Oltenia and Muntenia and today is no longer used following the closure of production facilities by OMV Petrom);
- 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^{5/8}" thread I Bărbătești – Ploiești has been discharged, in length of 289 km.

Currently, there are running two recovery plants (Abrămuț and Calacea). Produced rich gas is transported via pipeline from the ramp Abrămuț to Marghita ramp, and from the ramp Calacea to Biled ramp, and from here by railway to Petrobrazi.

The ethane transport subsystem

This subsystem has been allocated for the transport of ethane from the deethanizer platform Turburea to Arpechim refinery Pitesti. At present, due to the inactivity of Arpechim refinery, the subsystem is not used. Ethane transport has been suspended since 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.

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 Ploiești, Arpechim-Pitești and Midia. The import crude oil transport subsystem includes Constanța Nord, Constanța Sud, Mircea Vodă, Bărăganu, Dragoș Vodă, Călăreți, Mavrodin and Martinești pumping stations. Depending on the chosen pumping type, different pumping scenarios can be performed for each transport relationship.

Domestic production of crude oil, condensate and rich gas is transported only via pipeline, either by rail tanks, or combined (rail and pipeline).

During the transport process, CONPET uses a large number of tanks (about 90) of various capacities. Starting 2019 CONPET runs a big process of rehabilitation of tanks and replacing those with high degree of wear and storage capacity over the necessary of transport stream with new ones to meet the needs of current production, environment and energy consumption. The modernization and development process will be completed in 2030.

The company has also a fleet comprising 240 vehicles; its structure by functional destinations on December 31st, 2020 is as follows:

- ✓ 77 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 sewage trucks vehicles, 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 introduction of the SCADA system;
- ✓ 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.

In order to determine the correct segments of pipelines to be replaced, the major transport pipelines were inspected by smart pigging and the waste pipeline replacements were performed in the period 2003 - 2020 for approx. 564 km of pipeline.

Furthermore, for safe operation, monitoring and maintenance of the National Transport System via pipelines, CONPET 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 composing the crude oil National Transport System overs cross various watercourses in two constructive solutions: aboveground and underground.

Another important component in terms of safe operation and environmental protection in order to pay attention to the investment process was to secure the crossings. The works carried out were:

- ✓ 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 continuation of the activities of modernization of the main pipeline transport subsystems, while paying increased attention to the other technological components of the system, namely:

- ✓ pumping stations;
- ✓ 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 2020 as compared to programmed 2020

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 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 28 in 2020.

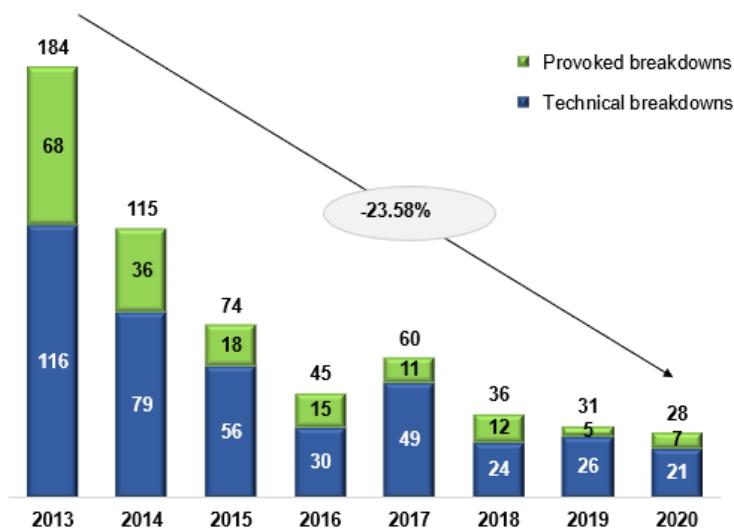


Chart 21 Evolution of the technical and provoked breakdowns during 2013-2020

The achievement of the investment program in 2020, as compared to the level scheduled for 2020 is the following:

RON	Crt.no.	Name of the Objective	Thousand		
			Program 2020	Achieved 2020	Degree of achievement %
		TOTAL GENERAL, out of which:	97,500	84,415	87%
I		PUBLIC DOMAIN	76,373	69,396	91%
1		Pipelines rehabilitation, out of which	42,755	39,806	93%
1.1		Pipeline replacement	37,040	34,114	92%
1.2		Safe disposals	5,715	5,692	100%
2		Replacement of connection lines Danube crossing C1-C2 and C3-C4 Borcea arm	207	201	97%
3		Modernization and monitoring of the cathodic protection system related to the NTS domestic and import - stage 2	1,215	1,180	97%
4		Pilot system for detection and location of product leak from the major pipeline system Poiana Lacului - Siliste-Ploiești, ATMOS, SIM, OFFLINE and ATMOS TRAINER simulation programs	239	239	100%
5		Tanks	10,501	9,308	89%

Crt.no.	Name of the Objective	Program 2020	Achieved 2020	Degree of achievement %
6	Energy works	2,815	2,658	94%
7	Telecommunication works	2,030	2,029	100%
7	Pumping systems upgrade	129	29	22%
9	Stations/ramp modernization	9,643	7,549	78%
10	Buildings, fences stations	385	384	100%
11	Automation and SCADA works	5,564	5,196	93%
12	Other works:	538	538	100%
13	Projects, Studies, Technical Appraisals	235	169	72%
14	Independent facilities and equipment	117	110	94%
II	OPERATING DOMAIN	21,127	15,019	71%
1	Pipelines rehabilitation	2,357	1,930	82%
2	Buildings, fences stations	6,411	4,369	68%
3	LDH and rail tank cars	4,782	3,982	83%
4	Other works	981	725	74%
5	Intangible investments	563	539	96%
6	Independent facilities and equipment	6,033	3,473	58%

Table 17 - The achievement of the investment program 2020 as compared to Program 2020

In 2020, 14 Technical Projects were approved in CTE CONPET, with a total investment value of 44,037 thousand RON, as follows:

- ✓ Execution of technological sewerage modernization works at crude oil tanks R2 and R3 Baicoi Station, with an estimated designer value of 255 thousand RON;
- ✓ Execution of water supply works from underground at Pecica crude oil loading ramp, Arad County, with an estimated designer value of 273 thousand RON;
- ✓ Replacement of a section in pipe length of 3,530 m with diameter of Ø 12 3/4" and Ø 14 3/4" Cartojani - Ploieşti in the tributary of the Neajlov River and the forest of St. Gheorghe" with an estimated designer value of 3,703 thousand RON;
- ✓ Replacement of a pipeline section, about 3,436 m in length Ø 10/4" in diameter, from the pipeline Ø 10 3/4" Icoana – Cartojani necessary to be replaced, which has as starting point the entry to the forest from park 4 Roata ending to the exit part of forest park 4 Roata", with an estimated value by the designer of 3,456 thousand RON;
- ✓ Powering the charging station electric locomotive batteries Ramp discharge of Barbatesti crude oil, with an estimated designer value of 82 thousand RON;
- ✓ Modernization of the crude oil pumping system in Potlogi Station, Dâmboviţa County and modernization of the crude oil pumping system in Ochiuri Station, Dâmboviţa County, with an estimated designer value of 6,918 thousand RON;
- ✓ Project A586 revision according to the specific conditions of the Moreni Crude Oil Pumping Station.Regarding: Project A646 – Construction of two new oil tanks (V – 2500 c.m.), Moreni crude oil pumping station, Dâmboviţa county", with an estimated designer value of 9,563 thousand RON;
- ✓ Technical project "Design and execution for the installation of a frequency converter for the supply of the PG 001B pump in the Videle Crude oil Automated Station", with an estimated designer value of 147 thousand RON;

- ✓ Revised Technical Project 160/5892 Rev.2 "Safe over crossing of the Arges River with pipelines Ø12 $\frac{3}{4}$ " and Ø14 $\frac{3}{4}$ " Cartojani-Ploiești, Găseni, Giurgiu county", with an estimated designer value of 2,308 thousand RON;
- ✓ Revised Technical Project and Revised Task Book "Decommissioning crude oil tank (V=2500 cm), Conpet Biled Station, Timis County" with an estimated value of 5,499 thousand RON;
- ✓ Modernization and monitoring of the cathodic protection system related to the NTS domestic and import - stage 2 for locations: Izvoru, Ochiuri, Marghita, Moreni, Grindu, Fixed Point Leleasca, Fixed Point Argeș 2, Biled and Urlați, with an estimated designer value of 1,884 kRON;
- ✓ Modernization of the oil pumping system from the pumping station Moreni, Prahova County, with an estimated designer value of 7,371 thousand RON;
- ✓ Electric power supply for the mixers related to crude oil tank R9 – Cartojani automatic station, with an estimated designer value of 106 thousand RON;
- ✓ Replacement Dărmănești SKID D-1002-MS-101 with B Onești SKID, with an estimated designer value of 2.473 thousand RON.

During 2020 two solution studies were endorsed in the CTE CONPET, namely:

- ✓ Solution Study for the replacement of connecting wires on import crude oil pipelines 14", 20" and 28", between stations C1-C2 and C3-C4 including over crossing the Danube River and the Borcea arm by phased horizontal drilling with a total estimated value of 168,886 kRON, VAT excluded, of which works of C+M of 154,556 kRON;
- ✓ Solution study concerning the protection of crude oil transport pipelines Ø 12" and Ø 14" Cartojani, route located between CF lines Triaj Brazi and Ghighiu street in Ploiești, on a total length of 110 m, with an estimated value of 6.576 thousand RON, VAT excluded, of which C+M works of 5.381 thousand RON, VAT excluded.

Also during 2020, was discussed within the CTE meeting the feasibility study on "Rehabilitation of Cretulescu-Astra loading/unloading ramp", with an estimated value of works of:

- ✓ 13,074 kRON, VAT excluded, in the scenario containing the solution in which the extinguishing of a potential fire is carried out with its own forces, the crude oil discharge station holding its PSI household;
- ✓ 5,988 kRON, VAT excluded, in the scenario containing the solution in which fire extinguishing is made by the specialized fire-fighting forces, on a contractual basis.

The implementation period of the investment is estimated at 24 months, out of which 20 months for the execution of works with two-year installments.

Significant investment objectives completed in 2020

- ✓ Modernization of thermal power plant and district heating network crude oil station Baicoi Centru, with a value of 1,510.60 thousand RON.
- ✓ System of Patrimonial Geographic Records, worth 1,172.57 thousand RON.
- ✓ Safe disposal works for the over crossing of Prahova river with the 12 3/4" and 14 3/4" pipelines Cartojani-Ploiești, Stejaru village, Brazi commune, Prahova county - Final stage, complex project, worth 5,827 kRON.
- ✓ Sistemization of technological keyboards of the Ø10 $\frac{3}{4}$ " F1 and Ø10 $\frac{3}{4}$ " F2 pipelines Siliste-Ploiești, respectively Ø8"+Ø10" Ploiești Beltway and mounting of the cleaners reception installation on the Ø10 $\frac{3}{4}$ " F1 Siliste-Ploiești crude oil pipeline in the area of Gara de Vest Railway Station, Ploiești city, Prahova County, value of 1,418 thousand RON.

- ✓ Crude oil tank R3 Călăreți station, worth 15,933 kRON.
- ✓ Modernization of the thermal power plant - Calareti, with a value of 623.45 kRON.
- ✓ Conversion of LDH 1250 PH, with a value of 2,973.63 kRON.
- ✓ Rehabilitation of buildings in Baicoi station, with a value of 379.79 kRON.
- ✓ Replacement of Ø10 3/4" F1 + F2 Siliștea-Ploiești crude oil pipeline, L= 2 x 3481m, in the areas Ilfoveni-luda forest, Racovita valley way, Habeni-Comisani, Mija (6,984 m were replaced), with a value of 5,549 kRON.
- ✓ Replacement of crude oil transport pipeline Ø 10 3/4" F1 Bărbătești-Orlești, Budale area (replacement of 2,120 m), with a value of 2,745 kRON.
- ✓ Cyber Security within the telecommunication system for similar SCADA channels (UPS monitoring, Climate control etc.), with a value of 8,666 kRON.
- ✓ Vertical systematization in Biled Ramp, with a value of 537.5 kRON.
- ✓ Headquarters 2, CONPET - Electric Power Supply - power addition.
- ✓ Migration of PABX telephone exchanges to full-IP, with a value of 1,223.32 kRON.
- ✓ Replacement of two sections of the Ø65/8" pipeline Urziceni - Claviatura Albești Paleologu pipeline, section valve Jilavele-Milepost 1,1900 m in length and Milepost 2 - valve road Armășești 400 m in length, with a value of 1,053.11 thousand RON.
- ✓ Optimization of SCADA system and upgrade of Hardware and Software of the remotes transmission units (RTU) - 27 locations out of a total of 29.

Significant investment objectives in progress on 31.12.2020

PUBLIC DOMAIN

- ✓ Replacement of the Ø10 3/4" F2 crude oil pipeline Siliște-Ploiești, in the Brazi Stadium – inside Petrobrazi Refinery area Prahova County, on a length of approximately 1,170m and replacement of cleaning installation. Physical realization degree - 65%.
- ✓ Replacement of the 14 inch crude oil pipeline Bărăganu-Călăreți resulted following the smart pigging (on sections) on a length of 15,972 m, with a repair coefficient estimated over 0.8. Physical realization degree - 98.5%.
- ✓ Replacement of a section of about 500 m length pipeline 59/16 Copăceni - Vega Refinery and smart pigging stations. Physical realization degree - 90%.
- ✓ Replacement of crude oil pipeline Ø 24" Călăreți – Pietroșani (7 sections) in total length of 5.9 km. Physical realization degree - 87%.
- ✓ Replacement of a pipeline section, 3,500 m in length, with diameters Ø12 3/4" and Ø14 3/4" Cartojani - Ploiești in the water tributary to Neajlov river and forest St. Gheorghe, 564 m of the Ø14 3/4" pipeline have been fitted.
- ✓ Replacement of crude oil pipelines 10 "F1 and F2 Siliște-Ploiești, on a length of about 300 m, located in Aricești Rahtivani, Prahova county. Stage I finalized: the approvals/agreements have been obtained, in the process of obtaining the urbanism certificate from the Aricești City Hall.
- ✓ Smart pigging, pipe condition detection 12" F1 and 12" F2 Călăreți - Petrotel. Physical realization degree - 40%.
- ✓ Modernization and monitoring of the cathodic protection system related to the NTS domestic and import - stage II. See the state of the work in paragraph 4.2.4. Development project.
- ✓ Crude oil tank Poiana Lacului station. Physical realization degree - 98.5%.
- ✓ Orlești station crude oil tank. Physical realization degree - 50%.
- ✓ Modernization of Ciresu ramp.

- ✓ Modernization of Berca ramp.
- ✓ Modernization of Imeci ramp. Physical realization degree - 78%.
- ✓ Modernization of Marghita ramp. Physical realization degree - 65%.
- ✓ Modernization of locomotive parking shed Biled Ramp. The project is in licensing phase in CTE CONPET S.A.
- ✓ Optimization of SCADA system and upgrade of Hardware and Software of the remotes transmission units (RTU). See the state of the work in paragraph 4.2.4. Development project. Physical realization degree - 90%.

OPERATOR FIELD

- ✓ Replacement of Ø8%" crude oil pipeline NEW Vega-Brazi Refinery, in Petrobrazi Refinery-SKIDs keyboard area, Prahova County, on a length of approximately 800m and replacement of cleaning installation. Physical realization degree - 70%.
- ✓ Upgrade of the CONPET SA headquarters building in Ploiesti, 7 Independentei Avenue.. Physical realization degree - 80%.
- ✓ LDH 700 HP transformation. Physical realization degree - 100%, PIF in 2021.
- ✓ LDH 1250 HP transformation 860 -2. Physical realization degree - 10%.

Commissioning achieved in 2020 amounted to 68,308 thousand RON, out of which, per financing sources:

- 55,538 thousand RON out of the modernization quota;
- 12,770 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 2020 are the followings:

➤ **Modernization and monitoring of the cathodic protection system related to the NTS domestic and import - stage II**

In order to ensure the service life of the crude oil transport pipes, it is necessary to protect the buried metal pipes from corrosion by high quality insulation and the application of an appropriate cathode ray protection system.

Protection against external corrosion of the buried pipe is necessary because: ensures safe operation without damage from corrosion for at least 20 years, which can be extended at minimum cost up to 40 years, and allows surveillance and maintenance operations - service of the condition of the tubular material with specific, low-cost technologies and methods.

The anti-corrosion protection system used for the import crude oil and domestic crude oil transport pipelines consists of: passive protection - anti-corrosion insulation, designed to separate the metal of the pipe from contact with the aggressive outdoor environment and active protection (cathode) - to complement passive protection - by using an electric current, which gives it the slow aging of the insulation.

The works and design services contract aimed at providing design services and carrying out modernization and monitoring works of the cathode ray protection system at central and sector level related to the import and domestic crude oil pipelines - Stage II, for a number of 30 cathode

protection stations, it was signed in December 2019, with a value of lei 6.18 million RON and a deadline of 30 months after the site was handed over.

The performance of the contract shall comprise the design stage I and II services, i.e. the execution of stage III works, as follows:

Phase I, services design - establishment of the locations of the works and acquisition of the agreements in principle from the owners for the conclusion of the rental contracts, within 4 months from the signing of the contract. The completion of the phase is the date on which CONPET hands over the lease/concession contracts to the contractor.

Stage II, design services – authorization for the execution of works and preparation of technical-economic documentation, deadline 8 months after the end of stage I. The completion of the step is the date of the favorable endorsement of the documentation in the CTE CONPET.

Stage III – execution of works, deadline 18 months after the handover of sites, subject to obtaining the building permits.

During 2020, from stage I of design, it was accomplished: The handover of the site for the design of the 30th locations, obtaining the agreements from the owners, the agreement from the Filipesti City Hall, Ploiesti City Hall and Gura Ocniței City Hall being pending for approval and the signing of 8 land lease agreements.

From stage II of design, it was achieved: Obtaining 13 city planning certificates and building permits for 9 SPCs. Projects for 9 SPCs have also been endorsed in the CTE CONPET.

From stage III, the execution of 4 SPC (Izvoru, Ochiuri, Moreni 1 and Leleasca fixed point) has been carried out and SPC Arges 2 fixed point is ongoing.

The degree of achievement of the scheduled works in 2020 was of 97%.

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

SCADA and Automation system 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, it 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 9 stations - within 8 months from 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.

stages I, II, III, IV and partially stage V are completed.

In 2020 phase V of the contract was continued. The estimated state is of 90% and includes: installed equipment and 27 sites out of a total of 29 sites with completed functional tests and commissioning.

4.2.5 Litigations and other aspects on the company's tangible assets

During 2020 CONPET SA was involved in a total of 117 litigations. Among them, 43 litigations were solved finally and irrevocably. None of the litigations pending resolution 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 2020 CONPET SA was involved in one lawsuit for claiming ownership of some buildings which is pending, as follows:

File no. 2782/229/2018 - Fetesti Court - in the course of settlement

Trial stage: First court on merits

Parties: CONPET S.A.– plaintiff

Zacon Trandafir - defendant

Object: Conpet SA filed a summons for the named Zacon Trandafir so that the court to establish the absolute nullity of the sale-purchase contract no. 1047/03.02.1999, concluded between Conpet SA, as seller and Zacon Trandafir as buyer, ordering the defendant to pay the legal expenses; Subsidiarily, the respondent Zacon Trandafir is SA required by CONPET to pay the value of the property at the fair market value determined by the report of a judicial technical expertise.

Court hearing: March 11th, 2021

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

Case File no. 5212/105/2018 –Prahova Tribunal

Trial stage: First court on merits

The Proprietary Fund SA filed a petition for trial requesting the court to rule the following:

1. To request CONPET to pay the amount of 734,747.04 RON representing the net value of dividends related to a percentage of 6% of Conpet's share capital, respectively for a number of 524,366 shares held by the claimant by the registration date of AGOA CONPET on 25.04.2007 (i.e. 14.05.2007), for the financial year 2006.

2. The obligation of CONPET to pay compensatory damages, namely the legal interest related to the dividends from maturity due date requested in item 1 and until the date of the introduction of the petition for trial (namely 09.11.2018) in the amount of 579,015.97 RON.
3. The obligation of CONPET to pay the legal interest related to the net value of the dividends, subsequently, from the date of the petition for trial and until the actual payment of the requested amounts.
4. To oblige Conpet to pay the legal expenses of the present litigation

Clarifications: CONPET S.A. filed a Call for Romanian State Guarantee through the Ministry of Finance and A.A.A.S.

By the Conclusion of 25.06.2019 the Prahova Tribunal rejects as inadmissible the request for guarantee call of the Authority for the Administration of State Assets, formulated by the respondent CONPET S.A. An appeal was lodged against this decision of the Court by CONPET and the Romanian State through the Ministry of Public Finance. By the same Conclusion dated 25.06.2019 the court admitted in principle the request for a Call on Guarantee of the Romanian State through the Ministry of Public Finance, formulated by the defendant CONPET S.A. and rejected as unfounded the exception of lack of passive procedural quality of the Romanian State through the Ministry of Public Finance. The appeal was registered before the Court of Appeal Ploiești with no. 5212/105/2018/a2. By the Decision no. 515/05.11.2019 the Ploiești Appellate Court admits the exception of the inadmissibility of the appeal declared by the Ministry of Public Finances. The court rejects this appeal as inadmissible. The court rejects the exception of the lack of interest and the exception of the inadmissibility of the appeal declared by CONPET SA. It dismisses this appeal as unfounded. Final judgement.

By the Conclusion of 20.09.2019, the Prahova Tribunal suspends the trial of the case until the settlement of the appeals made against the decision pronounced on 25.06.2019. This conclusion remained final by non-recurrence.

Court hearing: 29.03.2021

c) Litigations where the company's administrators/members of the executive management were involved, in the last 5 years

In the last 5 years, the company had no litigation or administrative proceedings in which the company's directors and members of the executive management in office in 2020 have been involved.

Other aspects on the company's tangible assets

State of the lands not included in the share capital

The tangible assets of the company include land area of 733,648 sqm and fair value of 22,584,099 RON, held under certification of ownership (709,949 sqm) and purchased by contracts of sale (23,699 sqm).

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 operation of share capital augmentation was carried out only for a part of the land held under certification of ownership (155,411 sqm), for the remaining area of 554,538 square meters, included in 48 certificates of ownership, the share capital of the company was not augmented by the value of these lands. The Land Ownership Certificates for these 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 26,708,233 RON. These lands have been registered in the company patrimony on the expense of other equity reserves. The fair value of these lands at 31.12.2020 is of 12,562,749 RON (according to the assessment report 31.12.2020)

In 2013, the Court of Accounts performed an audit of the status of the public patrimony; subsequently, disposing, by 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 neither within the extended terms (30.06.2015, 31.08.2016, 31.03.2018 and 30.06.2019).

Regarding this measure, the proposal to augment the share capital by the value of these land plots was included on the Agenda of the General Meeting of Shareholders dated 19.05.2016, 20.05.2016, 05.07.2016, 04.07.2019 and 05.07.2019.

In first call (19.05.2016) and in 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.

Subsequently, there have been undertaken all necessary steps for the augmentation of the share capital, and on 26.03.2019, the EGMS has approved the initiation of the procedure for the augmentation of the share capital and the appointment by the Trade Register Office Prahova of an expert authorized to assess the lands brought as contribution to the share capital.

Based on the new appraisal report has been convened the EGMS, on 04.07.2019 in first call and 05.07.2019 in second call, with the Agenda - Approval of the augmentation of the share capital by maximum value of 101,763,954.60 RON, representing contribution in kind (lands) in amount of 59,751,935.10 RON and cash amounting to maximum 42,012,019.50 RON, from the current value of 28,569,842.40 RON at the value of maximum 130,333,797 RON, by issuing a number of maximum 30,837,562 new shares, nominative, dematerialized, at a price of 3.3 RON/share, equal to the nominal value, without share premium.

In both EGMS meetings has not been met the attendance quorum provided by the law, needed for the augmentation of the share capital with contribution in kind.

During 08-09.08.2019 the Prahova Chamber of Accounts checked the fulfillment of the measure on the capital increase and issued on 02.09.2019 Decision no. 3026/651/2013 which extended the deadline for implementation of the measure until 31.03.2020.

On 24.09.2020, the Extraordinary General Meeting of Shareholders (EGMS) of CONPET, by Decision no 1, approved the initiation of the procedure for the augmentation of the share capital of the company by the value of the land plots held based on 48 land ownership certificate and formulation of a request to the Trade Register office attached to Prahova Law Court for the appointment of an authorized appraiser for the evaluation of the land plots in view of augmentation of the share capital. Between 28.09.2020 - 03.12.2020, 3 applications for the appointment of an authorized assessor have been submitted to the Office of the Trade Registry at the Prahova Court. For the first two requests, the appointed evaluators refused acceptance of the work, with

the third evaluator agreeing to submit a financial bid for the execution of the work. On 23.12.2020 the service contract was concluded, being ongoing at 31.12.2020.

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

Land Tabulation Situation

By the reporting date there were completed and registered in the integrated cadastre and land register all land owned, namely the total area of 733,648 sqm.

The company has unused land areas, vacant since the abolition of some work sites. These lands have total area of 10,835.5 square meters and are associated to the work sites Frasin - Suceava county (1,241 sqm) and Frunzeasca - Galați county (9,594.5 square meters).

Building Tabulation Situation

The company has in patrimony a number of 296 constructions which are subject to building tax. Of these, 190 buildings are intabulable and 106 buildings are subject only to taxation.

From the total of 190 constructions which are subject to the tabulation, 170 were tabulated and for the remaining 20 the situation is as follows:

- ✓ 2 constructions have not taken steps to tabulation as:
 - the construction consisting in an apartment of 2 rooms in Fetești, Inventory no.110653, is in dispute before the Fetești Court (Legal File no. 2782/229/2018 - Term 11.03.2021);
 - The building from Vointa sports center building, inv. no. 110816 can not be tabulated because CONPET does not have a lease/concession contract for its related land, the land is privately owned by the Municipality of Ploiești.
- ✓ for the remaining 18 buildings to be tabulated a detailed analysis of each construction part is in progress, to solve problems in view of their tabulation.

4.3 Analysis of the financial activity

The financial information presented in this report are taken from financial statements for the period ended December 31st, 2020, prepared in accordance with Order no. 2844/2016, audited.

4.3.1 Statement of the Financial Standing

Indicator (thousand RON)	2020	2019	2018	Variation%				
				2020/2019	2019/2018			
ASSETS								
Intangible assets								
Tangible assets	504,534	466,978	430,599	▲ 8.0%	▲ 8.4%			
Intangible assets	4,313	2,998	2,844	▲ 43.9%	▲ 5.4%			
Financial Assets	1,112	811	861	▲ 37.1%	▼ 5.8%			
Deferred corporate tax	4,956	5,422	3,047	▼ 8.6%	▲ 77.9%			
Total non-current assets	514,915	476,209	437,351	▲ 8.1%	▲ 8.9%			
Current assets								
Stocks	5,912	8,170	9,168	▼ 27.6%	▼ 10.9%			
Trade receivables and other receivables	40,260	42,249	43,156	▼ 4.7%	▼ 2.1%			
Cash and cash equivalents	198,257	238,577	259,682	▼ 16.9%	▼ 8.1%			
Accrued expenses	603	1,862	1,771	▼ 67.6%	▲ 5.1%			
Total current assets	245,032	290,858	313,777	▼ 15.8%	▼ 7.3%			
TOTAL ASSETS	759,947	767,067	751,128	▼ 0.9%	▲ 2.1%			
SHAREHOLDER'S EQUITY AND LIABILITIES								
Equities								
Subscribed and paid-up share capital	28,570	28,570	28,570	-	-			
Legal reserves	5,714	5,714	5,714	-	-			
Revaluation reserves	20,932	21,112	25,811	▼ 0.9%	▼ 18.2%			
Other reserves	500,269	495,540	496,092	▲ 1.0%	▼ 0.1%			
Retained Earnings	40,679	43,997	44,689	▼ 7.5%	▼ 1.6%			
Result of the period	60,847	58,877	60,676	▲ 3.3%	▼ 3.0%			
Total shareholders' equities	657,011	653,810	661,552	▲ 0.5%	▼ 1.2%			
Long-term liabilities								
Long-term liabilities to employees	19,864	16,269	14,760	▲ 22.1%	▲ 10.2%			
Long-term trade liabilities	-	-	893	-	-			
Other long-term liabilities	3,470	4,545	1,074	▼ 23.7%	▲ 323.2			
Total long-term liabilities	23,334	20,814	16,727	▲ 12.1%	▲ 24.4%			
Current liabilities								
Trade liabilities	23,584	27,179	19,154	▼ 13.2%	▲ 41.9%			
Current income tax	738	3,077	3,787	▼ 76.0%	▼ 18.8%			
Other liabilities	29,893	33,053	31,649	▼ 9.6%	▲ 4.4%			
Short-term liabilities to employees	14,128	14,652	12,261	▼ 3.6%	▲ 19.5%			
Short-term provisions	11,259	14,482	5,998	▼ 22.3%	▲ 141.4%			
Total current liabilities	79,602	92,443	72,849	▼ 13.9%	▲ 26.9%			
Total liabilities	102,936	113,257	89,576	▼ 9.1%	▲ 26.4%			
Total equity and liabilities	759,947	767,067	751,128	▼ 0.9%	▲ 2.1%			

Table 18-Company's Statement of the financial standing during 2018-2020

The total assets decreased by 0.9% (7,120 thousand RON) as compared to the level recorded at December 31st, 2019 following the decrease of the current assets.

The tangible assets recorded an 8.1% increase, as compared to December 31st, 2019, mainly generated by input of fixed assets in a value higher than the value of the amortization registered in 2020.

Tangible and intangible assets inbuilt are investments carried out to develop and modernize the National Transport System and to ensure safe transport operations are carried out.

The current assets decreased by 15.8% (45,826 thousand RON), from 290,858 thousand RON at 31.12.2019 to 245,032 thousand RON, at 31.12.2020.

The reduction of the value of current assets was mainly generated by the reduction of the available cash (approx. 40 million RON).

The availability of the modernization quota existing in bank accounts at 31.12.2020 were of 116,404 thousand RON, by 35,617 thousand RON less than 31.12.2019 (152,021 thousand lei). The cash representing the modernization quota has a special usage 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.

Trade receivables and other receivables recorded a decrease by 4.7% of about 1,989 kRON.

The equity capital registered a slight increase by 0.5% (3,201 thousand RON) to December 31st, 2019 reaching 657,011 thousand RON.

The total liabilities decreased by 10,321 thousand RON at December 31st, 2020, as compared to the value at December 31st, 2019, mainly due to the decrease of the current liabilities.

Long-term debts registered an increase by 12.1% (2,520 thousand RON) compared to December 31st, 2019, resulting from provisions made for employee benefits and litigation.

The current liabilities, in amount of 79,602 thousand RON, decreased by 12,841 thousand RON as compared to December 31st, 2019, mainly due to the diminution of the trade liabilities and dividends to be paid to natural persons.

4.3.2. The global result

The evolution of the main financial indicators of the profit and loss account, during 2018-2020, is presented below:

Indicator (thousand RON)	2020	2019	2018	Variation%	
				2020/2019	2019/2018
Revenues from contracts	406,928	407,822	385,140	▼ 0.2%	▲ 5.9%
Other revenues	40,708	35,181	33,507	▲ 15.7%	▲ 5.0%
Gain from disposal of assets	0	0	64	-	-
Total operating revenues	447,636	443,003	418,711	▲ 1.0%	▲ 5.8%
Expenditure on stocks	6,106	7,605	7,012	▼ 19.7%	▲ 8.5%

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Indicator (thousand RON)	2020	2019	2018	Variation%	
				2020/2019	2019/2018
Expenses with energy and water	12,465	13,089	11,163	▼ 4.8%	▲ 17.2%
Personnel Expenses	162,559	159,901	140,266	▲ 1.7%	▲ 14.0%
Value adjustments for fixed assets, less adjustments to user rights resulting from leases	47,385	46,639	44,502	▲ 1.6%	▲ 4.8%
Value adjustments for rights of use resulting from leases	1,926	1,622	-	▲ 18.7%	-
Value adjustments on the current assets	(347)	(717)	1,266	-	-
Expenses related to external services	107,482	107,103	99,058	▲ 0.4%	▲ 8.1%
Loss from disposal of assets	41	213	-	▼ 80.8%	-
Impairments related to provisions	(2,802)	10,480	4,273	-	▲ 145.3%
Other expenses	47,805	34,920	44,931	▲ 36.9%	▼ 22.3%
Total operating expenses	382,620	380,855	352,471	▲ 0.5%	▲ 8.1%
Operating profit	65,016	62,148	66,240	▲ 4.6%	▼ 6.2%
Financial revenues	6,123	7,874	5,462	▼ 22.2%	▲ 44.2%
Financial Expenses	686	318	11	▲ 115.7%	▲ 2.791%
Financial profit	5,437	7,556	5,451	▼ 28.0%	▲ 38.5%
Profit before taxation	70,453	69,704	71,691	▲ 1.1%	▼ 2.8%
Expenses with current corporate tax	9,177	12,959	12,760	▼ 29.2%	▲ 1.6%
Expenses with (revenues from) deferred income tax	429	(2,132)	(1,745)	-	-
Profit of the period	60,847	58,877	60,676	▲ 3.3%	▼ 3.0%
Actuarial loss from discounted benefits granted upon retirement	(2,160)	(984)	(1,036)	-	-
Revaluation surplus (Loss from impairment) of tangible assets	2,377	(13)	-	-	-
Total other global result elements	216	(997)	(1,036)	-	-
Total global result	61,063	57,880	59,640	▲ 5.5%	▼ 3.0%
Result per share	7.03	6.80	7.01	▲ 3.4%	▼ 3.0%

Chart 19 - Financial results during 2018-2020

The synthesis of the results, in evolution 2018-2020, is as follows:

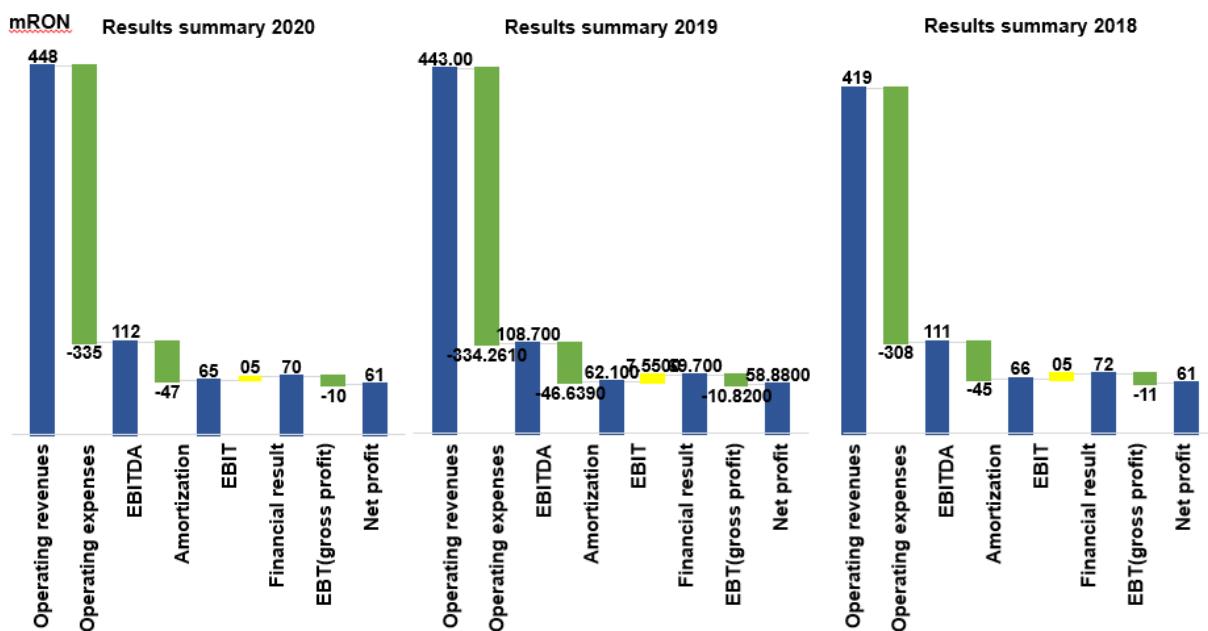


Chart 22 - Synthesis of the financial results during 2018-2020

Operating Revenues

As compared to the approved budget and the previous period, the total revenues of the operating activity and the transported volume in 2020 is as follows:

Achieved 2020	BUDGET 2020	Variation % 2020/BUDGET	Indicators	2020	2019	2018	Variation%	
							2020/2019	2019/2018
			Revenues from transport services Domestic Subsystem					
3,401	3,460	▼ 1.7%	Thousand tons	3,401	3,487	3,493	▼ 2.5%	▼ 0.2%
299,928	304,701	▼ 1.6%	Thousand RON	299,928	295,632	290,159	▲ 1.5%	▲ 1.9%
			Revenues from transport services Import Subsystem					
3,284	3,346	▼ 1.9%	Thousand tons	3,284	3,637	3,362	▼ 9.7%	▲ 8.2%
102,857	96,967	▲ 6.1%	Thousand RON	102,857	106,385	90,420	▼ 3.3%	▲ 17.7%
			Total revenues from transport services					
6,685	6,806	▼ 1.8%	Thousand tons	6,685	7,124	6,855	▼ 6.2%	▲ 3.9%
402,785	401,668	▲ 0.3%	Thousand RON	402,785	402,017	380,579	▲ 0.2%	▲ 5.6%
1,633	1,601	▲ 2.0%	Revenues from rents	1,633	1,593	1,483	▲ 2.5%	▲ 7.4%
2,510	1,744	▲ 43.9%	Other revenues	2,510	4,212	3,078	▼ 40.4%	▲ 36.8%
406,928	405,013	▲ 0.5%	Turnover	406,928	407,822	385,140	▼ 0.2%	▲ 5.9%
33,788	33,592	▲ 0.6%	Write-back to revenues of the reserve constituted based on the expenses with the modernization quota	33,788	32,098	28,826	▲ 5.3%	▲ 11.4%
0	0	-	Earnings from disposal of assets	0	0	64	-	-
6,920	5,249	▲ 31.8%	Other revenues	6,920	3,083	4,681	▲ 124.4%	▼ 34.1%
40,708	38,841	▲ 4.8%	Other operating revenues	40,708	35,181	33,571	▲ 15.7%	▲ 4.8%

Achieved 2020	BUDGET 2020	Variation % 2020/BUDGET	Indicators	2020	2019	2018	Variation%	
							2020/2019	2019/2018
447,636	443,854	▲ 0.9%	Total operating revenues	447,636	443,003	418,711	▲ 1.0%	▲ 5.8%

Table 20 - Operating income statement year 2020 compared to Budget and the period between 2018-2020

The revenues achieved from transport on subsystems in 2020, compared to the budget and the year 2019 are as follows:

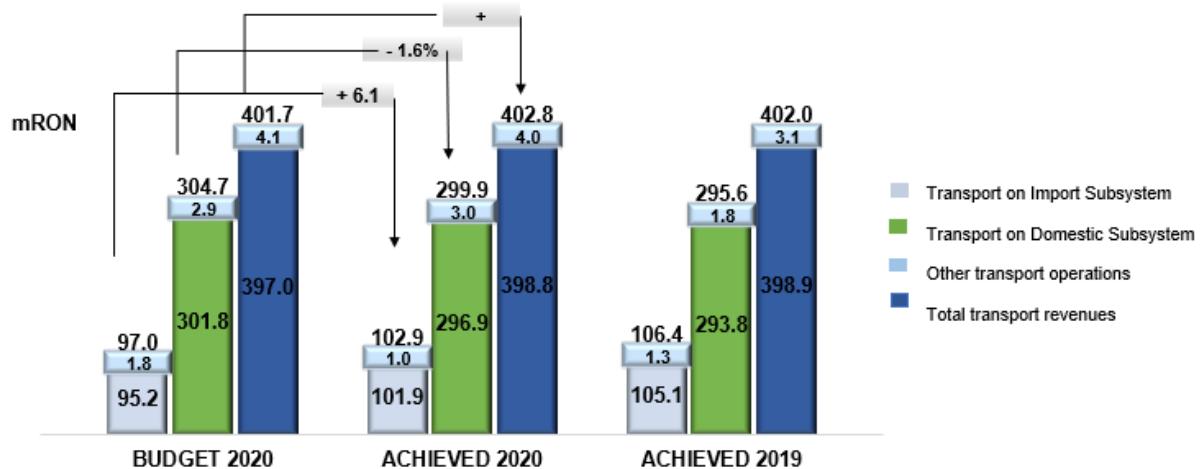


Chart 23 - Revenues achieved from subsystems transport year 2020 vs. Budget and year 2019

The operating revenues increased by 0.9% as compared to the budgetary provisions, driven mainly by increased revenues from transport by 0.3% (1,117 thousand RON) and by 1% as compared to the same period of 2019.

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

- revenues decrease by 1.6% from transport on the domestic subsystem;
- revenues increase by 6.1% from transport on import subsystem;

The transport revenues hold a share of 99% in turnover, the difference of 1% (4,143 thousand RON) representing revenues from various activities such as: leases of lands and telecommunication equipments, rail shunting, etc.

Other operating expenses have registered an increase by 4.8% as compared to the budgetary provisions and by 15.7% as compared to the same period of the previous year, from 35,181 kRON to 40,708 kRON.

Other operating revenues comprise, mainly, the revenues from the reserve related to the modernization quota, at the levels of depreciation of Tangible assets financed out of this source. The revenues representing the modernization quota have registered an increase by 5.3% in 2020 as compared to the same period of the year 2019.

Operating Expenses

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Operating expenses achieved in 2020, as compared to the last 2 years and the budget provisions is as follows:

Achieved 2020	BUDGET 2020	Variation % 2020/BUDGET	Indicators (thousand RON)	2020	2019	2018	Variation%	
							2020/2019	2019/2018
6,106	6,105	▲ 0.02%	Material expenses, out of which:	6,106	7,605	7,012	▼ 19.7%	▲ 8.5%
3,244	3,263	▼ 0.6%	-expenses with consumables	3,244	4,023	3,620	▼ 19.4%	▲ 11.1%
1,427	1,620	▼ 12.0%	- fuel expenses	1,427	2,038	1,930	▼ 30.0%	▲ 5.6%
12,465	12,849	▼ 3.0%	Other external Expenses (with energy and water)	12,465	13,089	11,163	▼ 4.8%	▲ 17.2%
162,559	162,957	▼ 0.2%	Personnel expenses, out of which:	162,559	159,901	140,266	▲ 1.7%	▲ 14.0%
130,062	130,268	▼ 0.2%	- salaries expenses	130,062	128,070	113,578	▲ 1.6%	▲ 12.8%
4,323	4,371	▼ 1.1%	- expenses related to insurances, social protection and other legal obligations	4,323	4,550	4,511	▼ 5.0%	▲ 0.9%
28,174	28,318	▼ 0.5%	- other personnel expenses	28,174	27,281	22,177	▲ 3.3%	▲ 23.0%
47,385	48,118	▼ 1.5%	Value adjustments for fixed assets, less adjustments to user rights resulting from leases	47,385	46,639	44,502	▲ 1.6%	▲ 4.8%
1,926	1,735	▲ 11.1%	Value adjustments for rights of use resulting from leases	1,926	1,622	-	▲ 18.7%	-
107,482	108,987	▼ 1.4%	Expenses with external services, out of which:	107,482	107,103	99,058	▲ 0.4%	▲ 8.1%
1,985	2,299	▼ 13.7%	-Maintenance (maintenance, current repairs)	1,985	2,541	1,921	▼ 21.9%	▲ 32.3%
63,567	62,349	▲ 2.0%	- expenses with crude oil transport by rail	63,567	60,907	54,440	▲ 4.4%	▲ 11.9%
805	1,070	▼ 24.8%	- expenses with decontamination works	805	659	440	▲ 22.1%	▲ 49.8%
30,903	31,017	▼ 0.4%	- oil royalty	30,903	31,308	29,560	▼ 1.3%	▲ 5.9%
10,222	12,252	▼ 16.6%	- other services performed by third parties	10,222	11,688	12,697	▼ 12.5%	▼ 8.0%
(347)	379	-	Value adjustments on the current assets	(347)	(717)	1,265	-	-
(2,802)	1,242	-	Impairments related to provisions	(2,802)	10,480	4,273	-	▲ 145.3%
41	428	▼ 90.4%	Loss from disposal of assets	41	213	-	▼ 80.8%	-
47,805	40,058	▲ 19.3%	Other operating expenses, out of which:	47,805	34,920	44,932	▲ 36.9%	▼ 22.3%

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36,981	36,449	▲ 1.5%	- modernization quota expenses	36,981	31,080	41,825	▲ 19.0%	▼ 25.7%
382,620	382,858	▼ 0.1%	Total operating expenses	382,620	380,855	352,471	▲ 0.5%	▲ 8.1%

Table 21 - Statement of the operating expenses 2020 as compared to the Budget and as compared to the period 2018-2020

The operating expenses achieved in 2020 increased by 0.5% (1,765 thousand RON) YoY, from 380,855 thousand RON to 382,620 thousand RON and are 0.1% lower than the Budget (238 thousand RON).

The increase in operating expenses was mainly driven by the increase in the rail transport tariff and the increase in staff costs and expenditure on the modernization rate.

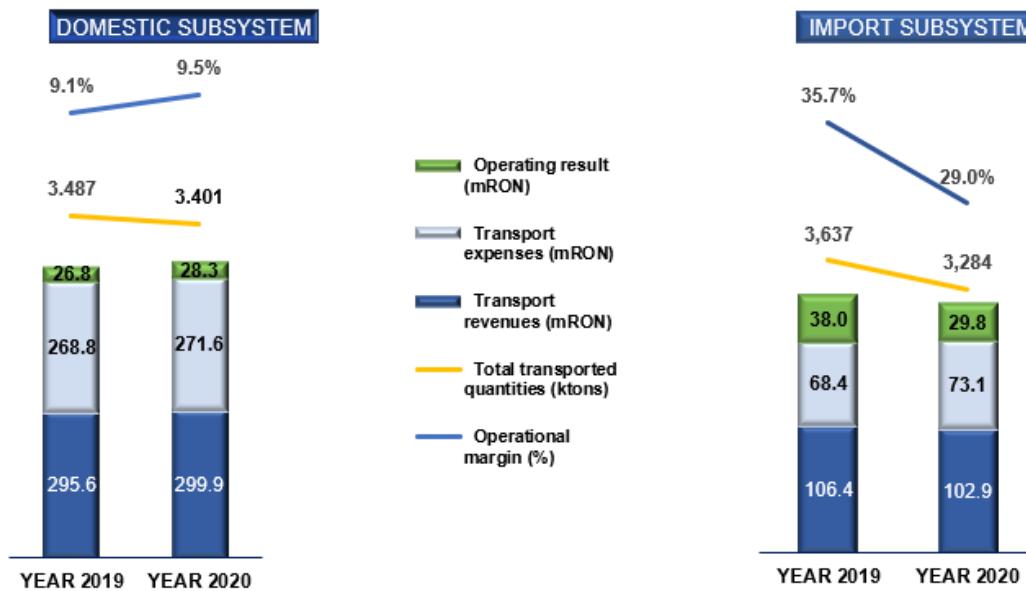
Compared to the approved budget, in 2020 savings were recorded for the following types of expenditure: expenses with other services executed by third parties (2,030 thousand RON), staff expenses (398 thousand RON), energy and water expenses (384 thousand RON), maintenance expenses (314 thousand RON), expenses with greening works (265 thousand RON).

Starting January 2020, a new methodology has been applied to allocate the indirect production and administrative expenses on subsystems.

At the end of 2019, have been analyzed the activities carried out within the various organizational entities providing technical-operational and administrative support and has been assessed the contribution of these entities to the effective operation of transport services. The conclusions of this analysis enabled updating of the criteria for allocating/distribution of indirect production costs, respectively administrative, by subsystems, transport relationships and transport types, in order to determine as realistically as possible the transport costs and profitability of each subsystem.

For the analysis of the revenue, costs and profitability of the two subsystems for the period January - December 2020, respectively 2019 , for comparability, the values resulting from the application of the updated cost-sharing methodology were used.

Statement of profitability for the period January– December 2020, as compared to the same period of the year 2019, is being represented in the chart below:



Profit from transport	▲ 5.9%
Transport expenses	▲ 1.0%
Transport revenues	▲ 1.5%
Operational margin	+ 0.4 p.p.

Profit from transport	▼ 21.6%
Transport expenses	▲ 6.8%
Transport revenues	▼ 3.3%
Operational margin	- 6.7 p.p.

Chart 24- Profitability of the transport subsystems 2019-2020

The operating costs triggered by the operation of the two transport subsystems (domestic and import) in 2020 were 4.5% higher than in 2019. The cost per transported ton incurred in 2020, as compared to 2019, has increased by 11.4% (from 47.32 RON/ton in 2019 to 52.69 RON/ton in 2020) and the profit margin decreased by 3.6 percentage points, reaching 12.5%.

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

- The Domestic subsystem incurs in 2020 a cost/ton higher by 7.1%, from 76.13 RON/ton to 81.51 RON/ton, generated, mainly by the decrease of the transported volumes by 86 thousand tons the increase of the operational costs;
- The Import subsystem incurs an increase of cost/ton by 16.1%, from 19.69 RON/ton to 22.86 RON/ton, generated, by the increase of the operational costs and the decrease of transported quantities by 353 thousand tons.

The operating profit achieved in 2020 of 65,016 thousand RON registered an increase by 2,868 thousand RON (4.6%) as compared to 2019. As compared to the budget provisions, the operating profit increased by 6.6% (4,020 kRON).

Financial Result

Indicator (thousand RON)	2020	2019	2018	Variation%	
				2020/2019	2019/2018
Revenues from interests	6,097	7,854	4,853	▼ 22.4%	▲ 61.8%

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Revenues from operations with securities and other financial instruments	-	-	609	-	-
Other financial revenues	26	20	0	▲ 61.5%	-
Total financial revenues	6,123	7,874	5,462	▼ 22.2%	▲ 44.2%
Total financial expenses	686	318	11	▲ 115.7%	▲ 2.791%
Financial Result	5,437	7,556	5,451	▼ 28.0%	▲ 38.6%

Table 22 - Financial results during 2018-2020

The financial revenues decreased by 22.2% in 2020 compared to the same period of the previous year due to low interest rates offered by banks for deposits.

Financial expenses increased by 368 thousand RON in 2020 YoY, mainly due to the increase by 91% (278 thousand RON) of the expenses of interests related to leasing contracts.

Based on this evolution the financial result has decreased by 28 % in 2020, as compared to 2019 (from 7,556 kRON to 5,437 kRON).

The company ended 2020 with a **net profit** amounting to 60,847 thousand RON, up by 9.7% (5,381 thousand RON) as compared to the budgeted one. Compared to 2019, the net profit increased by 3.3%, namely 1,970 thousand RON.

4.3.3 Economic-financial Indicators

Name of the indicator	Calculation formula	2020	2019	2018	Variation	
					2020/2019	2019/2018
PROFITABILITY INDICATORS						
Gross sales margin	EBIT (operating profit)	16.0%	15.2%	17.2%	▲ 0.8 p.p.	▼ 2.0 p.p.
	Turnover					
Margin operating profit	EBIT (operating profit)	14.5%	14.0%	15.8%	▲ 0.5 p.p.	▼ 1.8 p.p.
	Operating Revenues					
EBIDTA in total sales	EBIDTA	27.6%	26.7%	28.8%	▲ 0.9 p.p.	▼ 2.1 p.p.
	Turnover					
EBIDTA adjusted in total sales	Adjusted EBITDA	28.4%	26.4%	32.1%	▲ 2.0 p.p.	▼ 5.7 p.p.
	Turnover					
EBIDTA in equity	EBIDTA	17.1%	16.6%	16.7%	▲ 0.5 p.p.	▼ 0.1 p.p.
	Total Equities					
EBIDTA adjusted in equity	Adjusted EBITDA	17.6%	16.5%	18.7%	▲ 1.1 p.p.	▼ 2.2 p.p.
	Total Equities					
Gross Profit Rate	Gross result	17.3%	17.1%	18.6%	▲ 0.2 p.p.	▼ 1.5 p.p.
	Turnover					
LIQUIDITY INDICATORS						
Current liquidity indicator (times)	Current assets	3.08	3.15	4.31	▼ 2.2%	▼ 26.9%
	Current liabilities					
The quick ratio indicator (acid test)	Current assets - Stocks	3.00	3.06	4.19	▼ 2.0%	▼ 27.0%
	Current liabilities					
PROFITABILITY INDICATORS						
Rate of economic return (RER)	Net result	8.0%	7.7%	8.1%	▲ 0.3 p.p.	▼ 0.4 p.p.
	TOTAL ASSETS					
Rate of financial return (RFR)	Net result	9.3%	9.0%	9.2%	▲ 0.3 p.p.	▼ 0.2 p.p.
	Total Equities					

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Name of the indicator	Calculation formula	2020	2019	2018	Variation	
					2020/2019	2019/2018
Rate of commercial return (RCR)	Net result	15.0%	14.4%	15.8%	▲ 0.6 p.p.	▼ 1.4 p.p.
	Turnover					
Inventories turnover speed (days)	Medium stock X360	422.44	421.28	478.88	▲ 0.3%	▼ 12.0%
	Sales costs					
Duration of stocks rotation (times)	Sales costs	0.86	0.87	0.76	▼ 1.2%	▲ 14.5%
	Average stock					
Rotation speed of the clients debits (days)	Medium stock clients X360	28	29	28	▼ 3.4%	▲ 3.6%
	Turnover					
Rotation duration of the clients debits (times)	Turnover	12.98	12.37	12.94	▲ 4.9%	▼ 4.4%
	Medium stock clients					
Rotation speed of supplier credits (days)	Medium stock suppliers X360	28	28	27	-	▲ 3.7%
	Procurement from suppliers of goods and services					
Rotation speed of the suppliers credits (times)	Procurement from suppliers of goods and services	12.96	12.86	13.24	▲ 0.8%	▼ 2.9%
	Medium stock suppliers X360					
RISK INDICATORS						
Leverage degree indicator	Borrowed capital	0.53%	0.70%	0.16%	▼ 0.17 p.p.	▲ 0.54 p.p.
	Total shareholders' equities					

Table 23– Economic-Financial indicators during 2018-2020

4.3.4 Implementation of the revenues and expenditure budget for the year 2020

Implementation of the Budget in 2020 is presented in the format and structure of the Ministry of Finances Order no. 3145/2019

			INDICATORS		BUDGET Year 2020	Achieved year 2020	%	
I.			TOTAL REVENUES			448,699	453,759	101.1%
	1		Total Operating Revenues			443,854	447,636	100.9%
	2		Financial revenues			4,845	6,123	126.4%
II			TOTAL EXPENSES			383,444	383,306	100.0%
	1		Operating expenses, out of which:			382,858	382,620	100.0%
		A.	goods and services expenses			97,725	95,949	98.2%
		B.	taxes, fees and similar levies related expenses			33,339	33,146	99.4%
		C.	personnel expenses, out of which:			162,957	162,559	99.8%
		C0	Salary related expenses			149,548	149,304	99.8%
		C1	Salary expenses			130,268	130,062	99.8%
		C2	Bonuses			19,280	19,242	99.8%
		C3	Other personnel expenses, out of which:			1,064	965	90.7%
			expenditure on compensatory payments relating to staff redundancies			1,062	963	90.7%
		C4	Expenses related to the Contract of Mandate and other management and control bodies,committees and commissions			4,760	4,759	100.0%

		INDICATORS		BUDGET Year 2020	Achieved year 2020	%	
		C5	Expenses with contributions due by the Employer		7,585	7,531	99.3%
		D.	Other operating expenses		88,837	90,966	102.4%
	2	Financial Expenses		586	686	117.0%	
III		GROSS RESULT (profit/loss)		65,255	70,453	108.0%	
IV		CORPORATE TAX		9,789	9,606	98.1%	
V		ACCOUNTING PROFIT REMAINING AFTER THE DEDUCTION OF THE INCOME TAX		55,466	60,847	109.7%	
VI		REVENUES FROM EUROPEAN FUNDS		0	0	-	
VII		ELIGIBLE EXPENSES FINANCED BY EUROPEAN FUNDS		0	0	-	
VIII		INVESTMENT FINANCING SOURCES		97,500	84,415	86.6%	
IX		INVESTMENT RELATED EXPENSES		97,500	84,415	86.6%	
X		SUBSTANTIATION DATA					
	1	Number of employees estimated at the end of the year		1,585	1,585	100.0%	
	2	Total average number of employees		1,577	1,540	97.7%	
	3	Average monthly earnings per employee (RON/employee) based on payroll expenses *)		7,236	7,398	102.2%	
	4	Labor productivity in value units per total average number of employees (k RON/employee)		281	291	103.6%	
	5	Total expenses per each 1000 RON of total revenues		855	845	98.8%	
	6	Overdue payables		0	0	-	
	7	Outstanding receivables		285	10	3.5%	

Table 24- Implementation of the Revenues and Expenditure budget for the year 2020

4.3.5 Cash-flow

Indicators (thousand RON)	2020	2019	2018	Variation	
				2020/2019	2019/2018
Cash flows from operating expenses:					
+ Proceeds from services supply	451,157	451,818	415,157	▼ 0.1%	▲ 8.8%
+ Proceeds from interests related to banking placements	6,572	7,956	4,332	▼ 17.4%	▲ 83.7%
+ Other proceeds	4,902	6,615	4,618	▼ 25.9%	▲ 43.2%
- Payments to the suppliers of goods and services	117,925	119,161	111,031	▼ 1.0%	▲ 7.3%
- Payments to and on behalf of the employees	160,130	155,944	134,420	▲ 2.7%	▲ 16.0%
- VAT Payments	43,943	46,788	44,488	▼ 6.1%	▲ 5.2%
- Expenses with corporate tax and specific tax	11,515	13,667	12,736	▼ 15.7%	▲ 7.3%
- Other payments regarding operating activities	41,803	36,819	37,389	▲ 13.5%	▼ 1.5%
A Net cash from operating activity	87,315	94,010	84,043	▼ 7.1%	▲11.9%
Net cash flows from investment activities:					
+ Proceeds from sale of tangible assets	63	38	450	▲ 65.8%	▼ 91.6%
+ Proceeds from modernization quota	36,981	31,081	41,825	▲ 19.0%	▼ 25.7%
+ Proceeds from investments in government securities	-	-	70,310	-	-
+ Proceeds from interests related to government securities	-	-	917	-	-
- Payments for purchase of tangible assets	102,602	84,149	87,517	▲ 21.9%	▼ 3.9%
B Net cash from investment activities	(65,558)	(53,030)	25,985	-	-
Cash-flows from financing activities:					

Indicators (thousand RON)	2020	2019	2018	Variation	
				2020/2019	2019/2018
+ Dividends proceeds transferred to Depozitarul Central	0	2,786	9,479	-	▼ 70.6%
- Paid Dividends	59,118	62,873	69,672	▼ 6.0%	▼ 9.8%
- Payments on the debt related to the financial leasing	2,765	1,755	-	▲ 57.5%	-
- Interest payments	194	243	-	▼ 20.2%	-
C Net cash from financing activities	(62,077)	(62,085)	(60,193)	-	-
<i>Net increase of the cash and cash equivalents</i>	<i>(40,320)</i>	<i>(21,105)</i>	<i>49,835</i>	-	-
<i>=A+B+C=D2-D1</i>					
D1 Cash and cash equivalents at the beginning of the period	238,577	259,682	209,847	▼ 8.1%	▲ 23.7%
D2 Cash and cash equivalents at the end of the period	198,257	238,577	259,682	▼ 16.9%	▼ 8.1%

Table 25 - Cash flow statement for 2018-2020

Cash and cash equivalents at 31.12.2020 decreased by 16.9% compared to those existing at December 31st, 2019 (198.3 million RON versus 238.6 million RON), due to cash outflows for the payment of dividends for the financial year 2019 and acquisitions of fixed assets (investments), higher than the 12-month cash surplus from the operating activity.

Of the total of 198 million RON in the balance as of 31.12.2020, the share of the modernization quota is of 116 million RON.

The effects of the three activity areas (operation, investment and financing) over the cash in the 12 months period of 2020 reveal the followings:

- the operating activity triggered a cash-flow in amount of 87 mRON.;
- the investments activity ended with a negative cash-flow in amount of 66 mRON;
- the financing activity lowered the total cash flow by 62 mRON, due to the cash outputs for the payment of dividends in amount of 59 mRON.

The value of net cash flows from operating activity records a decrease by approximately 7.1 mRON generated by the payment to the state budget of the amounts obtained in the period 2017-2020 from the sale of the tubular material resulting from the pipes replacement works. The decrease in operating cash was also influenced by the increase in payments to employees with wage increases.

The net cash from investment activities records a negative value, higher by approx. 13 million RON compared to the level recorded in 2019 due to the increase of the cash outflows for the payment of investment providers.

The net cash from the financing activity recorded in both compared periods negative amounts determined by the payment of dividends to shareholders and the amounts related to leases.

4.3.6. The internal control and the risks management systems in the financial reporting process

The internal control and the risks management systems in the financial reporting process have the following main objectives:

- ✓ Compliance with the financial-accounting legislation in force and the reporting standards;

- ✓ Application of approved accounting policies and 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 fulfillment of these objectives is being supported by:

- ✓ Personnel 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, so that the approval, audit and registration attributions be, in a fair measure, awarded to different persons (as per the company's organization chart).
- ✓ Internal procedures regarding the fair accounting treatment and proper authorization of the financial - accounting operations and settlement of an information circuit and the related audits thereof, to ensure the quick, fair and complete centralization of the financial information, as per the internal procedures manual;
- ✓ The preventive control financial 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 accounting policies manual drafted as per the legislation in force, approved by the Board of Directors;
- ✓ 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 Directors, in view of publication thereof.

4.3.7 Related Parties

The company registered in 2020 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 2020, the trading price of CONPET shares recorded a decrease by 4.27% compared to the closing price of the last trading day of the previous year.

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In summary, the transactions recorded with CONPET shares on Bucharest Stock Exchange, in 2020, are as follows:

- In 2020, a number of 11,498 transactions were performed, 18.56% more than in 2019 (9,698 transactions);
- the total volume of the shares traded in 2020 was of 1,234,934 shares, by 115.2% higher than the one recorded in 2019 (573,883 shares);
- the total value of the transactions performed in 2020 was of 93,442,522 RON, 2 times higher than the value recorded in 2019 (45,691,583 RON).
- the average trading price was of 76.44 RON/share, lower by 2.73 RON/share versus the average price of the shares registered during 2019 (79.17 RON/share);
- the trading price registered the maximum value, respectively 86.00 RON/share in the first half of June;
- a peak of the transactions was recorded on 18.09.2020, when a total volume of 374,199 shares was traded, in amount of 28,364,294.2 RON, representing 30.30% of the total volume of COTE shares traded throughout 2020;
- the Market capitalization at the end of December 2020 was of 659,703,634 RON, decreasing by 4.27% as compared to the value recorded at the end of 2019 (689,139,229 RON).

The main trading indices of 2020 for the shares issued by CONPET S.A. are presented in the following table:

Month \ Indices	Average price (RON/share)	No. of transactions	No. of traded shares	Value of trades (RON)
January	80.45	837	80,097	6,426,966
February	79.78	1,109	51,218	4,003,038
March	65.01	2,425	103,613	6,649,820
April	74.37	1,207	63,192	4,699,122
May	81.36	1,072	47,173	3,852,668
June	79.41	1,366	75,098	6,135,457
July	76.93	574	22,541	1,725,346
August	76.20	509	23,089	1,756,408
September	75.80	527	660,873	50,069,385
October	74.47	523	30,540	2,277,202
November	75.18	520	28,234	2,125,535
December	75.57	829	49,266	3,721,575
Cumulated	76.44	11,498	1,234,934	93,442,522

Table 26 - Main trading indices

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Currently, CONPET S.A. is included in 7 indices of the total of 9 of the Bucharest Stock Exchange, namely BET, BET-TR, BET-XT, BET-XT-TR, BET-BK, BET-NG and BET PLUS.

Chart 25 - Evolution of COTE shares vs. stock indices (rebased) in which it is included in 2020 (RON)

Chart, The evolution of the trading price of CONPET S.A. shares, in 2020, is the following:

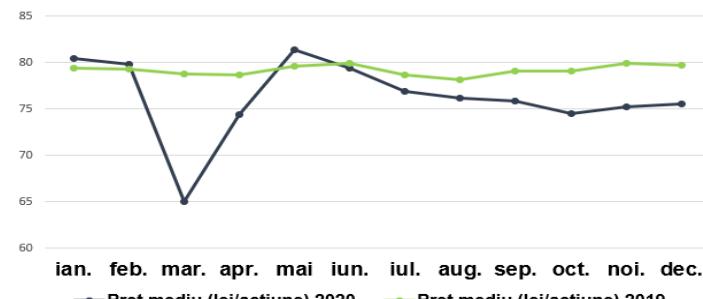
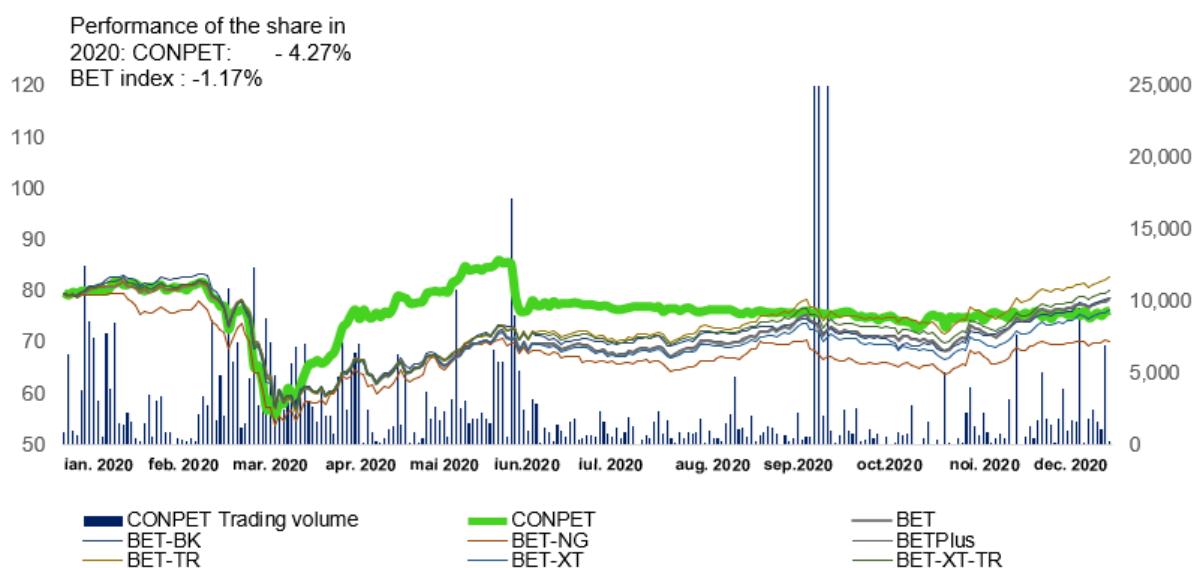


Chart 26 - Evolution of the share trading price



Stock Market indicators	Period				
	2016	2017	2018	2019	2020
PER	10.79	12.03	9.04	11.36	11.20
P/BV	0.89	1.08	1.02	1.04	1.01
EPS	7.30	8.26	8.59	7.01	6.80
DIVY (dividend yield)	9.26	26.56	10.35	9.38	9.26

Table 27 - Main stock performances indices

At 31.12.2020, according to the TOP 25 Issuers by capitalization, CONPET ranked 19th, with a market capitalization of 659,703,634 RON (135.48 mEUR), which represents a share of 0.43% in the total market capitalization.

The Dividend Policy

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Within the last 5 years, CONPET fulfilled its commitment to award a yield to its shareholders by means of a sustainable policy and distributed dividends in a quota comprised between 88% and 93% of the net accounting profit.

Even if the actual distribution rate in recent years has been relatively constant, by the dividend policy the shareholders will know the distribution rate of dividends.

The dividend policy of CONPET SA has been approved by the Board of Directors on 28.01.2021. The net profit distribution decisions concern the company's options between partial or full reinvestment of the net profit and/or distribution in the form of dividends.

Depending on the situation prevailing at the time of the proposed profit allocation, deviations from the policy may occur as a result of specific legal requirements applicable at that date, changes in the tax framework, depending on capital requirements for investments, etc.

The rate of distribution of the profit on dividends, set out in the dividend policy, which the Board of Directors will consider in the formulation of the proposal to the General Meeting of Shareholders of CONPET S.A. will be between **85 % and 100 % of the net accounting profit**.

The gross dividend per share is the share of the company's net profit that is calculated and paid to shareholders for each share held.

The evolution of the dividends distributed from the net profit for the period 2017, 2018 and 2019 is as follows:

Share of profit	GMS date	SUBSTANTIATION DATA	Total gross dividends due - RON-	% of net profit	Gross dividend/share - RON-	Paid dividends - RON-	Net dividends accumulated on 31.12.2020
2017- Dividend from Profit of the period and retained earnings	26.04.2018	12.06.2018	69,621,097	90.0%	8.04	67,022,752.09	2,598,344.91
2018- Dividend from Profit of the period, reserves and retained earnings	23.04.2019	11.06.2019	64,652,923	90.1%	7.47	62,140,334.36	2,512,588.64
2019- Dividend from Profit of the period, reserves and retained earnings	April 29 th , 2020	11.06.2020	61,055,584	87.6 %	7.05	58,678,260.95	2,377,323.05

Table 28 - Evolution of dividends distributed in the period 2017-2019

The return on investment and dividend yield in the period 2014-2020 are shown in the chart below:

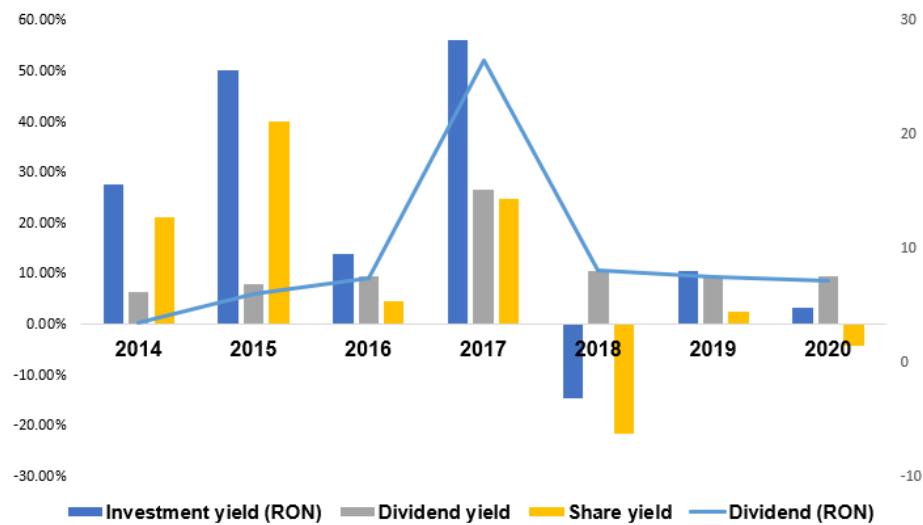


Chart 27 – Evolution of return on investment and dividend yield

After the dividend yield, CONPET SA ranked fifth in 2020, among the first 15 most traded companies on the Bucharest Stock Exchange.

Total dividend per share was of 7.05 RON, thus offering its shareholders a dividend yield of 9.26%, 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 2020.

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 the Bucharest Stock Exchange (BSE), at category I, under the COTE symbol.

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

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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 the Bucharest Stock Exchange, CONPET has developed the Corporate Governance Regulation. 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 <http://www.CONPET.ro/guvernanta-corporativa/regulament-de-guvernanta-corporativa/>.

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

Provisions of the Corporate Governance Code	Complies	Fails to comply or partially complies	Reason for Non-Compliance
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		Delimitation of BoD responsibilities of the ones 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 Directors of the company CONPET S.A and the Corporate Governance Rules approved by the Board of Directors 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 Directors or the Supervisory Board should have at least five members.	YES		
A.4. The majority of the members of the Board of Directors should be non-executive. In case of the Premium Tier companies, at least two non-executive members of the Board of Directors should be independent. Each independent member of the Board of Directors 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:	YES		
A.4.1. Not to be the CEO/executive officer of the company or of a company under			

Provisions of the Corporate Governance Code	Complies	Fails to comply or partially complies	Reason for Non-Compliance
<p>his/her control and not have been in such position for the previous five (5) 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 administrator of the company for more than twelve years;</p>			

Provisions of the Corporate Governance Code	Complies	Fails to comply or partially complies	Reason for Non-Compliance
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	According to provisions of EGO no.109/2018, administrators activity evaluation is made annually by the general meeting of shareholders and targets both execution of the contract of mandate and the administration plan.
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	YES		

Provisions of the Corporate Governance Code	Complies	Fails to comply or partially complies	Reason for Non-Compliance
person and in absentia) and a report of the Board and committees on their activities.			
A.10 The corporate governance statement should contain information on the precise number of the independent members of the Board of Directors or of the Supervisory Board.	YES		
A.11. The Board of Premium Tier companies should set up a nomination committee formed of non-executives, 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.	YES		The procedure for the appointment/nomination of the Board members is performed in 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		

Provisions of the Corporate Governance Code	Complies	Fails to comply or partially complies	Reason for Non-Compliance
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 SA complies with the recommendation of the BSE Corporate Governance Code.
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	YES		

Provisions of the Corporate Governance Code	Complies	Fails to comply or partially complies	Reason for Non-Compliance
related to the liabilities of the management to monitor and mitigate risks, it should report directly to the Director General.			
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 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, half- yearly 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	YES		

Provisions of the Corporate Governance Code	Complies	Fails to comply or partially complies	Reason for Non-Compliance
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;			
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 Directors, 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		
D.3. The 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 on rate forecast will establish the frequency, the period considered and the content of forecasts. Forecasts, if	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.

Annual report of administrators 2020

Provisions of the Corporate Governance Code	Complies	Fails to comply or partially complies	Reason for Non-Compliance
published, may only be part of annual, semi-annual or quarterly reports. The forecast policy should be published on the corporate 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 President of the Board decides otherwise.	YES		
D.8. The quarterly and half-yearly 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	YES		

Provisions of the Corporate Governance Code	Complies	Fails to comply or partially complies	Reason for Non-Compliance
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.			

Table 29– Statement on the Conformity with the Provisions of the Corporate Governance Code issued by Bucharest Stock Exchange

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 Bucharest, 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 Stock Exchange. As a company that operates in a competitive environment of great significance for the economy in general, CONPET seeks to achieve the right balance between information of a confidential nature and 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 2020, 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 2020, CONPET took 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), 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. Furthermore, 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 Directors and the Consultative Committees;
- the Director General.

General Meeting of Shareholders

At the reference date 31.12.2020, the total number of shares was 8,657,528, owned by 13,095 shareholders. The shareholding structure, corresponding to the consolidated synthetic structure of the shareholders at the same date, was the following:

- **The Romanian State by the Ministry of Economy, Energy and Business Environment (1 Shareholder)**

Number of shares:	5,083,372
- Value of contribution to the share capital (RON):	16,775,127.6
- Share of participation on profit and loss (%):	58.7162
- **Legal persons (90 shareholders)**

Number of shares:	2,368,002
- Value of contribution to the share capital (RON)	7,814,406.6
- Share of participation on profit and loss (%):	27.3519
- **Natural persons (13,004 shareholders)**

Number of shares:	1,206,154
- Value of contribution to the share capital (RON)	3,980,308.2
- Share of participation on profit and loss (%):	13.9319

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/2015/11/Articles-of-Incorporation-18.12.2018.pdf>

<https://www.conpet.ro/en/investors-relation/info-shareholders/>

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 Directors, 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 Directors or, in his absence, by another administrator appointed by the President of the Board of Directors.

During the General Meetings of Shareholders, the dialog between the shareholders and the members of the Board of Directors 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 Directors and sets out the competencies thereof;

- ✓ approves the Revenues and Expenditure Budget (R.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 BoD 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 Directors

The Company is administered by a Board of Directors made of 7 administrators. The administrators can act as shareholders. For the appointment of an administrator to be legally valid, the person appointed must expressly accept.

The Board of Directors is ruled by a Chairman. The Chairman is elected by the Board of Directors, 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 BoD of the company cannot be the Director General.

The Board of Directors 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 Directors 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 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 Directors may decide on matters not included on the Agenda, except for emergencies that were accepted by all administrators. The Chairman shall decide upon 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 only 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 notice, agenda and meeting materials are sent to the administrators long enough 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, the BoD secretariat, and the one entered in the register of meetings and deliberations of the Board and shall be signed by the other administrators. The BoD Secretariat is from outside the Board of Directors, being provided by staff from the BoD and GMS Secretariat.

The structure of the Board of Directors is diverse in both men and women of different professions (engineers, lawyers and economists) with professional experience in energy, banking, investment, consulting fields, etc.).

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).

By BoD Decision no. 16/07.06.2019 the Board of Directors took note of the address received from Ms. Pavăl Karina registered at CONPET SA with no. 21798/04.2019 regarding the waiver of mandate and the capacity of administrator due to reasons non attributable to the parties, as per Art. 37.7 from the Contract of mandate concluded at 22.08.2018 (registered with no. 33504/28.08.2018 and amended by Addendum no. 1/2018 - registered with no. 49448/18.12.2018), the notice coming into force from the date of registration of the address within the company.

By BoD Decision no. 17/04.07.2019, the BoD appointed as provisional Mr. Nicușor – Marian Buică, in the capacity of administrator on the vacancy, due to waiver of mandate and the capacity of administrator of Ms. Pavăl Karina, starting 05.07.2019 and until the date of convening of the OGMS. Appointment of provisional administrator is carried out in accordance with Art. 137² Para. 1 of Law no. 31/1990 on companies, republished, with subsequent amendments, Art. 19 Para. (4) of the Articles of Incorporation of CONPET SA, following receipt of the registered address no. 26647/ 04.07.2019 of the shareholder DEDEMAN SRL.

By Decision no. 5/30.09.2019, Mr. Buică Nicușor - Marian was appointed by the OGMS as administrator of the company CONPET SA, the term of office of the appointed administrator being the date of the OGMS Resolution (30.09.2019) and up to the end of the mandate of the current Board of Directors (21.08.2022, inclusive of).

The CV's of the members of the Board of Administration of CONPET SA Are available on the company's website <https://www.conpet.ro/en/corporate-governance/board-of-administration/>

In 2020, the members of the Board of Directors did not own share in CONPET SA.

Consultative Committees

Within the Board of Directors 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 BoD Decision no.20/28.08.2018.

Composition of the Consultative Committee

The Nomination and Remuneration Committee is made out of 5 independent, non-executive administrators: Albulescu Mihai – Adrian – president; Iacob Constantin – Ciprian – member; Gavrilă Florin – Daniel - member, Meșca Darius – Dumitru - member, appointed in the BoD meeting dated 28.08.2018 and Buică Nicușor – Marian - member, appointed in the BoD meeting dated 25.07.2019.

The Audit committee ia made up of 3 independent, non-executive administrators, appointed in the BoD meeting dated 28.08.2018: Gavrilă Florin – Daniel – president, Iacob Constantin – Ciprian – member and Meșca Darius – Dumitru - member.

The Development, Investor and Authorities Relations Committee is made up of 3 independent, non-executive administrators, appointed in the BoD meeting dated 28.08.2018: Popa Claudiu – Aurelian - president, Iacob Constantin – Ciprian- member and Mesca Darius – Dumitru - member.

The terms of reference of the Board of Directors and of the Consultative Committees may be consulted at the web page:

www.conpet.ro/wp-content/uploads/2015/11/Organizational-and-Operational-Rules-and-Regulations-the-Board-of-Administration.pdf, for the Board of Directors, namely

<https://www.conpet.ro/wp-content/uploads/2015/11/Internal-Rules-and-Regulations-Consultative-Committees1.pdf> for the Consultative committees constituted at the level of the BoD.

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 Directors (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 Directors.

The Summary of Activities

In 2020, the Board of Directors held 26 meetings. The Advisory Committees also held 19 meetings, as follows: 7 Audit committee meetings, 6 meetings Nomination and Remuneration committee and 6 meetings Development and Investor Relations committee and Authorities.

The meetings of the Board of Directors have been carried out according to the agenda transmitted to the administrators, the main decisions made having as object the following:

- ✓ endorsement of the Revenues and Expenditure Budget of CONPET S.A. for the year 2020 and estimates for 2021– 2022;
- ✓ endorsement of 2020 Investments Program and estimates of the Investment Expenditures for 2021 – 2022;
- ✓ approval of Current Repairs Program for 2020;
- ✓ 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 amendment of state functions applicable within the Company and delegation of powers to the Director General on amendments thereto;
- ✓ approval of the resizing of the personnel necessary eliminating posts in the organizational entities of society, having as result individual dismissal;
- ✓ Approval of the preliminary report on the economic-financial activity of CONPET S.A. during January-June 2019, accompanied by the non-audited preliminary financial statements at the date and for the financial year ended December 31st, 2019;
- ✓ approval of the results of the annual inventory of the elements similar to assets, liabilities and equities, according to the protocol of the Central Inventory Commission;
- ✓ approval of Annual procurement program for 2020, and revisions/amendments thereto and approval of delegation of powers to the director general of CONPET SA of the competence to revise (change) the Annual Procurement Program within certain limits and conditions established by the BoD;
- ✓ endorsement of proposal to the EGMS of approval of initiation of procedure for the augmentation of the share capital of the company CONPET S.A. by the value of the land plots held based on 48 land ownership certificate and formulation of a request to the Trade

Register office attached to Prahova Law Court for the appointment of an authorized appraiser for the evaluation of the land plots, in view of augmentation of the share capital CONPET;

- ✓ periodical monitoring of the physical and value achievement of the Investment Program of 2020;
- ✓ periodical monitoring and information on the state procurement conducted by the Company;
- ✓ analysis of the monthly reports and aggregated on the reporting period regarding the company activity;
- ✓ periodical information concerning the fulfillment stage of measures decided by the Board of Directors and the current activity of the company and the issue related to the performance on the technical, economical, legal components and other aspects;
- ✓ endorsement for decommissioning of some goods belonging to the public domain of the state, which no longer justified keeping, and endorsement for capitalization proposed for these goods, in view of drafting 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 Report of the Directors with mandate contracts for the activity ended 31.12.2019;
- ✓ approval of the Annual Administrators' Report to the OGMS for the financial year ended 31.12.2019;
- ✓ endorsement of the Annual Financial Statements drawn up for the financial year ended 31.12.2019;
- ✓ endorsement of proposals to the Ordinary General Meeting of Shareholders concerning the distribution of net profit related to the financial year 2019 and of the amounts from the retained earnings, setting the gross dividend per share and the date of dividends payment to the shareholders;
- ✓ approval of the Annual Report of the Nomination and Remuneration Committee (Ro. CNR) related to the remunerations and other benefits awarded to the administrators and the directors with mandate contract during 2019 financial year;
- ✓ Approval of the Board of Directors' report to the OGMS on the administration activity in 2019 prepared in accordance with Art. 55 of EGO 109/2011 *on corporate governance of public enterprises* and the provisions of the contract of mandate;
- ✓ endorsement of the Report of monitoring the key performance indicators classification of directors as approved by OGMS for 2019;
- ✓ approval of quarterly reports of the directors with mandate contract on the activity of CONPET SA;
- ✓ approval of the quarterly reports of directors on economic - financial activity of CONPET SA, together with the Interim financial statements prepared in accordance with IAS 34;
- ✓ endorsement of quarterly reports prepared by the executive management on monitoring key performance indicators and financial and non-financial and the total degree of fulfillment;
- ✓ endorsement of the Nomination and Remuneration Committee Report on assessment of directors with mandate contract for the activity carried out in 2019;
- ✓ approval of the Report of the directors with mandate contract to monitor the framing of the key performance indicators in the limits approved by the Board of Directors for the term of office held by them in 2019;

- ✓ endorsement of the Revenues and Expenditure Budget for 2020 rectified (Annex 1) and submission for approval to the O.G.M.S.;
- ✓ approval of revision of the Investment program for 2020 and estimates for the years 2021 and 2022, within the same values;
- ✓ endorsement of proposal to the OGMS on the shareholders' right to dividends for the financial year 2016 uncollected until 20.07.2020;
- ✓ approval of the abolition and registration at the Trade Registry Office of the Prahova Tribunal of certain locations as secondary offices of the company;
- ✓ analysis of the Audit Committee Report covering information on the internal control management system performance monitoring and risk management in CONPET SA in 2019;
- ✓ approval of sponsorship requests and periodical monitoring of sponsorship contracts concluded by the company;
- ✓ 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;
- ✓ monitoring the activities and actions carried out monthly by the non - governmental organizations in which CONPET SA is a member;
- ✓ approval of the Regulation for the evaluation of the professional performance of employees of CONPET S.A. - Annex 1 to the Internal Regulation (for the purposes of the evaluation of the Energy Manager by the employees of the Energy Service, the Energy Management Team);
- ✓ approval of the starting prices for procurement of 30 Dacia Logan and Dacia Duster cars, resulting from the Evaluation Report prepared by the authorized assessor Constantin Valerică;
- ✓ approval of the Internal Regulation on the Organization and Functioning of the Advisory Committees set up at the level of the BoD;
- ✓ endorsement of the Investment Strategy of the company CONPET SA by the OGMS for the period 2020-2025;
- ✓ endorsement of the transaction with SNTFM "CFR MARFĂ", which will be materialized by concluding an Addendum to the contract of "Transport services by rail of oil and rich gas from the loading ramps to the destinations set by CONPET S.A.", having as object the augmentation of the transport tariff;
- ✓ approval of publication on the website of the company CONPET SA (www.conpet.ro) of the Policy of remuneration of the administrators and directors with contract of mandate.

Directors with contracts of mandate (the Director General, Deputy Director General and Economic Director)

Following the execution of the recruitment and selection procedure of the 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 the Nomination and Remuneration Committee, The Board of Directors appointed the directors with contract of mandate, as follows:

- CHIS Timur - Vasile in the capacity of Director General of CONPET S.A., starting 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.

- TOADER Sanda in the capacity of Economic Director of CONPET S.A., starting 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.

- DUMITRACHE Mihaela - Anamaria in the capacity of Deputy Director General of CONPET S.A., starting 18.02.2019, for a 4 years' mandate, respectively until 17.02.2023 (inclusive of), delegating the management of the company in accordance with the legal provisions in force of Incorporation and the Contract of Mandate.

The Director General of the company has the attributions specified in the contract of mandate, supplemented by provisions of the Articles of Incorporation, the Rules of Organization and Operation, completed with applicable legal provisions.

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

Moreover, any member of the Board of Directors 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 Deputy Director General of the company has the attributions specified in the contract of mandate, supplemented by provisions of the Articles of Incorporation, the Rules of Organization and Operation, completed with applicable legal provisions.

The Remuneration Policy

➤ The Board of Directors

Remuneration for the members of the Board of Directors, respectively the non-executive directors is determined by the General Meeting of Shareholders in the structure and limits set by GEO no.109/2011, consisting of gross monthly fixed compensation and a variable component.

1. Gross fixed monthly allowance

- *Members of the Board of Directors which hold mandate starting 22.08.2018*

According to OGMS Resolution no.5, dated 22.08.2018, the members of the Board of Directors 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. 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 putting into agreement 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.

According to Article 7 of OGMS Resolution no. 5/22.08.2018 the maximum gross monthly fixed allowance established for administrators is of 13,022 RON gross/pers., respectively 2 times fixed allowance calculated in accordance with Article 37 Para. (2) of EGO 109/2011, the amount set out in Article 13 of the approved mandate contract.

- *Member of the Board of Directors with mandate up to 30.09.2019*

By Decision no. 5/30.09.2019, Mr. Buică Nicușor - Marian was appointed by the OGMS as administrator of the company CONPET SA, on the vacancy due to waiver of Ms. Pavăl Karina. The term of office of the elected administrator is set starting with the date of the OGMS Resolution (30.09.2019) and up to the end of the mandate of the current Board of Directors (21.08.2022, inclusive of).

The gross fixed allowance of the new administrator is set at the same level with the one of the administrators appointed in the OGMS meeting dated 22.08.2018, respectively 13,022 RON/month. The gross fixed allowance due to the members of the BoD for the period 01.01.2020 - 31.12.2020 was of 1,093,848 RON.

2. Variable component

According to Article 37 Para. (2) of EGO no.109/2011 the variable component is determined based on financial and non-financial performance indicators negotiated and approved by the GMS.

By OGMS Resolution no. 7/18.12.2018 were established the key performance indicators and related weights. The variable component of the non-executive members is of maximum 12 monthly fixed allowances.

The variable component due to administrators is granted in conjunction with the annual total degree of fulfillment of financial and non-financial KPIs approved by the contract of mandate.

At the meeting dated 29.04.2020, the OGMS has approved the total achievement degree (103.7%) of the financial and non-financial key performance indicators for the year 2019, based on the monitoring report on the framing of the performance indicators within the limits approved by OGMS for the year 2019 and granting the variable component due to administrators for the term of office in 2019, as per the provisions of the mandate contract.

The total gross variable component related to 2019, payed in April 2020 was in amount of 1,093,848 RON.

The financial statements of 2020 include provisions representing variable allowances for mandate contracts for non-executive administrators in the amount of 1,093,848 RON and will be paid after the approval of the financial statements in relation to the total degree of compliance with the key performance indicators.

➤ The Directors with mandate contracts

The Director General

By Decision no. 27/06.11.2018, the Board of Directors set the gross monthly fixed allowance of the Director General for the execution of the trusted mandate, as such:

- starting 07.11.2018 in amount of 33,000 RON, according to BoD Decision no. 27/06.11.2018 of the Board of Directors.

- starting 18.12.2018 in amount of 40,416 RON, according to BoD 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 01.01.2020 - 31.12.2020 was of **484,992** RON.

The gross variable component for the year 2019 and paid in 2020 to the Director General was of 484,992 RON.

The Economic Director

By Decision no. 27/06.11.2018, the Board of Directors set the gross monthly fixed allowance of the Director Economic for the execution of the trusted mandate, as such:

- starting 07.11.2018 in amount of 27,000 RON, according to BoD Decision no. 27/06.11.2018;
- starting 18.12.2018 in amount of 33,680 RON, according to BoD 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 01.01.2020 - 31.12.2020 was of **404,160** RON.

The gross variable component for the year 2019 and paid in 2020 to the Director Economic was of 404,160 RON.

Deputy Director General

The Board of Directors set the gross monthly fixed allowance for the Deputy Director General for the execution of the trusted mandate, respectively 35,290 RON, 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. 35226/12.02.2019).

The fixed gross allowance granted to the Deputy Directory General of CONPET SA between 01.01.2020 - 31.12.2020 was of **423,480** RON.

The gross variable component for the year 2019 and paid in 2020 to the Deputy Director General was of 369,677 RON.

The gross monthly fix allowance due to the directors with mandate for the period 01.01.2020 - 31.12.2020 was of 1,312,632 RON.

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The general limits of the variable component have been approved by the OGMS at the meeting dated April 23rd, 2019. The variable component is being paid following the approval of the annual financial statements, according to the degree of achievement of the key performance indicators. At the meeting dated 24.03.2020, the Board of Directors has approved the total degree of achievement of the financial and non-financial key performance indicators for the year 2019, of 107%, based on report of Directors with mandate contracts of monitoring the framing of the key performance indicators for the year 2019 within the limits approved by the BoD and the granting of the variable component due to directors for the mandate period carried out in 2019 pursuant to the provisions of the mandate contract and the general limits of the variable components approved by OGMS in the meeting dated 23.04.2019.

The total gross variable component related to 2019, payed in May 2020 was in amount of 1,258,829 RON.

The variable component of 2020 will be paid following the approval of the financial statements, according to the degree of achievement of the key performance indicators.

Status of achieving the Key Performance Indicators for 2020

The total degree of achievement of the key performance indicators (GT_{ICP}) is the amount of the degree of achievement of every KPIs (GI_{ICP}) weighted by the weighting coefficient (W_{ICP}) related to every KPIs.

The calculation formula is the following:

$$|GT_{ICP}| = \sum_{i=1}^n GI_{iICP} \times W_{iICP} \text{ lei}$$

where:

GT_{ICP} = Total annual degree of achievement of the KPIs

W_{ICP} = Weighting Coefficient (weight) for every KPIs

GI_{ICP} = Degree of achievement of the individual KPIs

The degree of achievement of every KPI (GI_{ICP}) is the degree of achievement of every KPI, considering the means of calculation provided at every KPI, subsequently weighted by the weighting coefficient (W_{iICP}) related to each KPI.

The variable component of the remuneration due to the administrators will be directly proportional to the

GT_{ICP} for the corresponding financial year or part of the corresponding financial year.

In the event that:

- a) $GT_{ICP} \geq 100\%$, the maximum variable remuneration component approved by the OGMS for each administrator is granted in the maximum amount approved by the OGMS.

b) $80\% \leq GT_{ICP} < 100\%$, the maximum variable component of remuneration for each director with contract of mandate approved by the OGMS is awarded in proportion to the total fulfillment of the performance indicators.

c) $GT_{ICP} < 80\%$, the variable component shall not be awarded.

- Financial and non-financial Key performance indicators for 2020 approved for the administrators of the company**

According to OGMS Resolution no. 7/18.12.2018 the financial and non-financial performance indicators of administrators were approved (KPIs) for the administrators of the company, for the period 2018-2022, which will be used for determining and granting the variable remuneration component of administrators during the execution of the contract of mandate.

The structure of financial and non-financial KPIs, the performance objectives of each KPI, their weight and the degree of achievement are shown in the table below:

Cr t.n o.	Performance indicator	Performance objective	MU	YEAR 2020		Degree of achievement KPI (%)	KPI weights for the settlement of the remuneration	Degree of achievement KPI (%)
				MANDATE CONTRACT	Achievements			
A. FINANCIAL KEY PERFORMANCE INDICATORS: 25%								
1.	Outstanding payments	Level zero	kRON	0	0	100.0%	2%	2.0%
2.	The decrease of the operating expenses = (Operating expenses - Impairments of assets and impairments of provisions)/ Turnover	The maintenance of the share of the operating expenses in turnover at the level assumed by way of the Administration Plan	%	82.0%	83.2%	98.6%	8%	7.9%
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	kRON	95,987	115,594	120.4%	10%	12%
4.	Labor Productivity	Achievement of the labor productivity level provided in the annual approved Budget	kRON/ person	281	291	103.6%	5%	5.2%
B. NON- FINANCIAL KEY PERFORMANCE INDICATORS: 75%								
B1 OPERATIONAL: 25%								
5.	Framing within the specific consumptions for the crude oil transport (does not include the crude oil quantity lost during provoked breakdowns)	The target value is lower than the value of the maximal technological consumption, for crude oil	%	Domestic crude oil Target: $\leq 0.361\%$ Achieved: 0.347%	0.307%	0.255%	116.8%	3%
				Import crude oil LUKOIL Target: $\leq 0.290\%$ Achieved: 0.172%				

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Cr t.n o.	Performance indicator	Performance objective	MU	YEAR 2020			Degree of achievement KPI (%)	KPI weights for the settlement of the remuneration	Degree of achievement KPI (%)
				MANDATE CONTRACT	Achievements				
	or in case of breakage resulting in contamination, where the owners do not ease access for remedy).			Import crude oil Petrom Target: ≤ 0.143% Achieved: 0.140%					
				Import crude oil Midia Target: ≤ 0.108% Achieved: 0.105%					
6.	Monitoring the electricity average annual specific consumption for technological purposes	Maintenance of the electricity average annual specific technological consumption at a level of max.3.3 Kwh/to	Kwh/to	Max 3.3 Kwh/to	3.3	2.59	100%	2%	2.00%
7.	Achievement of the investments financed out of the modernization quota	95% of the annual Investments Plan financed out of the Modernization Quota	%	≥95 %	95%	187.7%	100%	20%	20.00%
B2 OF CORPORATE GOVERNANCE: 50%									
8.	Implementation/Development of the management control 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 plans	Minimum 90% achievement of the measures assumed by the approved Integrity Plan	%	≥90 %	99.84%	100%	100%	10%	10%
Total degree of achievement of the key performance indicators:									102.6%

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

Table 30 - Financial key performance indicators 2020

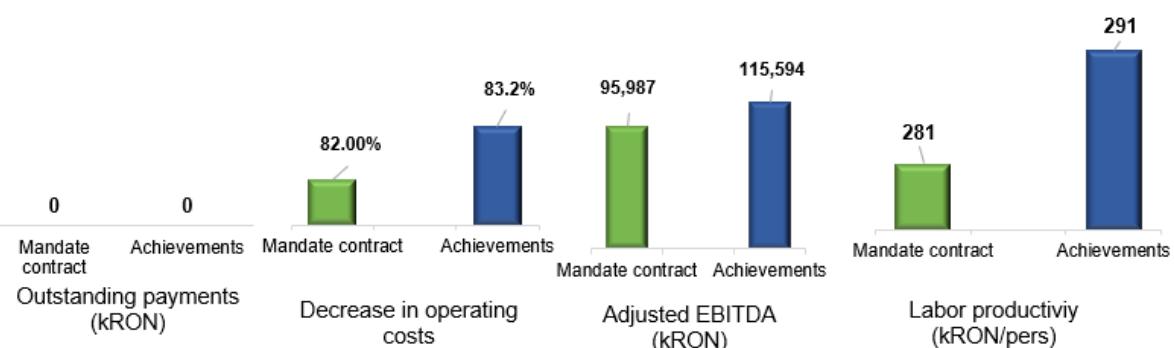


Chart 28- Financial Key Performance Indicators

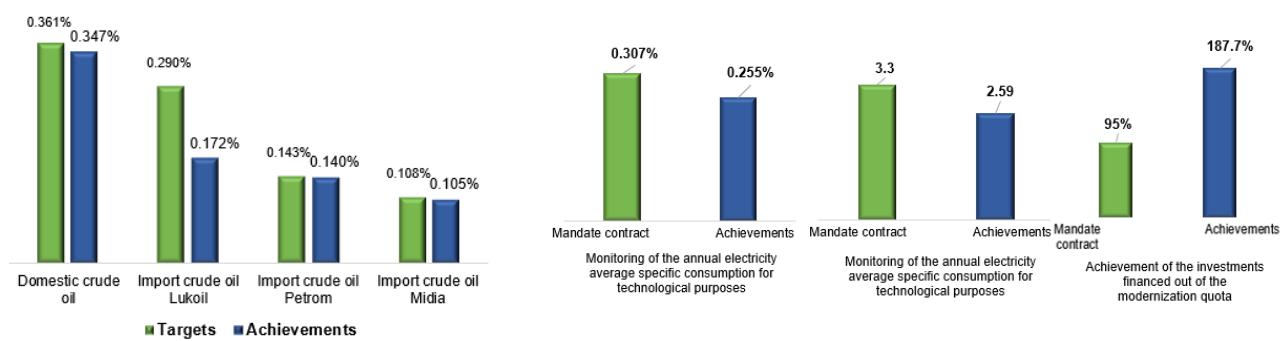


Chart 29- Operational non-financial Key Performance Indicators

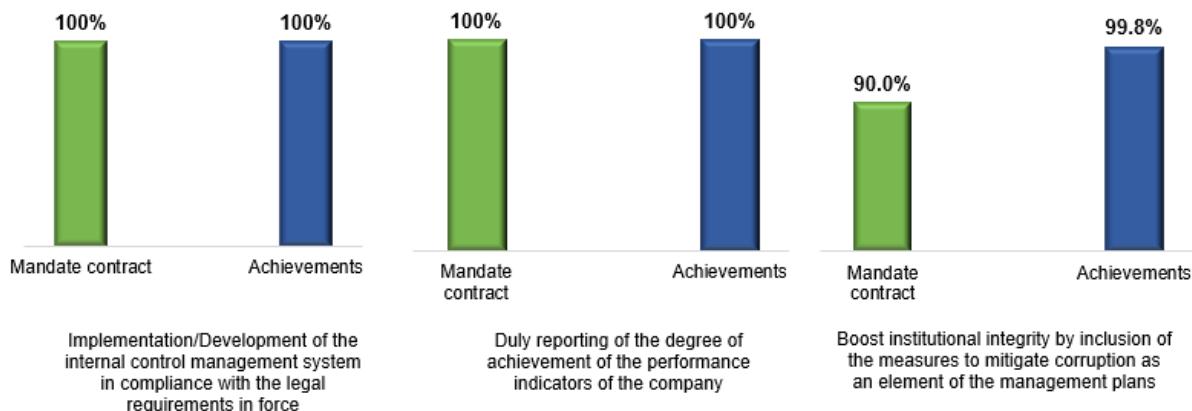


Chart 30 - Non-financial Governance Key Performance indicators

For the year 2020, the total degree of achievement of the financial and non-financial key performance indicators for the administrators was of **102.6 %**.

- **Financial and non-financial key performance indicators for 2020 set for the directors with contract of mandate**

For the year 2020, the degree of achievement of the key performance indicators set for the directors with contract of mandate was of 104.8%.

In Annex 3 of the Report of the Administrators is presented the calculation of the total degree of fulfillment of the financial and non-financial key performance indicators of directors with contract of mandate.

Remuneration and fulfillment degree of the key performance indicators of administrators and directors with contract of mandate are presented in the annual report of the Nomination and Remuneration Committee.

Management of the conflicts of interests

During 2020, within CONPET SA there were registered no conflicts of interest, as shown in the declarations of interest submitted by the senior management and the Board members, pursuant to Law 176/2010 regarding the integrity in exercising public functions and dignities, for amending and completing Law 144/2007 on the establishment, organization and functioning of the National Integrity Agency, as well as amending and supplementing other laws.

In view of implementation of the National Anti-Corruption Strategy 2016-2020, to which CONPET S.A. has adhered, in 2017, has been approved the Integrity Plan, document upgraded in 2018 by decision of the Director General of CONPET s.a. - which details, in a personalized manner, the measures applicable to CONPET S.A., subsumed to the general and specific objectives provided in SNA for the identification of risks, vulnerabilities and specific intervention needs.

In order to implement the measures in the Integrity Plan scheduled for 2020, the measures in question have been identified and qualified, being addressed from measure to measure. Of these, the implementation of ISO 37001 – anti-bribery standard has an Action Plan starting December 2020 by setting up a Working Group by decision of the Director General, which will operate during 2021.

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 of the Integrity Plan adopted by the company , and CONCERNING to the corruption offenses as contained in the Criminal Code. Brochure-type materials on corruption prevention topics have been developed, including the last brochure in November 2020.

The periodical staff awareness activity was of a society-wide level in the field of integrity and ended with the development and dissemination in November of a third periodic brochure "*Bribery*".

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, knows that the spouse, relatives or affiliates up to the fourth degree inclusively are interested.

The members of the Board of Directors 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 termination of the activity.

In order to avoid the occurrence of conflicts of interest, the company has established a number of ethical rules both by the members of the Board of Directors and by the Director General and employees of the company, in correlation with the applicable legal provisions.

Both in the Organization and Functioning Regulations of the Board of Directors of CONPET and in the Corporate Governance Regulation, there are provisions regarding the management of conflicts of interest. In practice, the members of the Board of Directors 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.

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, a new Code of Ethics and Integrity was drafted and an ethics counselor within the Integrity Office was appointed, committed to this activity .

All CONPET SA personnel 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.

The Ethics Advisor monitored the compliance, by the organization's staff with the principles and rules of conduct and provided advice and assistance in the field of ethics in accordance with CONPET S.A. Ethics Advisor's Work Regulation in force

In 2020, the "Regulation on the work of the ethics adviser of CONPET S.A." was revised and approved by the Director General, which was distributed to all organizational entities.

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 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 the community on the importance and necessity of complying to regulations and recommendations aimed at protecting the environment.

Consistent with the principles of sustainable development, CONPET uses the tools specific to a modern economy, tools offered to maintain and continuously improve the efficiency of the Integrated Management System: Quality, Environment, Health and Occupational Safety, Energy Management System of the standards contained in the Internal Managerial Control Code, as well as maintenance and improvement of the Railway Safety Management System in accordance with national and European Union regulations.

As an expression of the adherence to the fundamental values, principles, objectives and monitoring mechanisms of the National Anti-Corruption Strategy, within CONPET the Declaration on adherence to the National Anti-Corruption 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. In this spirit, the Integrity Plan and Inventory of Institutional Transparency and Corruption Prevention measures were developed at the level of society.

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, 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 CONPETs' 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 the 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.

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.

In the context of the COVID-19 pandemic, in addition to the prevention and protection measures taken at the level of all CONPET workstations in order to protect the health of employees, an internal information, awareness and accountability campaign on issues related to the corona virus pandemic has been initiated, using social media communication channels and the on-line newspaper.

Sponsorship

Within the company, the sponsorship activity is being carried out in compliance with the legal documents regarding sponsorship and the procedure on sponsorship developed within the company and within the limits approved by yearly revenues and expenditure budget, without exceeding the sponsorship expenses broken down by area of interest.

CONPET SA seeks the actions of sponsorship to be as efficient in terms of the social point of view and the financial assistance to be a real support and benefit for the applicant.

In the context of the Covid-19 corona virus epidemic which Romania is facing since March 2020, CONPET SA supported, mainly through sponsorship actions, the public health units in Prahova and the humanitarian organization National Red Cross Society, institutions directly involved in the fight against the pandemic at county and national level. In this regard, the projects carried out aimed both at conducting a national campaign to inform the population about the effects of the new virus and to prevent contamination with Covid-19, and the purchase of medical equipment, protective equipment and disinfectants for hospitals in Prahova.

CONPET S.A. has also continued to support traditional and impact projects for the local community, such as the computer provision of educational institutions in order to ensure the

continuity of the educational act and the sponsorship of sports activities within elite clubs for the harmonious development of children and young people.

For 2020, the sponsorship costs were within the budgeted values and is as follows:

		318.58
-	Education, social and sports activities	thousand RON
		460.00
		thousand RON
-	Medical and health causes	20.00
		thousand RON
-	Other actions and activities	<hr/> 798.58
		thousand RON
	Total	

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/>

4.4.3. The Executive Management

4.4.3.1 Strategic objectives regarding the management of the company CONPET

Actions carried out in view of achieving the strategic objectives contained in the Administration Plan

The strategic objectives contained in the Administration Plan of the company for the period 2018-2022 are derived from the Letter of Expectations of the majority shareholder, the Romanian State, through the Ministry of Energy and aim at increasing the efficiency of the activity and improving the performance of the activity, optimizing operating expenses, developing new related and non-related activities, defining the company as a regional player, efficient management of human resources and implementing and developing the principles of corporate governance.

The actions undergone in 2020 for the achievement of the objectives in the administration Plan

Objective 1 Increasing the efficiency and improvement of business performance

Redefining the necessary of the transport infrastructure

A new scenario to pump crude oil extracted from the Ariceşti oil field was implemented, which consisted of transport of crude oil extracted from Ariceşti to the Petrobrazi Refinery in mixture with crude oil extracted in Baicoi Vest. This new scenario leads to the reduction of costs achieved at the Ariceşti workstation.

Another transport scenario implemented resulting in the recording of cost savings is the transport of crude oil from the Imeci area and Ferăstrău to the Lukoil refinery (on road between Ghelinţa and Imeci and from here by railway to the Lukoil refinery);

For the Import transport system, activities were continued to reactivate the Pietroşani-Brazi transport route through a new 14" pipeline, with a view to defining a new pumping scenario. This pumping scenario was created in the context of the rehabilitation of the 24" Calăreşti-Pietroşani pipeline as well as the project to rehabilitate the Pietroşani fixed point – the 24" and 14" smart pigging stations.

An analysis of the optimization of transport of crude oil from the Moldova basin was carried out by building a new ramp in the Moineşti-Comăneşti-Dărmăneşti area.

Multi annual investment program

The multi-annual investment program of the company consists mainly of investment objectives to increase efficiency of the National Transport System and its operational safety.

When establishing the multi-annual investment program is intended first, to respect the commitment assumed by the company through the minimum investment program communicated to NAMR annex to the concession agreement.

The main investment projects carried out in 2020 to achieve the strategic objective

Continuation of the project "Pipelines leaks detection and localization system"

In 2020 - the post-implementation of the pilot project "Pipelines leaks detection and localization system" on the relationship Poiana Lacului - Silişte - Ploieşti has been monitored. At the same time, the possibility of implementation of the project on other transport relations is considered and the costs of expansion are estimated.

Optimization of SCADA system and Hardware and Software of the remotes transmission units (RTU)

In 2020 there have been completed and received the SCADA system optimization works and Hardware and Software upgrade of the Remote Transmission Units (RTU) for a number of 27 locations out of a total of 29, following that in 2021 to be fully completed.

Modernization and monitoring of the Cathodic Protection System related to the National Transport System via Pipelines

Modernization and monitoring of the cathodic protection system for the crude oil transport system via pipeline aims at slowing down or even stopping the corrosion process occurring at the surface of metal pipes underground.

Starting 2013, CONPET has started a comprehensive project to modernize and monitor the cathodic protection system of the crude oil pipeline transport system.

By the end of have been executed SPCs in 113 locations and the works will be ongoing in 2021.

Implementation of a GIS System

The feasibility study for the implementation of a patrimonial geographic evidence system has been completed and the procurement process for technical assistance services for system implementation management has been launched. In August 2019 the execution contract for system implementation management (technical support services) was signed.

In 2020 phase 1 of the implementation of the GIS Heritage Geographical Register System was completed. After the completion of stage 1, post-implementation monitoring will be carried out for 1 year. Phase 2 of the project will start in the first half of 2022.

ERP Upgrade

During 2020, the specifications for the analysis phase were developed and approved with a view to reconfiguring the current ERP system. By purchasing these services during 2021, CONPET S.A. will identify the technical requirements that will form the basis of the specification for the implementation of a new ERP system.

Rehabilitation of the pipelines under crossing the Danube river and Borcea Arm

In 2020, the acquisition of rehabilitation works of pipelines under crossing the Danube River and the Borcea arm has started.

The implementation of a system for the teletransmission and telemetering of the power consumptions in CONPET locations.

In 2020 the specifications were drawn up and the purchase will be carried out during 2021. The implementation of the telemetering system will be performed in 19 locations (Poiana Lacului, Cartojani, Videle, Lucăcesti, Imeci, Moreni, Siliștea, Cireșu, Băicoi, Bărbătești, Ticleni, Orlești, Ghercești, Otești, Biled, Pecica, Marghita; Constanța Sud, Călăreți).

Objective 2 Development of new activities, related and non related to the core business

The development of storage activities/crude oil and oil products handling for third parties

In the context of defining and updating the legal framework on the procedure for delegating the storage obligation in order to ensure the storage of strategic stocks on the territory of Romania, CONPET analyses the conditions necessary for the development of this type of activity. In this respect, addresses for informing were sent to NAMR on the intention of CONPET SA to develop the activity of storage of crude oil/petroleum products, including the updated situation of the company's storage capacities as well as an estimation of the tariff for the provision of storage services.

In September 2020, a Collaboration Committee was set up, of which CONPET is a member, together with representatives of the National Defense Ministry, the Ministry of Foreign Affairs, the Ministry of Energy, NAMR, Oil Terminal S.A., the Oil and Gases University. The purpose of the Committee is to analyze the possibilities of transport and storage for military destinations. In 2020, 4 working meetings of the Committee were held.

Assessment of the opportunity/feasibility of the increase efficiency related scenarios of the Rail transport activities

From the point of view of the efficiency of the railway transport, the re-commissioning of the railway ramp from the Astra Refinery was taken into account, a decision justified by the delays in unloading and the maneuver in the railway ramp from the Brazi refinery.

In 2020, the feasibility study was completed, approved by the Technical-Economic Council and the Certificate of Urbanism was obtained.

Another project to streamline the railway transport activity which is being implemented and aimed at reducing fuel consumption and reducing maintenance and repair costs on existing locomotives is the conversion of diesel-operated locomotives (LDHs) into electric-operated locomotives (LEA or LDE).

Assessment of the feasibility of the development of transport for atypical products

During the first quarter of 2020, the executive management initiated a series of meetings and discussions with representatives of companies active in the oil, chemical and petrochemical industries. Preliminary discussions were launched subsequently, on the possibility of providing

services for the transport, storage and loading of agricultural and chemical products in areas where CONPET ramps are adjacent to areas with intensive agricultural activity.

Electricity production from renewable resources (pilot project);

In 2020, an analysis was carried out on the possibility of implementing a photo voltaic system for local electricity production (photo voltaic power plant) with an installed power of 10 kw on-grid located in Tămădău Mare, Călărași County - Călăreți Pumping Station. The analysis includes both technical and economic elements and cost-benefit analysis elements, with costs updated at September 2020 level. Subsequently, some data were reviewed and two scenarios were created.

Objective 3 Defining the company as regional player

In order to support collaboration opportunities by providing information or participation in actions coordinated by the ministry for the works of the Joint Intergovernmental Commissions for Bilateral Energy Cooperation, the proposal on topics of interest was submitted to the Ministry of Economy, Energy and Business Environment for discussions within the Energy Working Group Romania - Turkmenistan 04.02.2020.

In 2020 a meeting with the representatives of Transnafta Serbia took place, having as topic the collaboration options regarding the transport of crude oil produced in western Romania.

Objective 4 High performance management of the human resources

Reshaping and ongoing adaptation of the human resources in correlation with the technical economic requirements and realities of the company.

To achieve this objective, the human resources necessary has been continuously monitored and adapted, given the specific activity of CONPET, respectively the fluctuations in the workload of workstations, resulting performing numerous redistribution of employees from an working point to another by:

- the efficient use of personnel;
- providing business continuity, within the conditions required by the permanent fluctuations in the production activity;
- providing balance between the personnel number and the real technical-economic and administrative needs of the company.
- flexible redistribution of human resources in order to avoid possible blockage and ensure their most efficient use of personnel.

The Board of Directors approved on 30.01.2020 the modification of the organizational structure as well as the consequent modification of the state of functions.

In the second half of 2020 a new analysis, together with the organizational entities, of the staffing needs was initiated, with a view to the abolition of positions that are no longer necessary, with the consequence of the individual dismissal of the employees occupying these posts, in accordance with the legislation in force and the applicable Collective Labor Agreement.

In this context, according to decision of the BoD dated 24.09.2020, were eliminated 14 positions with the consequent dismissal of individual employees occupying these positions, given the legislation in force and the applicable Collective Labor Agreement.

The development of the specific competencies and basic skills of the human capital

Annual report of administrators 2020

The training and professional authorization programs of the company's employees were drafted and approved in this respect for the year 2020, following the identification of professional training needs and the personnel authorization necessities, in correlation with the attributions in the job description, in view of maintaining/developing the aptitudes, specialized knowledge and the necessary skills related to the position held.

The training program or the professional authorization program for 2020 were reviewed by legal charges and other needs arising during the year.

Training is provided through collaboration with external partners, authorized training company, but also internally within the company.

Internal Training is organized by internal trainers and/or experts from the company with a good knowledge of the field and/or relevant experience in the field of technical activity, supporting qualifying session Internship/training/maintenance knowledge in various industries and audit/verification of employees participating in those sessions. There is a permanent concern for the extension of the trainers body in other domain as well, (such as ethics and integrity, GDPR).

Through the company's trainers, in 2020 were trained/retrained/ qualified internally: fluid products receivers predators, employees with operating duties in the micro SCADA domain.

Development of the employees' results assessment system

The new evaluation criteria, individual objectives, performance indicators, target values and weights associated thereof, for the activity carried out in 2020 of the employees in management positions, were subject to conclusion, in this respect, at the end of 2019, of addenda to individual employment contracts of the employees, as laid down in each entity.

Objective 5 Implementation and development of the principles of corporate governance

Issue of a Code of Ethics and Integrity

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, a new Code of Ethics and Integrity was drafted and an ethics counselor within the Integrity Office was appointed, committed to this activity .

Active involvement in corporate social responsibility

In the year 2020 there have been concluded 23 sponsorship contracts in total amount of 798.6 thousand RON, representing 99.8% of the total amount approved in the Budget for sponsorship. In 2020, public health units in Prahova and the humanitarian organization National Red Cross Society were supported mainly by sponsorship actions, the "medical and health" sponsorships had the highest share, respectively 58%.

Starting March 2020, the official information on COVID-19 made by the Strategic Communication Group - Ministry of Internal Affairs is distributed daily on CONPET's Facebook page, in order to correctly inform, from official sources, the employees and persons following the communication channel of CONPET.

Development of reporting, control and risk management capabilities

The project of the development program of the internal control management system at CONPET SA for 2020 was elaborated during March 2020, and its analysis and completion was made in the first decade of April 2020.

The development program of the internal control management system of CONPET SA for 2020 was approved by the Director General.

All actions due in 2020 have been completed.

Implementation of SR ISO 37001:2017 requirements Anti-bribery management systems

The action is included in the Program for the implementation of the requirements of SR ISO 37001: 2017 anti-bribery management systems.

The implementation program of the requirements of SR ISO 37001: 2017 anti-bribery management systems has been developed, approved and disseminated to all functions that have responsibilities in implementation. The program was started in the fourth quarter of 2020 with 3 offers for training requested, and the chosen offer was the most financially advantageous.

The training will take place from 25 to 27 January 2021, with the target training group consisting of the members of the working group set up to implement the requirements of SR ISO 37001, the members of the corruption-specific risk management working group, internal auditors from the Management systems and Internal Management/Managerial service and the Internal Public Audit office.

The Executive Management

Between 01.01.2020 - 31.12.2020, the executive management had the following composition:

Position	Name and Surname	Document, period
Director General	PhD Eng. CHIŞ Timur Vasile	- contract of mandate of 4 years, period 07.11.2018 - 06.11.2022, inclusive of*)
Deputy Director General	Legal expert DUMITRACHE Mihaela– Anamaria	- contract of mandate of 4 years period 18.02.2019 - 17.02.2023, inclusive of
Deputy Director General 2	Eng. DRAGNE Laurențiu Marian	- starting 03.04.2019 to 02.02.2020, inclusive of
	Eng. TUDORA Dorin	- starting 03.02.2020 as per Decision of the Director General no. 41/31.01.2020
Economic Director	Econ. TOADER Sanda	- contract of mandate of 4 years, period 07.11.2018 - 06.11.2022, inclusive of
Director of Critical Infrastructures and Administrative Activities	Eng. DRAGNE Laurențiu Marian	- starting 03.02.2020 as per Decision of the Director General no. 40/31.01.2020 up to 02.08.2020, inclusive of

		structure dissolved starting with 03.08.2020
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Head of Units:

Position	Name and Surname
Head of Transport Operations Unit	Eng. STOICA Narcis Florin
Head of Maintenance Development Unit	Eng. BUZATU Dan
Head of Critical Infrastructures Unit	Eng. NECŞULESCU Radu Florentin

Chief Engineers:

Position	Name and Surname
Production Chief Engineer	Eng. BACIU Dan-Silviu
Maintenance Development Chief Engineer	Eng. VLĂDESCU Robert Gheorghe - up to 3.10.2020 (inclusive of)
	Eng. Cîrlan Florentina - Anca - starting with 20.10.2020

*) In the meeting dated 12.01.2021, the Board of Directors took notice of the decision of Mr. Chiş Timur Vasile to waive the mandate of Director General.

The Board of Directors appointed Mr. Dorin Tudora as Provisional Director General starting 05.02.2021 until the completion of the recruitment and selection procedure for the Director General, in accordance with the OUG 109/ 2011, but not more than 4 months, respectively from 05.02.2021 to 04.06.2021 (inclusive of).

5. NON-FINANCIAL STATEMENT FOR THE YEAR 2020

The 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 (NTS). As presented in the Report of Administrators, CONPET SA operates transport services to its customers both through the National Transport System, leased under the Petroleum Concession Agreement and by rail from the loading ramps to the 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 COPET 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, targeting the following lines of action:

- ✓ Ensuring the availability and timeliness of the crude oil, rich gas and condensate transport services;
- ✓ Efficient solving of interventions on the transport installations without affecting customers and other stakeholders' interests;
- ✓ Optimization of technological consumptions of transported product;
- ✓ Compliance with legal and other requirements relating to occupational safety and health;
- ✓ Continuous improvement of 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;
- ✓ 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 of employees regarding any aspect of occupational health and safety;
- ✓ Ensuring appropriate organizational framework for setting the objectives of the integrated management system quality - environment - health and safety;
- ✓ Permanent assessment of the risks/opportunities posed in the context in which the organization evolves and of the risks/opportunities related to the processes and determining the actions for their treatment.

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 2020, the company was subject to external audit recertification according to the standards SR EN ISO 9001:2015, SR EN SR 14001: 2015 and EN ISO 45001:2018. Following this audit, CONPET SA certifications in the areas of quality, environment, health and safety obtained since 2007 shall be 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;
- ✓ analyses carried out by the management 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:

- ✓ Accomplishment of the transport program with framing in the contracted technological consumptions;
- ✓ Compliance with the delivery time of the transported products;
- ✓ The number of complaints received from customers in a year with regards to the conformity of the transport service, with zero target value.

In 2020 the indicators have reached the target values laid down as follows:

- ✓ the transport program was made without exceeding the contractual limits of technological consumption;
- ✓ the delivery of transported goods was achieved according to the contract;
- ✓ there were no complaints from customers;

Environment

In the field of environmental protection, the management of CONPET has adopted an environmental 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.

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.

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.
- ✓ 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.
- ✓ 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.
- ✓ raise awareness of the company's staff and of the staff working on behalf of the organization and improve the 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 no.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 Emergency Ordinance no. 75, normative act issued at the end of 2018.

Identification of environmental aspects and assessment of the company associated impact shall be carried out for:

- ✓ all activities included in the scope of the SMM.
- ✓ materials, goods and services that can generate environmental impacts that are supplied/manufactured by vendors/providers;
- ✓ new projects and developments/upgrades;

- ✓ facilities/equipment from a workstation whose operation has been partially or permanently stopped as a result of preservation, respectively of dissolution of work site and that generated or generate impacts on the environment.

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.

- ✓ The update of the lists of environmental aspects and the associated impacts thereof, as well as their centralization is made whenever changes occur, such as:
- ✓ technology changes;
- ✓ upgrading or introducing new plant, equipment, use of other raw materials;
- ✓ occurrence of new requirements, environmental regulations or amendment of the existing ones;
- ✓ decommissioning of installations and equipment;
- ✓ preservation/restarting, dismantling of workstations after completion of actions to deal with significant environmental aspects.

During 2020 were reviewed environmental issues at the sites, significant environmental aspects being included in the "List of significant environmental aspects and associated impacts".

Given the significant environmental aspects identified at company level, the measures of inspection reports/minutes - authorities, concerning compliance with legal and other requirements, etc., it was drawn up the Action plan to achieve the company's environmental objectives.

The stage of achievement of the objectives and targets set and the stage of the implementation of the actions set for the achievement of the environmental objectives are analyzed annually by the executive management, in the framework of the analysis carried out by the management.

Occupational Health and Safety

Safety and health at work is today the joint concerns of technical and engineering disciplines, interested in finding the most appropriate ways and means of optimizing the human integration into the professional applications system.

The ultimate goal of work safety and health at work is:

- ✓ protecting the life, integrity and health of workers against the risks of accidents and professional diseases that can occur in the workplace;
- ✓ creating working conditions that provide them stable physically, mentally and socially comfort;

The main lines of action relating to service quality are the following:

- ✓ Prevention and reduction of occupational diseases and accidents at work;
- ✓ Consultation and participation of workers on any aspect of health and safety at work;
- ✓ Ensuring appropriate organizational framework for setting the objectives of the integrated management system quality - environment - health and safety;

- ✓ Permanent assessment of the risks/opportunities posed in the context in which the organization evolves and of the risks/opportunities related to the processes and determining the actions for their treatment.

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 professional risks,
- ✓ inform and train the 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 risk assessment are drawn up Plans for Prevention and Protection both at company and sectoral level;
- ✓ 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 Safety and Health at Work 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.

The main feature of 2020, in terms of occupational safety and health, was "identification and implementation of measures to prevent and reduce contamination of employees with the Sars-Cov-2 virus". Ever since the beginning of this situation, CONPET adopted special measures to protect the employees and limit a potential extension of Covid-19. Thus, prevention and protection measures have been implemented in all workplaces where employees work, which include, *inter alia*:

- ✓ limiting visitor access, which is allowed only in absolutely necessary situations, provided that the disinfection rules established at CONPET level are complied with;
- ✓ stepping up actions on prevention and sanitation;
- ✓ limiting internal movements at workstations;
- ✓ establishing the minimum staff necessary for the smooth running of operations and ensuring continuity in the transport of crude oil in the context of the Coronavirus pandemic (Covid-19), etc.

No external checks were carried out by labor inspectors in 2020. In the framework of the scheduled internal controls, all the locations established by the approved control schedule were checked, no serious deviations were found, possibly causing injury and/or occupational illness of workers; the non-conformities found were remedied by carrying out the corrective measures ordered at no additional cost.

The starting point for optimization of efforts to prevent accidents and occupational disease at work is "Risk Assessment". In 2020 the company continued the development of the program for reappraisal of risk for each job/workstation and consequential and of the Prevention and Protection Plan. By implementing technical measures, organizational and sanitary related thereof, the level of risk within the company is 2.90%, the maximum permitted limit being 3.5%.

In November 2019 CONPET S.A. has been certified on the SR ISO 45001:2018 standard by the body DNVGL, with regard to new requirements arising within the health and safety management system.

In the light of the obligations and responsibilities arising from fire defense and civil protection legislation with implications for the safety and health at work of workers, prevention and intervention measures shall be ensured by meeting/complying with the applicable legal requirements and fire defense activity shall be organized at company level:

- ✓ is established the Emergency Situations Office - structure with responsibilities in emergencies, specialized in risk prevention of occurrence of emergencies through guidance and control activities;

- ✓ are developed, updated and disseminated acts of authority;
- ✓ are developed, updated and disseminated documents and records specific for fire protection;
- ✓ is organized defense against fire for all work places;
- ✓ is organized the intervention of firefighting jobs;
- ✓ is organized the rescue and evacuation of employees and property;
- ✓ Private service for Emergency Situations is set, in accordance with the law;
- ✓ are determined, provided and maintained/duly verified the technical means of fire protection; are established organizational measures, materials and documents necessary for intervention in case of disasters;
- ✓ are identified, monitored and evaluated specific risk factors, generators of hazardous events; are identified types of risks generating natural and technological disasters; is provided assessment and analysis of potential risks on the possibility of their occurrence and consequences on people's lives, the environment and property;
- ✓ is established the Cell for Emergency Situations.
- ✓ are drawn fire safety instructions and responsibilities of employees at the workplace;
- ✓ are developed specific protection and intervention plans required by the legislation on fire protection and civil protection, ensuring verification of their implementation;
- ✓ are provided information and training activities on the means of knowledge, compliance and enforcement of the norms, of the technical regulations and provisions concerning fire safety and civil protection for all company personnel;
- ✓ Is ensured the organization of training of employees and emergency bands within SPSU in emergency situations; participation in exercises and applications alarm, evacuation, intervention, limitation and elimination of consequences of fires or other disasters.
- ✓ are developed activities takes on the identification and assessment of risks during operation buildings, installations and facilities; activities regarding compliance with the provisions of laws and regulations for emergencies, exploitation buildings, installations and facilities.

From the point of view of the obligations and responsibilities arising from Law no. 59/2016 on the control of major accident hazards involving dangerous substances are provided prevention/action measures by performance/compliance with the applicable legal requirements:

- ✓ are established and provided measures to prevent major accidents involving dangerous substances and limit their consequences on human health and the environment;
- ✓ are developed "Safety Reports" and "internal emergency plans" for each location of the company classified as "upper-tier" or "prevention policy" for locations classified as "lower-tier";
- ✓ the staff employed in these locations is periodically trained on the relevant parts of that documentation;
- ✓ at the site level a responsible in charge with security management was appointed, by decision of the Director General.

In order to maintain and continuously improve the safety and health of workers in every aspect related to work, CONPET SA has developed and established the following plan on *short, medium and long term*:

1. Achievement of all necessary lines regarding Safety and Health at Work contained in the Plan of Prevention and Protection and in the Programs of measures resulting from checks/internal and external audits.

2. Permanent compliance with OSH legislation and other requirements/regulations to which the company subscribes, by implementing innovations in the field.
3. Creating an OSH culture through training and raising awareness of employees about the need to respect the rules of safety and health at work by:
 - ✓ the use of interactive teaching methods, accompanied by practical demonstrations;
 - ✓ empowering all staff in identifying, reporting and eliminating/reducing the dangers of accidents and professional diseases;
 - ✓ support and promote preventive thinking and behavior;
 - ✓ involving all staff in adopting measures to continuously improve the working environment.
4. Continuous improvement of occupational health and safety by:
 - ✓ eliminating/reducing ongoing risks of accidents and occupational diseases;
 - ✓ conclusion of an occupational medicine contract with a specialized clinic;
 - ✓ integrating new employees in all the prevention and protection actions specific to the workplace;
 - ✓ developing programs to educate employees on occupational health, by adopting a healthy lifestyle;
 - ✓ improving internal communication and consultation on issues of safety and health at work;
 - ✓ implementation of thematic programs of information on health and safety risks, use of modern methods, efficient and effective training.

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, 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 50001:2019 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. Following the transition audit from the requirements of SR EN ISO 50001:2011 to SR EN ISO 50001:2019, which took place in September 2020, the certification of the energy management system implemented in CONPET SA is maintained.

Railway Safety Policy

Starting 2010, within CONPET SA the Railway safety management system is implemented and maintained. The field of application of this system includes the railway ramps where CONPET carries out railway shunting.

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 lines of action are:

- ✓ Compliance with existing legal requirements and other relevant stakeholder requirements relating to the development of railway shunting operations;
- ✓ Ensuring the appropriate organizational framework for setting objectives and assessing the performance of the safety management system;
- ✓ Identification of hazards, assessment and evaluation of risks associated with railway operations, including those arising from external factors;
- ✓ Establishing appropriate safety measures to be implemented to mitigate these risks, with a view to preventing accidents/incidents by rail and cooperate with relevant stakeholders on the implementation of appropriate safety measures in case of common risk identification;
- ✓ Assuming the coordination of the safety management system activities at the level of the management and delegation of responsibilities within the organization;
- ✓ Provision of programs to train staff and maintain their competence in performing tasks, both for staff in charge of management, training and control tasks and for staff performing railway safety-related activities.

The Romanian Railway Authority (RRA) (Ro. AFER) granted the company The license for carrying rail services (railway shunting) and Safety Certificate OMF 2020008 for the railway safety management system implemented in CONPET SA.

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 to the social and personnel 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 and Integrity.

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 shall consult 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.

From the percentage of 35.71% of the total personnel with higher education, 13.19 % is represented by women. At the same time, women represent a percentage of 29.44% from the total personnel with management and/or coordination positions in the company. 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 at 31.12.2020, the entities Deputy Director General and Economic Directorate are led by women. 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 sex, the application of the principle of equal pay and the right to other benefits paid by the employer to employees, directly or indirectly, in cash or in kind, according to their place of employment.

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. The company has supported, through sponsorship actions, projects with a tradition or a significant and lasting impact on the community, but also smaller requests for individual 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 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.

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 and the provisions of the Integrity Plan.

At the level of CONPET SA, the Integrity Plan was approved, having 27 measures to implement in applying the National Anti-Corruption Strategy (NAS) 2016 – 2020.

In order to implement the measures of the integrity Plan scheduled for 2020, each of the 27 existing measures was analyzed in turn and compared to the planned and necessary measures for 2020, the measures in question were identified and qualified to be addressed from measure to measure.

There were 26 measures to be carried out by the end of 2020, measure 27 consisting in implementing the ISO 3700 standard – with a deadline for implementation in 2021.

In December 2020, a working group was decided by the Director General to ensure the implementation of the ISO 3700 standard - Anti-bribery.

No cases of conflicts of interest, incidents or integrity alerts have been recorded in 2020.

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 Directors belongs to the shareholders. 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 provided each time an appropriate degree of diversity in terms of profile of administrators, coverage of professional expertise areas or age thereof.

The current Board of Directors includes six men with professional experience in economics, engineering and law.

6. PROPOSAL OF THE BOARD OF DIRECTORS

6.1 Approval of the financial statements concluded at 31.12.2020

6.2 Approval of the allocation of net profit related to the financial year 2020

Distribution of net profit related to 2020 financial year

The net accounting profit registered by the company CONPET at December 31st, 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**.

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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, on the destinations provided by the Government Ordinance no.64/2001 is the following:

Crt. no.	Elements	Amount (RON)
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
b.	Dividends due to shareholders	59,314,941
1	The net accounting profit of the financial year 2020, reported based on the audited annual financial statement	60,846,759
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
3	Total distributions (1+2)	67,503,152

The Board of Directors
by the President
Gheorghe Cristian- Florin

ANNEXES

- 1) The Articles of Incorporation in force, updated at the date of 18.12.2018;
- 2) C.V.- s of the current administrators;
- 3) Objectives and financial and non-financial key performance indicators for Directors with mandate contracts achieved between 01.01.2020-31.12.2020;
- 4) Report on the internal control management system at 31.12.2020;
- 5) List of the important contracts concluded by the company in 2020;
- 6) List of litigations at 09.03.2021

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) Acquirement 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

Curriculum vitae

Personal information

First and Last Name **Cristian-Florin GHEORGHE**

Gender Male

Work experience

2017 - Present

Higher Counsellor

Ministry of Energy
202E, Independenței Drive, 6th district, postal code 060021 Bucharest, Romania

Advising the Minister about certain aspects related to the set of activities regarding energy products

March 2017 – Present **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

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, 6th 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

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	Parliamentary Counsellor – Lower Parliament Chamber Parliament Palace, 2-4, Izvor Street, 5 th district, postal code 050563 Bucharest (Romania) www.cdep.ro
2011-2017	Parliamentary Counsellor for environment issues General Manager Company S.C. AS PETROL RECYCLE SRL 26, Doamna Ghica Street, 2 nd district, postal code 022837 Bucharest (Romania) Activity type or field: Treatment and elimination of oil residues and dangerous waste
2008-2014	Marketing Manager 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	Marketing Manager Company S.C. AS METAL TRADING SRL 104G, Berceni Road, 4 th 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	General Manager Company S.C. AVIS CONSULTING SRL 26, Doamna Ghica Street, 2 nd district, postal code 022837 Bucharest (Romania) Activity type of field: Human Resources recruitment
2000-2003	Marketing Manager Company S.C. AR METAL TRADING SRL 104G, Berceni Road, 4 th 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	Prince2 – Foundation Certificate in Project Management Global Best Practice www.axelos.com
13/02/2014	Specialist in waste management Association Centre for Professional Training and Regional Development Constanța (Romania)
12/08/2012	Environment Protection Technician (Ecologist Technician)

Personal skills and competencies	Association Centre for Professional Training and Regional Development Constanta (Romania)																		
	2000 Engineer in the domain BUSINESS ENGINEERING University BIOTERRA – Faculty of Engineering and Agrotouristic Management Bucharest (Romania)																		
	1993 Industrial School Group METALOGLOBUS Bucharest (Romania)																		
Mother tongue	Romanian (written and spoken at experienced level)																		
Foreign languages																			
Self-assessment	<table border="1" data-bbox="476 1043 1429 1358"> <thead> <tr> <th colspan="2" data-bbox="476 1043 873 1133">Understanding</th><th colspan="2" data-bbox="873 1043 1222 1133">Speaking</th><th colspan="2" data-bbox="1222 1043 1429 1133">Writing</th></tr> <tr> <th data-bbox="476 1133 714 1223">Listening</th><th data-bbox="714 1133 873 1223">Reading</th><th data-bbox="873 1133 1032 1223">Interaction</th><th data-bbox="1032 1133 1222 1223">Oral discourse</th><th data-bbox="1222 1133 1429 1223">Written expression</th><th data-bbox="1429 1133 1429 1223"></th></tr> </thead> <tbody> <tr> <td data-bbox="476 1223 714 1313">B1</td><td data-bbox="714 1223 873 1313">B1</td><td data-bbox="873 1223 1032 1313">B1</td><td data-bbox="1032 1223 1222 1313">B1</td><td data-bbox="1222 1223 1429 1313">B1</td><td data-bbox="1429 1223 1429 1313"></td></tr> </tbody> </table>	Understanding		Speaking		Writing		Listening	Reading	Interaction	Oral discourse	Written expression		B1	B1	B1	B1	B1	
Understanding		Speaking		Writing															
Listening	Reading	Interaction	Oral discourse	Written expression															
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 / managerial skills and competencies	Abilities to lead and organise big teams of persons;																		
	Able of implement beneficial changes in a company. .																		

Digital skills	SELF-ASSESSMENT				
	Information processing	Communication	Content creation	Safety	Problem solving
	Experienced user	Experienced user	Experienced user	Experienced user	Experienced user

Digital competences - Self-assessment grid

Driving licence | **Category B**

The undersigned ROŞU 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

Europass



Personal information

Name and surname	<i>Mihai Adrian Albulescu</i>
Address(es)	
Phone(s)	
Fax(es)	
Nationality Date of birth	Romanian
E-mail(s)	

Workplace/Occupational area aimed

Professional experience

	2017 – to date member in the Council of Ploiesti 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 Ploiesti, 39 Bucuresti 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	Hydraulics and fluids mechanics
skills achieved	
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	Post-university studies

classification

Period	1980	
Qualification/degree achieved	Theoretical highschool Baicoi / Prahova	Reliable methods in exploiting the drilling
screeds. Training course		
Main subjects studied/professional	Petroleum equipment	
skills achieved		
Name and type of the education	IPCUP Ploiești	
establishment/training provider		
Level on the national or international	Post-university studies	
classification		
Period	1974-1979	
Qualification/degree achieved	Engineering/engineer degree	
Main subjects studied/professional	Petroleum equipment	
skills achieved		
Name and type of the education	Institute of Petroleum and Gas from Ploiești/	
establishment/training provider	Faculty of Petroleum Machines and Equipment	
Level on the national or international	Post-university studies	
classification		
Period	1969-1973	
Qualification/degree achieved	Mechanic/bachelor degree	

Main subjects studied/professional
/ Theoretical studies skills achieved

Name and type of the education
establishment/training provider

**Personal competences
and skills**

Native Language

Romanian

Social competences and skills

Understanding	Speaking		Speaking Participation to conversation	Oral production		Writing written production	
	Listening	1		A2	Elementary user	A2	Elementary user
A Elementary user			A2 Elementary user			A2	Elementary user
2							

Foreign languages known

Self assessment

Team spirit

Writing and Speaking European

level ()*

French language

English language

Organizational competences and skills

- 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

Professional affiliations

2013 — 2015 — Secretary of State in the Ministry of Economy - Department of Energy and Energy Ministry
2013 – to date member of the Board of Directors of GDF Suez Energy Romania (Engie)
2013 – to date member of the Board of Directors of GDF Suez Energy Romania (Engie)
2006 to date member of the General Association of Engineers of Romania - AGIR
2005 to date member of the Romanian Petroleum Engineers Society - SPEROM
1994 to date member of the Romanian Society of Thermo technicians - SRT
1992 to date - member of the commissions for supporting exams, papers and doctoral theses
2001 - 2004 and 2009 - 2013 - Member of the Board of Directors within Transgaz Medias
2009 - 2013 - member of the ANRE Advisory Committee
2004 - 2006 - Member of the Board of Directors of CONPET S.A. Ploiesti
2001 - 2004 - Member of the Board of Directors of Petrom SA;
2004 - 2009 - Member of the Board of Directors of Termoelectrica S.R. Ploiesti
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);

Representative works

Books

- N. Simescu, C. Trifan, **M. Albulescu**, D. Chisalita. *Gas activity from Romania, in transition to a free, functional market and integrable into the European Union*, UPG Publishing House., 2008, Ploiesti
- C. Trifan, **M. Albulescu**, S. Neacsu. *Elements of fluids mechanics and technical thermodynamics*, UPG Publishing House., 2005, Ploiesti
- C. Trifan, **M. Albulescu**. *Hidraulica, Transport and storage of petroleum and gas products*, Technical publishing house, 1998, Bucharest
- M.E., Ionescu, M., Stoicescu, **M.A., Albulescu** — *Thermal methods of petroleum recovery*, Elapis publishing house, Ploiesti, 1998

Articles

C. Eparu, S. Neacsu, E.M. Ionescu, **M. Albulescu**, A. Prundurel, *Phase behavior analysis of the water from natural gas along the pipelines*, Chemistry Magazine, 68, 5, 2017, 970-973

C. Eparu, **M.A. Albulescu**, S. Neacsu, C. Albulescu, *Gas leaks through corrosion defects of buried gas transmission pipelines*, Chemistry Magazine, Vol. 65, Nr. 11, 2014, p. 1385-1390

M. Albulescu, C. Eparu, L. Medrea, V. Metea - *Calculation of Natural Gas Losses through Buried Distribution Pipes Faults*, Journal of University of Petroleum — Gas from Ploiești, Technical series, Vol. LXIII, No. 3, 2011, p. 77-86

S. Neacsu, **M.A. Albulescu**, C. Eparu, *Performing and testing an environmentally friendly heating system for viscous oil transport*, Chemistry Magazine, Nr. 9, 2010

C. Eparu, **M. Albulescu**, R. Radulescu - *Experimental Stand Used to Simulate Oil Transport through Pipelines*, Journal of University of Petroleum — Gas from Ploiești, Technical series, Vol. LXII, No. 3B, 2010, p 179-186

S. Neacsu, C. Trifan, **M.A. Albulescu**, *Considerations on the Errors Associated to the Measuring of the Amounts of Natural Gas Delivered to Household Consumers*, Chemistry Magazine, vol. 59 (7), pg. 796-801, 2008

S. Neacsu, C. Trifan, **M.A. Albulescu**, R. Radulescu, *Numerical modeling of the viscous petroleum transport through pipelines under non-isothermal regime*, Chemistry Magazine vol 58 nr. 10 2007, pg. 992995

C. Trifan, S. Neacsu, **M.A. Albulescu** *Transitional phenomena in natural gas polyethylene networks. Plastics*, no. 3/2006, pg. 211-pg. 214

S. Neacsu, C. Trifan, **M. Albulescu**, E. Calota *Modeling of the contamination process of petroleum products in case of their successive transport through pipelines* Chemistry Magazine no. 8/2006, pg. 870- pg. 876

S. Neacsu, C. Trifan, **M. Albulescu**, R. Radulescu, *Numerical modeling of the viscous petroleum transport through pipelines under non-isothermal regime*, Chemistry Magazine vol 58 nr. 10 2007, pg. 992-995

S. Neacsu, C. Trifan, **M. Albulescu**, Renata Radulescu, *Energy analysis of viscous petroleum transport under non-isothermal regime. Journal of Petroleum and Gas* 3/4 2007

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 – Ploiesti 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*



Europass
Curriculum Vitae



Personal information

Surname(s) / First name(s) **Iacob Constantin Ciprian**

Address(es)

Telephone(s)

Fax(es)

E-mail

Nationality

Date of birth

Gender Male

Work experience

Period **1. 2007 – to date; 2. 2005 – 2007**

Occupation or position held **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.**

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	November 2017 – to date
Occupation or position held	Member of CONPET S.A. Board of Administration
Name and address of the employer	CONPET no. 1-3, Anul 1848 Street, postal code 100559, Ploiesti, Prahova
Period	2014 – to date
Occupation or position held	Member of the Eparchial Council of Targoviste Archiepiscopate
Name and address of the employer	Targoviste Archiepiscopate, no.11, Mihai Bravu Street, Targoviste Municipality, Dambovita County

Education and training	
Period	2010 – 2014
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
Period	2012 – 2014
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
Period	2006 – 2007
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
Period	2006
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
Period	2004 - 2006
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	"Gheorghe Cristea" University
Period	2004
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
Period	2000 - 2004
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
Period	October 2011

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									
Period	August 2011									
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)	Romanian									
Known foreign languages										
Self-assessment										
<i>European level (*)</i>										
	Understanding			Speaking			Writing			
	Listening		Reading		Spoken interaction		Spoken production		Writing	
English	C 2	Basic user	C 2	Basic user	B 2	Basic user	B 2	Basic user	C 1	Basic user
French	B 2	Independent User	B 2	Independent User	B 1	Basic user	B 1	Basic user	B 2	Basic user

()Common European Framework of Reference for Languages*

Social abilities and skills	<ul style="list-style-type: none">- Intelligence (logic thinking, memory, capacity of analysis and synthesis);- Team spirit;- Good communication skills;- Flexibility;- Responsiveness;- Capacity to adapt to solving issues acquired following the professional experience.
Expertise in project and management	
Organizational skills	
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 OF 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%20202011%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^{eme} 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^{eme} 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 XIth 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.

Curriculum vitae

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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

Curriculum vitae

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- Occupation or position held **Personal Advisor** to the Chairman of Prahova County Council
- Main activities and responsibilities 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**
- Main activities and responsibilities 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**
- 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

Curriculum vitae

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▪ Employer's name and address	constructions type counterbalances, chassis, arms of the crane trucks and excavators
▪ 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
▪ 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

Curriculum vitae

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▪ 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

Curriculum vitae

Europass

- Period 1991-1996
- Qualification Awarded Engineer
- Area of Study Mechanical and Electrical Engineering

PERSONAL SKILLS AND COMPETENCES

- Native language Romanian
- Foreign languages English

Self-assessment	Understanding		Speaking		Writing
	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

Curriculum vitae

Europass

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

Curriculum vitae

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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 <i>The Romanian Chamber of Fiscal Consultants , Bucuresti</i>
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

Curriculum vitae

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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, Luxemburg
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

Personal Information

First name / Surname

Address

Telephone

Nicușor Marian Buică

Fax(es)

E-mail(s)

Nationality (es)

Date of birth

Work experience

Period

December 2017 - present

General Manager

Occupation or position held

Main activities and responsibilities

Name and address of employer

SAI Muntenia Invest SA
Investment Management Company

Type of business or sector

Manager of Registered Alternative Investment Funds

Period

May 2017 - present

Member of the Board of Directors

Occupation or position held

Main activities and responsibilities

INCERTRANS SA Company

Name and address of employer

Research - Design Institute

Period

December 2016 - December 2017

Member of the Board of Directors

Occupation or position held

Main activities and responsibilities

Name and address of employer

SAI Muntenia Invest SA

Type of business or sector

Investment Management Company

Period

June 2016 - 7th December 2016

Member of the Board of Directors

Occupation or position held

Main activities and responsibilities

Name and address of employer

Swiss Capital S.A.

Type of business or sector

Services and Financial Intermediation Company.
Member of the Bucharest Stock Exchange

Period

October 2015 - April 2016

Occupation or position held

State Secretary

Name and address of employer	Ministry of European Funds Central Public Authority
Type of business or sector	
Period	February 2015 - September 2015
Occupation or position held	Member of the Board of Directors of CN „Loteria Română” S.A.
Name and address of employer	CN „Loteria Română” S.A.
Type of business or sector	Gambling development, organization, administration and exploitation
Period	December 2014 - July 2015
Occupation or position held	Member of the Board of Directors of Enel Energie Muntenia
Name and address of employer	S.A. Enel Energie Muntenia S.A.
Type of business or sector	Electricity trading
Period	
Occupation or position held	August 2014- December 2014
Name and address of employer	Advisor Minister Delegate for Budget
Type of business or sector	Ministry of Public Finance
Period	Central Public Authority
Occupation or position held	
Main activities and responsibilities	
Name and address of employer	March 2013 - March 2014
Type of business or sector	State Secretary
Period	Ministry of Transport
Occupation or position held	Central Public Authority
Main activities and responsibilities	
Name and address of employer	June 2012 - November 2012
Type of business or sector	State Secretary Advisor
Period	Organization and coordination of the Cabinet of State Secretary
Occupation or position held	Ministry of Environment and Climate Change
Main activities and responsibilities	Central Public Authority
Name and address of employer	
Type of business or sector	
Period	
Occupation or position held	July 2010 - June 2012
Main activities and responsibilities	Chairman of the Board of Directors of Dunapref S.A.
Name and address of employer	Operational management of the company; Restructuring the company; Market repositioning; Turnaround management; Restructuring product types
Type of business or sector	Dunapref S.A.
Period	Portului Street, no. 2, Giurgiu
Occupation or position held	Prefabricated elements for civil construction, roads, bridges, railways

Period	January 2008 - May 2009
Occupation or position held	Commercial Director
Main activities and responsibilities	Organization and coordination of business activity; Company repositioning; Management system restructuring
Name and address of employer	Apolodor Com Impex, Theodor Pallady Blvd., no.45C, District 3, Bucharest
Type of business or sector	Special foundations, Infrastructure works, Demolition work, Civil construction
Period	2007 - July 2009
Leader (Deputy Director)	
Occupation or position held	Empowered to lead and coordinate the daily work of the company; invested with the competence to engage the responsibility of the company, ensuring the current management of S.S.I.F
Name and address of employer	Active International S.A., Unirii Blvd., no. 45, District 3, Bucharest
Type of business or sector	Services and Financial Intermediation Company. Member of the Bucharest Stock Exchange
Period	March 2005 - December 2007
Occupation or position held	Member of the Board of Directors - Executive Director
Main activities and responsibilities	Coordination and operationalization of investment activities and sales strategies; revamping; Sales network construction; Recovery management team
Name and address of employer	Elpreco S.A., Calea Severinului, no.44, Craiova, Dolj
Type of business or sector	Manufacturer of building materials
Period	February 2004 - 2006
Internal review	
Occupation or position held	Regular monitoring and verification of the legal provisions affecting the activity of financial investment services and internal regulations as well as the observance by the company and its personnel of the respective provisions
Name and address of employer	Active International S.A., Unirii Blvd., no. 45, District 3, Bucharest
Type of business or sector	Services and Financial Intermediation Company. Member of the Bucharest Stock Exchange
Period	October 2001 - March 2005
Occupation or position held	Development Manager
Main activities and responsibilities	Coordination and operationalization of investment activities and sales strategies; revamping; Sales network construction; Recovery management team
Name and address of employer	Elpreco S.A., Calea Severinului, no.44, Craiova, Dolj
Type of business or sector	Manufacturer of building materials
Period	January 1998 - September 2001
Occupation or position held	Investment broker

Main activities and responsibilities	Coordination and operationalization of investment activity, procurement strategies (construction area analyst, construction material manufacturers).
Name and address of employer	Portfolio management; Analysis of infrastructure and construction companies for the purchase of shares Active International S.A., Unirii Blvd., no. 45, District 3, Bucharest
Type of business or sector	Services and Financial Intermediation Company. Member of the Bucharest Stock Exchange

Education and training

Period	October 2017 - November 2017
Title of qualification awarded	Graduation certificate
Principal subjects/occupational skills covered	Innovation Manager
Name and type of organisation providing education and training	CIT - IRECSION Centrul de Informare Tehnologică SRL
Level in national or international classification	Bucureşti
Period	
Title of qualification awarded	
Principal subjects/occupational skills covered	October 2003 - March 2005
Name and type of organisation providing education and training	Graduation certificate Master of Business Administration, no. 200513205 of November 22 nd 2005
Level in national or international classification	Turnaround Management; Marketing management; Manager economics; Investment management; Business policy
	City University , State of Washington, USA
	EMBA
Period	
Title of qualification awarded	
Principal subjects/occupational skills covered	September 16th - 25th 2005
Name and type of organisation providing education and training	Graduation certificate PROFESSIONAL SALES MANAGEMENT of September 25 th 2005
Level in national or international classification	Techniques and sales methods; Modern systems for organizing sales departments Bucharest Chamber of Commerce and Industry and Royal Trading House S.R.L.
Period	
Title of qualification awarded	
Principal subjects/occupational skills covered	1998 - 2003
Name and type of organisation providing education and training	Diploma in Economics, U series, no. 0041447 / February 2003, Economics, Banking Financial Management Specialization Financial Management; Finance and Banking; The economy and the role of banks; Payment methods, tools and techniques; Financial analysis of economic agents; Introduction to marketing; Financing in international trade; Efficiency and valuation of investments; Asset and Liability Management
	University of Craiova, Faculty of Economic Sciences

Level in national or international classification	Bachelor's degree
Perioada	1994 - 1997
Title of qualification awarded	Engineering assistant diploma, P Series, no. 004495 / June 1997, Mechanics, Materials and defectoscopy specialization
	Valedictorian
Principal subjects/occupational skills covered	Mechanics; Material resistance; Electrical appliances; Electrical machines; Thermal machines; Constructive parts of fine mechanics
Name and type of organisation providing education and training	Polytechnic University of Bucharest,
Level in national or international classification	Graduation Diploma

Mother tongue(s) **Romanian**

Other language(s) Self-assessment <i>European level (*)</i>	Understanding		Speaking		Reading	
	Listening	Reading	Spoken interaction	Spoken production	Written expression	
English	B Independent 1 User					
French	A Basic 2 user	A Basic 2 user	A Basic 2 user	B Independent 1 User	A Basic 2 user	

(*)*Common European Framework of Reference for Languages*

Social skills and competences	Good ability to adapt to multicultural environments, team spirit. Verified skills in a professional context.
Organisational skills and competences	Organizational spirit, planning skills.
Computer skills and competences	Detailed knowledge of company management. Sales systems. Ability to analyze and implement new projects. Knowledge in the field of financial management. Technical knowledge in the field of mechanical industrial processes and in the field of machine building technologies. Competencies in coordinating and guiding production and sales activities.
Computer skills and competences	Good



CONPET S.A., Romania

1-3 Anul 1848 Street, Ploiești 100559, Prahova

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

OBJECTIVES AND FINANCIAL AND NON- FINANCIAL KEY PERFORMANCE INDICATORS OF DIRECTORS WITH CONTRACT OF MANDATE

between 01.01.2020 - 31.12.2020

									Annex no. 3
Crt. No.	Performance indicator	Performance objective	MU	(Period 01.01.-31.12.2020)			Degree of achievement KPIs (%)	KPI weights for the settlement of the remuneration	Degree of achievement of weighted KPIs (%)
				Approved target values	Achieved values				
A. FINANCIAL KEY PERFORMANCE INDICATORS: 50%									
1	Outstanding payments	level zero	k RON	0	0	100.0%	5%	5.0%	
2	The decrease of the operating expenses = (Operating expenses – Impairments of assets and	The maintenance of the share of the operating expenses in turnover at the level assumed by way of	%	82.0%	83.2 %	98.6%	20%	19.7%	

	impairments of provisions)/ Turnover	the Administration Plan							
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	k RON	95,987	115, 594	120.4%	20%	24.1%	
4	Labor productivity	Achievement of the labor productivity level provided in the annual approved Budget	k RON/ pers	281	291	103.6%	5%	5.2%	
B. NON-FINANCIAL KEY PERFORMANCE INDICATORS: 50%									
B1. OPERATIONAL: 30%									
5.	Framing within the specific consumptions for the crude oil transport (does not include the crude oil	The target value is lower than the value of the maximal technological	%	Domestic crude oil ≤ 0.361% Achieved=0.347 %	0.30 7%	0.25 5%	116.8%	5%	5.8%

	quantity lost during provoked breakdowns or in case of breakage resulting in contamination, where the owners do not ease access for remedy)	consumption, for crude oil		Import crude oil Lukoil ≤ 0.29% Achieved 0.172%						
				Import crude oil Petrom ≤ 0.143% Achieved 0.140%						
				Import crude oil Midia ≤ 0.108% Achieved 0.105%						
6	Monitoring the electricity average annual specific consumption for technological purposes	Maintenance of the electricity average annual specific technological consumption at a level of max.3.3 Kwh/to	Kwh/to	Max 3.3 Kwh/to	3.3	2.59	100.0%	5%	5.0%	
7	Achievement of the investments financed out of the modernization quota	Minimum 95% achievement of the annual Investments Plan financed out of the Modernization Quota	%	≥ 95 %	95%	187.7%	100.0%	20%	20.0%	
B2. OF CORPORATE GOVERNANCE: 20%										

8	Implementation/Development of the management control system in compliance with the legal requirements in force	100% achievement of the actions included in the program	%	100%	100%	100%	100.0%	10%	10.0%
9	Duly reporting of the degree of achievement of the performance indicators of the company	Framing within the reporting due deadlines	%	100%	100%	100%	100.0%	5%	5.0%
10	Boost institutional integrity by inclusion of the measures to mitigate corruption as an element of the management plans	Minimum 90% achievement of the measures assumed by the approved Integrity Plan	%	≥ 90 %	90%	99.84%	100.0%	5%	5.0%
Total degree of achievement of the key performance indicators:									104.8%
*) Average technological consumption (calculated according to each type of transport)									
	Director General			Deputy Director General			Economic Director		
	Eng.Tudora Dorin			Legal expert Dumitrache Anamaria			Econ.Toader Sanda		

CONPET SA PLOIEȘTI**No.****Director General****Legal expert Anamaria Dumitrache**

REPORT
on the internal control management system at 31.12.2020

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 Anamaria Dumitrache, in capacity of DIRECTOR GENERAL, hereby declare that the company CONPET SA Ploiesti has an internal control management system whose design and implementation allow the Board of Directors and the management to provide reasonable assurance that the funds managed in order to achieve general 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 31st, 2020 the internal control management system of CONPET SA Ploiesti complies with the standards contained in the Code of internal control management.



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www.conpet.ro

REPORT

on the Internal Control Management System at December 31st, 2020

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.

Analyzed and endorsed by the monitoring committee of the internal control management system on 29.01.2021.

Chairman of the Committee for the monitoring of the internal control management system
Econ. Sanda Toader



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REPORT

on the Internal Control Management System at December 31st, 2020

<u>List of the procurement contracts concluded by the company in 2020 (with values higher than 100,000 RON)</u>					
Crt. no.	Contract number	Contract Date	Partner	Contract Scope	Value of the contract (RON, VAT excluded)
1	2020/P-CA 191	30-JUN-20	CEZ SALE	Electricity Supply Batch 1	5.237.683,5
2	2020/L-CA 114	02-APR-20	TERRA GAZ CONSTRUCT S.R.L	Modernization Independentei building	5.126.003,35
3	2020/S-CA 222	11-AUG-20	RELOC SA	RR repair type and adjustment of a new locomotive LDH 1250 HP for electric drive	2.707.500,00
4	2020/P-CA 422	31-DEC-20	LIEBHERR-ROMANIA SRL	Supply of crane with maximum load 45 t	2.436.712,56
5	2020/P-CA 120	16-APR-20	TINMAR ENERGY S.A.	Natural Gas Supply	2.141.489,89
6	2020/L-CA 240	28-AUG-20	RUXO SERVICE CONSTRUCT	Execution replacement works of section pipe approx. 3500 m Dn 12 3/4 and 14 3/4 Cartojani-Ploiesti, ravine of the Neajlov River, St George's forest	2.132.354,85
7	2020/L-CA 227	17-AUG-20	INVEST GENERAL CONSTRUCT SRL	Replacement of a transport pipeline section, about 3400 m lenght , 10 3/4 in diameter, Icoana- Cartojani, necessary to be replaced,which has as starting point the entry to the forest from park 4 Roata ending to the exit part of forest park 4 Roata.	1.990.413,11

8	2020/S-CA 169	29-MAY-20	ENVIROTECH SRL	Subsequent contract 2 to the Service Framework Agreement no. S-CA 149 of 11.06.2019 concluded with ENVIROTECH for services for the restoration of the geological environment and polluted watercourses as a result of damages caused on the route of crude oil, rich gas and ethane transport pipelines or in the technological premises of Conpet SA Ploiești, as well as picking up soil contaminated by crude oil.	1.877.609,00
9	2020/P-CA 405	18-DEC-20	LITEX IMPEX SRL	Supply of 12 means of land vehicles - station wagons 5 seats and closed cargo space with hard-top system	1.712.186,52
10	2020/L-CA 27	13-FEB-20	EUROSTING AAW INDUSTRY SRL	Construction works of a new condensate tank (V=500 c.m.) - Barbatesti Pumping Station	1.701.270,36
11	2020/P-CA 193	14-MAY-20	CEZ SALE	Electricity Supply Batch 3	1.591.112,25
12	2020/S-CA 409	18-DEC-20	SIGNAL IDUNA ASIGURARE REASIGURARE S.A.	Voluntary health insurance services for CONPET SA employees	1.535.976,43
13	2020/L-CA 379	25-Nov-20	TALPAC SRL	Replacement of a crude oil pipeline section 8 5/ 8" Lucacesti-Vermesti, along the section Lucăcesti Station- Măgura hill, about 2 km in length+connection to Moinești crude oil loading ramp 6", 700 linear meters in lenght.	1.517.301,25
14	2020/S-CA 232	24-AUG-20	ORANGE ROMANIA	Electronic telecommunications services	1.209.545,04
15	2020/P-CA 192	14-MAY-20	CEZ SALE	Electricity Supply Batch 2	1.114.240,23
16	2020/P-CA 95	10-MAR-20	MOL ROMANIA PETROLEUM PRODUCTS SRL	Euro Diesel 5 diesel supply for locomotives	1.111.873,50
17	2020/S-CA 29	19-FEB-20	LINSCAN ADVANCED PIP LINES	Smart pigging (expertise) and pipeline condition detection 12 3_4 F1 and 12 3_4 F2 Calareti-Petrotel and drafting of inspection reports	996.930,00

18	2020/L-CA 122	23-APR-20	YVOCONS PROD SERV SRL	Design and execution services works for the achievement of the objective of the dispatch building Biled Ramp	838.000,00
19	2020/P-CA 220	04-AUG-20	CONSOLIGHT COM	FRAMEWORK AGREEMENT - Supply of materials and equipments for electrical installation	725.500,00
			SWISO ELECTRIC SRL	FRAMEWORK AGREEMENT - Supply of materials and equipments for electrical installation	725.500,00
			KAUF ELECTROMEISTER	FRAMEWORK AGREEMENT - Supply of materials and equipments for electrical installation	725.500,00
			DELITA INDUSTRIAL TOOLS SRL	FRAMEWORK AGREEMENT - Supply of materials and equipments for electrical installation	725.500,00
			LORE ELECTRO STIL SRL	FRAMEWORK AGREEMENT - Supply of materials and equipments for electrical installation	725.500,00
20	2020/P-CA 161	28-MAY-20	CARSERV IMPEX SRL	FRAMEWORK AGREEMENT Auto parts	660.000,00
			ANDANAUTO SRL	FRAMEWORK AGREEMENT Auto parts	660.000,00
			COPROT SRL	FRAMEWORK AGREEMENT Auto parts	660.000,00
21	2020/P-CA 299	12-OCT-20	ROMANIAN TRADE GARMENTS SA	Supply of 403,200 pcs. single-use masks for respiratory protection FRAMEWORK AGREEMENT	604.800,00
			TECHTEX SRL	Supply of 403,200 pcs. single-use masks for respiratory protection FRAMEWORK AGREEMENT	604.800,00
22	2020/P-CA 302	14-OCT-20	INTERGRAPH COMPUTER SERVICES SRL	Purchase of package orthophotoplans and digital maps	578.935,10
23	2020/L-CA 85	04-MAR-20	YVOCONS PROD SERV SRL	Operation ooad fitting works Biled Ramp	537.502,95

24	2020/P-CA 145	21-MAY-20	MAGUAY COMPUTERS SRL	Purchase of laptops and monitors	489.000,00
25	2020/S-CA 404	17-DEC-20	OPTICOM CONSULTING SRL	Upgrading videoconferencing system	448.450,00
26	2020/P-CA 338	03-NOV-20	ROMFLEX SISTEM SRL	Replacement of ERP Database Servers	446.000,00
27	2020/P-CA 376	24-NOV-20	DARIUS MOTORS SRL	Supply of 3 pieces - means of vehicle type van 3.5t	438.573,38
28	2020/S-CA 211	27-JUL-20	SERVICE FAUR SRL	RR planned repair at locomotive LDH 92530860093-9, property of CONPET SA	435.218,25
29	2020/S-CA 358	09-NOV-20	REMARUL 16 FEBRUARIE SA	Planned RG type repair of locomotive 92 53 0850 158-2	374.000,00
30	2020/P-CA 172	04-JUN-20	TRYAMM TRADING CONSULTING SRL	FRAMEWORK AGREEMENT supply of consumables for printers and multi functional devices	321.000,00
			ROMFLEX SISTEM SRL	FRAMEWORK AGREEMENT supply of consumables for printers and multi functional devices	321.000,00
			MEDA CONSULT SRL	FRAMEWORK AGREEMENT supply of consumables for printers and multi functional devices	321.000,00
			VIC INSERO SRL	FRAMEWORK AGREEMENT supply of consumables for printers and multi functional devices	321.000,00
			MIDA SOFT BUSINESS SRL	FRAMEWORK AGREEMENT supply of consumables for printers and multi functional devices	321.000,00
31	2020/P-CA 414	23-DEC-20	PHOENIX IT SRL	Email archiving licenses and server tabs	306.488,70

32	2020/S-CA 98	11-MAR-20	OCTAVSIV TOUR	Travel services related to travel abroad, for work purposes	300.000,00
33	2020/S-CA-CD 412	22-DEC-20	CUMPANA 1993 SRL	Rental and maintenance services of water purifiers, for a number of 44 pcs.	282.634,70
34	2020/P-CA 390	19-OCT-20	EUROCONTROL SRL BUCURESTI	Automatic pressure calibrator supply 2 pieces BATCH 2	277.313,53
35	2020/S-CA 281	05-MAR-20	IAT ENGINEERING & DESIGN SRL	Solution study and design replacement of the oil transport pipeline 8 5_8 Lucacesti-Vermesti - section from Deal Magura (Red Cross) to Vermesti (road mine Vermesti), in length of approx. 9 km	249.000,00
36	2020/S-CA 365	26-AUG-20	EUROSTING AAW INDUSTRY SRL	Verification, maintenance, loading and repair services at workstations belonging to Conpet SA - contract duration 36 months after signing	233.145,78
37	2020/P-CA 25	12-FEB-20	METATOOLS SRL PLOIESTI	FRAMEWORK AGREEMENT - Supply of inventory items for technical services, tools, devices and various tools	210.000,00
			EXPOTEHNICA SRL PLOIESTI	FRAMEWORK AGREEMENT - Supply of inventory items for technical services, tools, devices and various tools	210.000,00
			HANEX SRL	FRAMEWORK AGREEMENT - Supply of inventory items for technical services, tools, devices and various tools	210.000,00
			UNIOR-TEPID SRL	FRAMEWORK AGREEMENT - Supply of inventory items for technical services, tools, devices and various tools	210.000,00
			KAUF ELECTROMEISTER	FRAMEWORK AGREEMENT - Supply of inventory items for technical services, tools, devices and various tools	210.000,00
38	2020/P-CA 373	20-NOV-20	PHOENIX IT SRL	Purchase of Cluster NGFW (Next Generation Firewall) for border area with support included for a period of 5 years	209.534,70

39	2020/S-CA 133	30-APR-20	COMTEH SRL	Maintenance, repair and replacement services of components to technical security systems installed at the Headquarters of the Central Dispatch, Administrative Headquarters 2, Inotesti Materials Warehouse, Stations: Baraganu, Calareti, Orlesti, Poiana Lacului, Siliste, Icoana, Cartojani, Barbatesti Ramp, Barbatesti Warehouse, Constanta Sector and Constanta Sud Station, Location of Constanta-Baraganu Sector	202.407,84
40	2020/P-CA 206	23-JUL-20	CUMPANA 1993 SRL	Supply of water for consumption	187.920,00
41	2020/S-CA 14	31-JAN-20	ASIGURAREA ROMANEASCA-ASIROM SA	Optional car insurance services - CASCO	177.782,10
42	2020/S-CA 397	16-DEC-20	KEEP IT MOBILE DEVELOPMENT	Implementation of a maintenance management system/maintenance at CONPET S.A.	177.217,04
43	2020/P-CA 174	10-JUN-20	DANGER SRL BRASOV	Supply of 100 pcs. NOMEX fire suits	169.000,00
44	2020/L-CA-CD 157	27-MAY-20	RUXO SERVICE CONSTRUCT	Modernization of technological sewerage at oil tanks R2 and R3	164.553,88
45	2020/L-CA 79	28-FEB-20	SWISO ELECTRIC SRL	Design and execution works for operation with pump frequency converter PG 001B - Videle Crude oil Automated Station	156.868,40
46	2020/S-CA 303	15-OCT-20	CARMENSIMI GRUP	Planned repairs without intervention to the container (RP-FIR) to two wagons of 80 c. m. transport gaseous hydrocarbons in liquefied mixture/mixture B	155.068,44
47	2020/S-CA 269	23-SEP-20	ROENGG CONSULTING SRL	Water tank/P.S.I. design services in Pecica crude oil loading ramp, Biled crude oil loading ramp, Constanta Sud automated station	154.800,00

48	2020/S-CA-421	31-DEC-20	SNIF PROIECT SA	Design pipeline replacement 6 5/8 Padure II Buda on a distance of about 7690m, from the smart pigging launch station Padure II to the smart pigging reception station Buda and modernization of the launch smart pigging stations Padure II and reception Buda	148.750,00
49	2020/P-CA-235	26-AUG-20	NITECH SRL	Supply of 10 pcs. Of portable digital densometer ANTON PAAR DMA 35	146.143,00
50	2020/L-CA-CD 381	27-NOV-20	CON METAL CF SRL	Track changer replacement No.1 - Biled industrial railway lines - Conpet SA	144.517,36
51	2020/S-CA-298	06-AUG-20	SERVICE IMPLEMENTARE PRODUCTIE SA	Ex recertification for 10 Conpet locations (Calareti, Ciresu, Baicoi, Berca, Biled, Marghita, Salonta, Orlesti, Poiana Lacului, Cartojani)	133.500,00
52	2020/P-CA-242	31-AUG-20	DARIUS MOTORS SRL	Supply of utility vehicles	131.486,83
53	2020/S-CA-CD 244	01-SEP-20	VEOLIA ENERGIE PRAHOVA SRL	Services for maintenance and repair of equipment and accessories related to the ventilation and air-conditioning within the Central Dispatch CONPET Ploiesti	128.766,00
54	2020/L-CA-CD 366	16-NOV-20	EUROSTING AAW INDUSTRY SRL	Leak collection tank equipped with liquid exhaust pump in Automated Station Constanta Sud	124.749,90
55	2020/S-CA-180	19-JUN-20	SERVICE IMPLEMENTARE PRODUCTIE SA	Functional verification, repair and calibration services with gas standard mixtures for: 11pcs. portable gas analyzers type X-am 2500, 14 pcs. portable gas analyzers type X-am 3000, 2 pcs. portable GAS analyzers type MX6 with VOC sensors, a portable gas analyzer type EX 2000 and 3 pieces portable methane gas analyzers MX 2100	123.300,00
56	2020/P-CA-270	24-SEP-20	ROMFLEX SISTEM SRL	Supply of computing systems, laptop - type - 25 pieces	119.500,00
57	2020/L-CA-CD 208	24-JUL-20	SWISO ELECTRIC SRL	Design and execution services power supply works mixers related to oil tank R9 - Cartojani Automated station	114.535,30

58	2020/S-CA 188	25-JUN-20	OIL DEPOL SERVICE SRL CONSTANTA	Batch 1 - Slam cleaning services of the R12 oil tank and decanter of the Cartojani oil pumping station, Giurgiu county and carrying out operations related to cleaning as well as transporting the resulting slam, including the activity of safe recovery/disposal for the environment	113.615,70
59	2020/L-CA 199	03-JUL-20	VEOLIA ENERGIE PRAHOVA SRL	Connection works to the heating network of Ploiesti Municipality and installation of hot water and heating equipment for the CONPET headquarters in no. 7 Independence Blv., Prahova County	105.900,00
60	2020/P-CA 236	26-AUG-20	COMPACT INDUSTRIAL SRL	Supply of automatic analyzer for vapor pressure determination	100.000,00

Important revenues contracts concluded in 2020 (higher than 100,000 RON)

Crt. no.	Contract number	Contract Date	Partner	Contract Scope	Value of the contract (RON, VAT excluded)
1	2020/BC OMV 108	25-MAR-20	SC OMV PETROM SA	crude oil transport, condensate and rich gas and import crude oil	588.147.745,00
2	2020/ BC 389	14-DEC-20	SC ROMPETROL RAFINARE CONSTANTA SA	Crude oil transport Oil Terminal - Rompetrol refinery	1.800.000,00
3	2020/CD- V 417	23-DEC-20	LUIE TOTAL SRL	Sale of recovered pipe	714.587,06
4	2020/CD-V 418	23-DEC-20	MSD COM SRL BUZAU	Sale of recovered pipe	671.832,80

5	2020/CD-V 215	31-JUL- 20	LUIE TOTAL SRL	Sale of recovered pipe	277.568,00
6	2020/CD-V 230	19-AUG- 20	MSD COM SRL BUZAU	Sale of recovered pipe	189.912,27
7	2020/CD-V 419	23-DEC- 20	ADIDRAD SRL	Sale of recovered pipe	169.490,16
8	2020/CD-V 224	11-AUG- 20	RENANIA TRADE SRL	Sale of recovered pipe	168.740,00
9	2020/CD-V 223	11-AUG- 20	SC ANDRUSCA SRL	Sale of recovered pipe	138.785,00
10	2020/CD-V 370	18-NOV- 20	RENANIA TRADE SRL	Sale of recovered pipe	126.555,00
	Deputy Director General				
	Legal expert Anamaria Dumitache				
				Head of Contracts Tracking Department	
				Eng. RADU ALBU	
					Drafted by
					Eng. Ciprian Sava

List of litigations on 03/09/2021

a) The list of litigations on 03/09/2021 in which the company CONPET S.A. has the status of claimant

1. File no. 19024/281/2009 - Ploiești Courthouse

Parties: Conpet S.A. - claimant

Compania de Transport Feroviar S.A. - Defendant

Subject matter: Conpet filed a lawsuit requesting the defendant to pay the amount of RON 50,511.6 representing the difference in payment from the value of the repair of the engine of the LDH 70-675 locomotive in the amount of RON 60,381.60, as well as the legal expenses.

Clarifications: By the Conclusion of 09/02/2011, the court suspended the case pursuant to art. 36 of Law 85/2006.

Procedural status of the case: Merits - **Suspended**

The file no. 31627/3/2011 having as subject matter the insolvency procedure of the debtor Compania de Transport Feroviar S.A. by Judicial Administrator Pro Management Insolv I.P.U.R.L. Bucharest is also pending before the Bucharest Court. As a creditor, Conpet is registered on the consolidated list of creditors with the requested unsecured debt in the amount of RON 52,769.02, which broken down consists of: RON 50,511.6 in damages and RON 2,257.42 representing the judicial stamp duty paid by Conpet in the file in claims no. 19024/281/2009 of the Ploiești Courthouse. The case has the trial date on 06/04/2021.

According to the Activity Report no. 28 regarding the attributions of the judicial liquidator of the company Compania de Transport Feroviar Bucharest SA in the period 10/09/2020 – 02/12/2021 published in the Bulletin of Insolvency Procedures no. 2091 of 02/04/2021, by civil sentence no. 6076 / 14.06.2013 pronounced by the Bucharest Court in file no. 31627/3/2011, it was ordered the opening of the bankruptcy by the general procedure provided by Law no. 85/2006 against the debtor Compania de Transport Feroviar SA Bucharest. At the same time, by the same Decision, TANASE SI ASOCIATII SPRL Bucharest was appointed judicial liquidator in the case. In accordance with the Decision of the Creditors' Meeting of 10/11/2019 the judicial liquidator continued the promotion activity in order to capitalize the real estate belonging to the debtor company. No person offered the price set by the credit publications approved by the creditors. The activity of distributing the amounts due to the creditors of the former employees is continued and the activity of promoting the real estate belonging to the debtor company is continued. Note: The Conpet debt is an unsecured one, therefore the distribution order is to the secured creditors.

Deadline: -

2. File no. 6179/105/2009 - Prahova Court

Parties: Conpet S.A. - creditor

Petroconduct S.A. - debtor

Subject matter: Bankruptcy. Conpet S.A. by the Debt Declaration no. 5949/23.02.2010 requested the registration at the list of creditors with the amount of RON 202,890.47 representing penalties for non-execution on time of the obligations assumed by contract no. L45/18.03.2004 and MST9 / 09.06.2004, equivalent value of tubular material, transport costs, loading, unloading of tubular material, court costs. Conpet SA was registered on the creditors' list of the debtor S.C. Petroconduct S.A. with the amount of RON 62,739.06.

Clarifications: The debtor's judicial liquidator registered the company on the debtor's preliminary list with only a part of the claim claimed by Conpet, respectively RON 62,739.06, from the total claim in the amount of RON 216,412.56, although our company filed all appeals which were at his disposal.

Deadline: 05/05/2021

3. File no. 3033/105/2012 - Prahova Court

Parties: Conpet SA - creditor

Vasrep Petro Construct SRL - debtor

Subject matter: Bankruptcy. By the Sentence no. 238/03.03.2014 the Prahova Court ordered the entry in the bankruptcy procedure of the debtor Vasrep Petro Construct SRL, the sealing of the assets from the debtor's fortune and the fulfillment of the other liquidation operations.

Conpet SA formulates a request for admission of the claim requesting the registration on the list of creditors Vasrep Petro Construct SRL with the amount of RON 126,877, including VAT, representing the value of material costs, costs for workmanship and equipment necessary for bringing the pipeline to the state before the unlawful act was committed by the debtor, deed consisting in the unlawful destruction and theft of two sections of 4,120 ml in length from the pipeline Ø 10^{3/4} "Iancu Jianu - Gherceşti. Conpet appeals against the measure of non-registration of Conpet SA on the Preliminary List with this claim, which is the subject matter of file no. 3033/105/2012/a1. By the Sentence no. 1958/19.11.2012, the Prahova Court dismissed Conpet's appeal, Conpet appealed again; the Ploieşti Court of Appeal allowed the appeal, quashed the sentence on the merits and sent it for retrial.

By the **sentence no. 1008/17.09.2014** (file no. 3033/105/2012/a1 *) the Prahova Court admits the appeal to the preliminary title. It orders the registration of the appellant creditor Conpet S.A. in the consolidated list of

creditors of the debtor with the amount of RON 1,473,628 for materials, workmanship and equipment as well as RON 120 judicial stamp duty appeal and RON 2500 expert fee. Vasrep appealed.

By **decision no. 141 / 15.01.2015** The Ploiești Court of Appeal rejects the appeal as unfounded.

Conpet was registered in the definitively consolidated list of the debtor Vasrep Petro Construct SRL with an unsecured debt in the amount of RON 1,476,308. The amount recovered so far: 0 RON

Procedural status of the case: Merits

Deadline: 03/26/2021

4. File no. 2803/120/2013 - Dambovita Court

Parties: Conpet SA - creditor

Ecpod SRL - debtor

Subject matter: Insolvency. General procedure

Request for admission of claim. Conpet SA filed a request for admission of a claim on the property of the debtor Ecpod in the amount of RON 25,728.89. Conpet is registered on the List of creditors with the amount of RON 25,728.89.

The percentage of the Conpet receivable is 0.16% of the total receivables entered in the list.

Procedural status of the case: Merits

Deadline: 04/19/2021

5. File no. 7932/118/2013 * - Constanța Court

Parties: Conpet SA - civil party

Bivolaru Gabriel, Chihai 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 Finance - ANAF - civil party

DGFP - civil party

Subject matter: Tax evasion offenses (Law 87/1994, Law 241/2005), art. 323 C.pen., Grand larceny (art. 208-209 C.pen.). Conpet SA became a civil party for the amount of RON 928,785.94 representing the value of the amount of stolen crude oil (277 tons), pipeline remediation works and laboratory analyzes.

Clarifications: By the **sentence no. 472/17.12.2015** the Constanța Court admits the civil action filed by the civil party Conpet SA. Ploiești. It obliges jointly and severally the defendants Bivolaru Gabriel, Chihai 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 RON 90,814.50 (the equivalent of 30 tons of crude oil stolen on 05/27/2013). It obliges jointly and severally the defendants Bivolaru Gabriel, Chihiaia Marin, Mangalea Gheorghe, Ahalana 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 RON 93,841.65(the equivalent of 31 tons of crude oil stolen on 05/31/2013). It obliges jointly and severally the defendants Bivolaru Gabriel, Chihiaia Marin, Mangalea Gheorghe, Ahalana 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 RON 111,027.27 (the equivalent of 36 tons of crude oil stolen on 06/03/2013). It obliges jointly and severally the defendants Bivolaru Gabriel, Chihiaia Marin, Mangalea Gheorghe, Ahalana 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 RON 585,977.25 (the equivalent of 190 tons of crude oil stolen on 06/04/2013 and 06/05/2013). It obliges jointly and severally the defendants Bivolaru Gabriel, Chihiaia Marin, Mangalea Gheorghe, Ahalana 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 RON 17,289.32 representing the value of the decommissioning works of the artisanal installation and for bringing the pipeline to its initial state. It obliges jointly and severally the defendants Bivolaru Gabriel, Chihiaia Marin, Mangalea Gheorghe, Ahalana 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 RON 9,576.84 representing the equivalent of laboratory analyzes, for 17 samples of petroleum product. Note that the civil party Conpet SA. waived the civil claims in the amount of RON 20,268.11 for the deed of 08/03/2013 because the damage was fully recovered. The decision was appealed by the defendants.

By **decision no. 675/10.06.2016** the Constanța Court of Appeal admits the appeals made by the Prosecutor's Office attached to the Constanta Court and by the defendants Bivolaru Gabriel, Chihiaia Marin, Mangalea Gheorghe, Arhire Adrian, Poenaru Marius Ciprian, Boamfă Paul, Luca Viorel, Meridicos Romeo Ovidiu, Dimofte Petronel, Matei Marius Ionut, Ahălanei Ioan and SC Romeo International Service Company SRL Năvodari. It abolishes in full the criminal sentence no. 472/17.12.2015 pronounced by the Constanța Court in file no. 7932/118/2013 and orders the case to be sent for retrial to the Constanța Court. Here it receives * and orders the case to be sent to the judge of the preliminary chamber (7932/118/2013*/a1).

By the **Conclusion no. 93/28.02.2017** the Constanța Court rejects as unfounded the requests and exceptions formulated by the defendants Bivolaru Gabriel, Chihiaia Marin, Merdicos Romeo Ovidiu, Arhire Adrian and Mangalea Gheorghe. It finds the legality of notifying the court with Indictment no. 569/P/2013 of 08/30/2013 issued by the Prosecutor's Office attached to the Constanța Court of Appeal, which ordered the prosecution of

the defendants. It ascertains the legality of the administration of the evidence and of the execution of the criminal investigation acts. It orders the commencement of the trial of the case. The conclusion was contested, rejected by CA Constanța.

Also, by **the Conclusion of 02/28/2017**, the Constanța Court finds the plea of non-compliance with the constitution admissible. It notifies the Constitutional Court with the settlement of the plea of non-compliance with the constitution invoked by the defendant Bivolaru Gabriel, in the file no. 7932/118/2013 * of the Constanța Court, regarding the constitutional challenge of art. 280 para.1, art. 281 paragraph 1 and art. 282 paragraphs 1 and 2 of the Code of Criminal Procedure - file no. 812D/2017. The plea was rejected as inadmissible.

The Constanta Court ordered the administration of the technical expertise specialized in oil and gas. The expertise report was prepared by experts. Conpet objected. The court admitted the objections raised by Conpet. The court ordered the performance of a judicial technical expertise in accounting, and so far the expertise has not been performed.

Procedural status of the case: Merits- retrial

Deadline: 03/31/2021

6. File no. 1862/114/2014 - Buzău Court

Parties: Conpet SA - creditor

Geluval Stor SRL - debtor

Subject matter: By the **Sentence no. 621/26.10.2016**, the Buzău Court orders the entry into the general bankruptcy procedure of the debtor, the sealing of all the assets from the debtor's property, their inventory and the fulfillment of the other liquidation operations. Conpet SA formulates a request for admission of the claim requesting the registration on the list of creditors of Geluval Stor SRL with the amount of RON 1,440.90, representing delay penalties due for payment over the term provided in the contract for a value of 7 invoices issued by Conpet for services provided in under Contract no. STA 101/20.03.2012 concluded with the defendant, amount to which the debtor was obliged by the sentence no. 8867 / 16.06.2014 given by the Ploiești Court in the file no. 109/281/21014, remained final by non-appeal.

Conpet was registered on the consolidated list of creditors in the bankruptcy procedure for the debtor Geluval Stor SRL with an unsecured debt in the amount of RON 1,440.90. The amount recovered so far: 0 RON

Procedural status of the case: Merits

Deadline: 03/18/2021

7. File no. 1510/262/2014 - Moreni Court

Parties: Conpet SA - claimant

Pîrvu Gheorghe - defendant

Pîrvu Nicolae - defendant

Grigorescu Gabriel - defendant

Zlăteanu Dragoș Marian - defendant

Dărmănești Commune, legally represented by the Mayor of Dărmănești Commune - defendant

SC Nimb Dâmbovița SA - defendant

Subject matter: Conpet filed a lawsuit requesting the court to order the defendants, jointly and severally, to pay to Conpet the amount of RON 34,944.18 as civil damages - representing the equivalent of remedial works of the Link 14 fiber optic pipeline and cable, destroyed on 06/03/2011, within the commune of Dărmănești, Dâmbovița county, works necessary to bring them to the initial state before committing the deed, i.e. in working order, amount to which is added the interest from the date on which the sentence in the present case becomes final and until the date of actual payment; payment of the legal expenses.

Clarifications: By the **Conclusion of 01/08/2015**, the Moreni Court suspends the trial of the case in relation to the defendant SC Nimb Dambovita SA. It dismisses the case regarding the other defendants and the formation of a new file (184/262/2015 - finalized by obliging the defendants Pârvu Gheorghe, Pârvu Nicolae, Grigorescu Gabriel and Zlăteanu Dragoș Marian to pay to Conpet the amount of RON 34,944.18 and the related interests of this amount, starting with the date of finality of the Sentence no. 97 / 04.02.2016 and until the date of actual payment. The decision was executed and is the subject of the file No. 30/2018 – Bailiff's Office Petrov Sergiu Alexandru).

Note: By the Conclusion of 12/14/2012 - file no. 9446/120/2012 - the Dâmbovița Court ordered the opening of the general insolvency procedure against the debtor Nimb Dâmbovița SA. By the Sentence no. 611 / 09.10.2014 The Dâmbovița Court orders the opening of the general procedure of judicial reorganization and the confirmation of the reorganization plan. The reorganization procedure is ongoing.

By the **Conclusion of 06/22/2017** pronounced in the file no. 1510/262/2014 the Moreni Court, finding that the law applicable to the insolvency proceedings of the defendant SC Nimb Dambovita SA is Law no. 85/2006 and that the suspension will last until the closing of the insolvency procedure pronounced by the syndic judge based on art. 11 para. 1 lit. n of Law no. 85/2006, maintains the suspension of the trial of the case ordered by the Conclusion of 01/08/2015.

Procedural status of the case: Merits - **Suspended**

Deadline: -

8. File no. 6819/118/2013 - Constanța Court

Parties: Conpet SA - creditor

Tobias SRL - debtor

Subject matter: Bankruptcy. Conpet S.A. requested the registration on the list of creditors of the debtor with the amount of RON 663 representing the equivalent value of 230 kg of aluminum (RON 575) and 110 kg of scrap metal (RON 88), handed over to Tobias SRL on 06/04/2013, based on the contract of sale - purchase of waste no. 2013 / ADM / 15.02.2013 concluded between Conpet and Tobias.

The request formulated by Conpet was admitted in part by the judicial administrator, in the sense that our company was registered on the list of creditors with the amount of RON 643.11, the difference of RON 19.89 representing the 3% environmental fund and due to the Environmental Fund Administration.

The percentage of the Conpet receivable is 0.014% of the total of receivables entered in the list.

Procedural status of the case: Merits

Deadline: 04/08/2021

9. File no. 717/105/2015 - Prahova Court

Parties: Conpet SA - creditor

Footbal Club Petrolul Ploiești SA - debtor

Subject matter: Bankruptcy. Conpet filed a request for admission of the claim by which it requested the registration on the list of creditors of the debtor Fotbal Club Petrolul Ploiești SA with a claim in the amount of RON 14,465.33. Conpet was entered on the list of receivables of the debtor's creditors with the requested amount.

Clarifications: By the sentence no. 821 / 22.06.2016 The Prahova Court admits the request of the judicial administrator. It approves the conclusions of the judicial administrator's report. It orders the beginning of the general procedure of the debtor's bankruptcy. It orders the dissolution of the debtor company and the lifting of the debtor's right of administration. It orders the sealing of the debtor's assets and the fulfillment of the other liquidation operations.

Procedural status of the case: Merits

Deadline: 04/01/2021

10. File no. 13386/3/2015 - Bucharest Court

Parties: Conpet SA - creditor

Perfect Metal SRL - debtor

Subject matter: Bankruptcy. Conpet S.A. requested the registration on the list of creditors of the debtor with the amount of RON 221,189.85 representing penalties for delay, compensations, interest and legal expenses. The request was accepted but Conpet was entered on the list in the category of unsecured creditors and not in the category of secured creditors as would have been the case considering the content of our request for registration in the preliminary list of creditors. Conpet filed an appeal against the preliminary list of creditors,

which was the subject matter of the file no. 13386/3/201 / a1 with a deadline on 09/18/2015. By **Decision no. 7106 / 18.09.2015** The Bucharest Court rejects the appeal as unfounded. The percentage of the Conpet receivable is **0.42625 of the total receivables entered on the list.**

According to the Insolvency Proceedings Bulletin no. 2290 of 02/08/2021, the procedure is continued, in the file no. 13386/3/2015 pending before the Bucharest Court according to the Activity Report of the Judicial Administrator (Prime Insolv Practice SPRL) no. 54/11.01.2021 in order to capitalize both hazardous and non-hazardous waste from the debtor, but there are no funds at the judicial administrator's disposal in order to be able to successfully capitalize and therefore requested the court to request an advance of the amounts from the liquidation fund of UNPIR in order to fulfill the environmental obligations, following that after capitalizing the goods, the advanced amounts will be returned. According to the conclusion of 01/28/2021, the Bucharest Court rejected the request of the judicial administrator. Continue the procedure. Deadline 03/26/2021.

Note: The Conpet receivable is an unsecured one, therefore the distribution order is to the secured creditors.

Procedural status of the case: Merits

Deadline: 03/26/2021

11. File no. 19602/3/2015 - Bucharest Court

Parties: Conpet SA - creditor

Top Birotica SRL - debtor

Subject matter: Bankruptcy. Conpet S.A. requested the registration on the list of creditors of the debtor with the amount of RON 2,258.72 representing delay penalties due for the delayed delivery of the equipment that was the object of the contract P-CA 438 / 17.11.2014.

Conpet was registered at the debtor's list of creditors with the amount of RON 2,258.72.

The percentage of the Conpet receivable is 0.010% of the total receivables entered on the list.

Procedural status of the case: Merits

Deadline: 03/10/2021

12. File no. 2899/62/2015 - Brașov Court

Parties: Conpet SA - creditor

Condmag SA - debtor

Subject matter: Bankruptcy. Request for admission of the Conpet claim against the property of the debtor Condmag SA – RON 42,950.85 representing penalties.

Conpet was registered on the list of creditors with the amount of RON 42,2950.85 representing an unsecured debt.

The percentage of the Conpet receivable is 0.02% of the total receivables entered on the list.

Procedural status of the case: Merits

Deadline: 05/11/2021

13. File no. 8156/281/2014 * - Ploiești Court

On appeal: file no. 447/42/2020

Parties: Conpet SA - civil party

Matei Marinel - claimant for judicial review

Subject matter: Grand larceny. Revision. Matei Marinel formulates a request for revision of the criminal decision no. 1383 / 14.10.2013 pronounced by the Ploiești Court of Appeal in the file no. 19230/281/2011.

Note: By the Criminal Decision no. 1383 / 14.10.2013 Ioniță Ion, Marin Matei Georgian and Matei Marinel were obliged to pay to Conpet an amount of RON 13,259.79. The decision was enforced and is the subject of file no. 200/2016 located at the Bailiff's Office Petrov Sergiu Alexandru.

Clarifications: By **Sentence no. 1162 / 03.08.2020** The Ploiești Court admits the request for review formulated by the claimant for judicial review Matei Marinel, against the criminal sentence no. 1286 / 07.06.2013 of the Ploiești Court, abolished and finalized by the criminal decision no. 1383 / 14.10.2013 of the Ploiești Court of Appeal. It cancels the criminal sentence no. 1286 / 07.06.2013 of the Ploiești Courthouse, as well as MEPI no. 1538/2013 of 10/15/2013 issued by the Ploiești Courthouse. It orders the acquittal of the defendant Matei Marinel, under the aspect of committing the crime of grand larceny, provided by art. 208 para. (1) - art. 209 para. (1) lit. a) and g) para. (3) lit. a) Previous Criminal Code, with the application of art. 41 para. (2) Criminal Code. It finds that the defendant Matei Marinel was detained from 11/22/2013 to 11/12/2014, inclusive. The decision was appealed by the Prosecutor's Office attached to the Ploiești Courthouse.

By **Decision no. 954 / 26.10.2020** The Ploiești Court of Appeal admits the appeal declared by the Prosecutor's Office attached to the Ploiești Courthouse against the criminal sentence no. 1162 of August 3, 2020 pronounced by the Ploiești Courthouse, which it annuls in its entirety and sends the case for retrial to the first instance according to the considerations of the present decision. Final.

Procedural status of the case: Review

Deadline: 03/17/2021

14. File no. 310/120/2016 - Ploiești Court of Appeal

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

Subject matter: Establishment of an organized criminal group (art. 367 NCP). Conpet became a civil party for the amount of RON 405,536.24, representing the equivalent value of the stolen pipelines.

Clarifications: By the Conclusion of 05/31/2016, the Dâmbovița Court sends to the Prosecutor's Office the case started by the indictment given in the criminal prosecution file no. 124 / D / P / 2013 of the Prosecutor's Office attached to the High Court of Cassation and Justice - DIICOT – Dâmbovița FO regarding the defendants GG, VV, CV, DP, TM, PV, GA, MM injured people being OMV Petrom SA, Conpet SA , National Company for Natural Gas Transport „Transgaz” SA. The Prosecutor's Office filed an appeal against the decision, pending before the Ploiești Court of Appeal. By the Conclusion of 10/13/2016, the Ploiești Court of Appeal admits the appeal filed by the Prosecutor's Office attached to the High Court of Cassation and Justice - DIICOT - Dâmbovița Field Office, annuls the contested decision and, re-judging, finds the legality of the referral of the Dâmbovița Court by the indictment no.124/D/P / 2013 of the Prosecutor's Office attached to the High Court of Cassation and Justice - DIICOT - Dâmbovița Field Office, administration of evidence and execution of criminal investigation acts. It orders the commencement of the trial.

By the **Sentence no. 366 / 09.05.2019** The Dâmbovița Court admits the civil actions filed in the case by the civil parties of the National Company for Natural Gas Transport “TRANSGAZ” S.A., S.C. CONPET S.A., and S.C. OMV PETROM SA, specified during the judicial investigation and obliges the defendants to compensate, as follows: a) For the deeds committed to the detriment of the civil party, the National Company for Natural Gas Transport „TRANSGAZ” SA, it jointly obliges the defendants: Gruia Gheorghe, Vasile Valentin, Ciobanu Viorel, Dudaș Pavel, to pay the amount of RON 51,588; b) For the deeds committed to the detriment of the civil party S.C. CONPET S.A., it jointly and severally obliges the defendants: Gruia Gheorghe, Vasile Valentin, Georgescu Anda to pay the amount of RON 869,084, 26; c) For the deeds committed to the detriment of the civil party S.C. OMV PETROM S.A., it jointly and severally obliges the defendants: Gruia Gheorghe, Vasile Valentin, to pay the amount of RON 28,134.11; It dismisses the civil action brought by Amuza Daniel as unfounded. The decision was appealed by the defendants.

Procedural status of the case: Appeal

Deadline: 03/10/2021

15. File no. 8529/281/2016 - Ploiești Court of Appeal

Parties: Conpet SA - civil party

Constantin Costel, Matei Marian, Stan Mihai Catalin, Matei Valentin Dumitru - defendant

Subject matter: Grand larceny. Conpet became a civil party for the amount of RON 158,780.39 composed of:

- RON 24,691.2 (including VAT) representing the equivalent value of the quantity of 30,000 liters stolen during September-October 2015 by the defendants Stan Mihai Catalin, Matei Marian and Matei Valentin Dumitru
- RON 128,394.0 (including VAT) representing the equivalent value of the quantity of 156,000 liters stolen during September-October 2015 by the defendants Constantin Costel, Stan Mihai Catalin and Matei Marian.
- RON 5,695.19 (including VAT) representing the equivalent value of the pipeline remediation works, necessary to bring it to its initial state before the commission of the crime, i.e. in working order.

Conpet filed a request to increase the amount of the application for civil party to the amount of RON 243,127.77 representing the damage suffered by Conpet as a result of the theft of petroleum products that took place between September and October 2015 from the pipeline 14 "Brazi inside the skid 24" administered by Conpet. The damage suffered by Conpet is of RON 248,822.96 composed of:

- RON 39,218.96 (including VAT) representing the equivalent value of the quantity of 30,000 liters stolen during September-October 2015 by the defendants Stan Mihai Catalin, Matei Marian and Matei Valentin Dumitru
- RON 203,914.72 (including VAT) representing the equivalent value of the quantity of 156,000 liters stolen during September-October 2015 by the defendants Constantin Costel, Stan Mihai Catalin and Matei Marian.
- RON 5,695.19 (including VAT) representing the equivalent value of the pipeline remediation works, necessary to bring it to its initial state before the commission of the crime, i.e. in working order.

Clarifications: By the **sentence no. 2366 / 13.12.2019** The Ploiești Courthouse partially admits the civil action filed by the civil party Conpet SA and jointly obliges the defendants Constantin Costel, Matei Marian, Stan Mihai Cătălin and Matei Valentin Dumitru to pay to it the amount of RON 243,127.77 representing material damages. The decision was appealed by Conpet, as well as by Constantin Costel and Matei Marian.

Procedural status of the case: Appeal

Deadline: Postponed pronouncement on 03/09/2021

16. File no. 8262/281/2016 - Ploiești Courthouse

Parties: Conpet SA - creditor

Conpet Club Football Association - debtor

Subject matter: Dissolution of a legal entity. Request for admission of the claim. Conpet SA formulates a request for admission of the claim on the property of the debtor Conpet Club Football Association, against which the dissolution was ordered by the Civil Sentence no. 8683 / 04.10.2016 pronounced by the Ploiești Courthouse in the file no. 8262/281/2016, by which it requests the court to admit the application for registration on the list of creditors of the debtor Conpet Club Football Association with the amount of RON

424.94, as a certain, liquid and due receivable, born before the admission of the dissolution application, representing the penalties payment rest, according to the invoice no. 1653 / 31.05.2015, calculated for the late payment of the obligations arising from the Lease Agreement no. ADM 366 / 23.10.2012, concluded by Conpet SA with the Conpet Club Football Association. By the address 39101 / 28.09.2017 Conpet requested the completion of the value of the debt registered by the Conpet Club Football Association and with the amount of RON 1,358.84 representing delay penalties born prior to the dissolution request (total RON 1,783.78).

Procedural status of the case: Merits

17. File no. 789/105/2017 - Prahova Court

Parties: ICIM SA by CITR Bucharest administrator - debtor

Conpet SA- creditor

Subject matter: Insolvency proceedings. Conpet requests the registration on the list of creditors of the company ICIM SA represented by judicial administrator CITR BUCHAREST SUBSIDIARY SPRL, with the total receivable in the amount of RON 393,934.37 representing delay penalties, legal expenses, execution costs.

A) RON 50,094, 8 representing the equivalent value of the works for repairing the damage to the pipeline Ø 6 RA Moreni-Ploiești and the lost crude oil, legal interest, legal expenses and execution costs established by the enforceable title - civil sentence no. 1014 / 28.01.2015 pronounced in the file no. 113/281/2014 remained final and corrected by the Conclusion of correction of the material error on 06/06/2016, by which the Ploiești Courthouse admitted the request for summons filed by the claimant Conpet S.A.

B) RON 343,839.57 composed of the amount of RON 331,271.57 representing penalties for delay in accordance with the provisions of art. 8.1. from the contract 0135/1995 (modified by art. 5 of the additional act 9/2005 and the additional act no. 10/2006), as well as the amount of RON 12,568 representing judicial stamp duty, judicial stamp and expertise fee.

Conpet was entered on the list with the requested amount.

The percentage of the Conpet receivable is 0.75 & of the total receivables entered on the list.

ICIM filed an appeal which is the subject of the file no. 789/105/2017 / a1 and requested:

- mainly a partial amendment of the preliminary list of creditors in connection with the rejection of the application for entry of the claim in the amount made by Conpet
- in the alternative, a partial amendment of the preliminary list of creditors for the purpose of entering the conditional Conpet claim.

The ICIM appeal was the subject matter of the file 789/105/2017 / a1. By Decision 776/2018, the Prahova Court rejects the appeal regarding the preliminary list formulated by the debtor INTREPRINDEREA CONSTRUCȚII INSTALAȚII MONTAJE SA regarding the claim of the creditor CONPET SA

By the Conclusion of 11.09.2020, the Prahova Court ordered the entry into the bankruptcy procedure of the debtor.

Procedural status of the case: Merits

Deadline: 05/24/2021

18. File no. 2782/229/2018 - Fetești Courthouse

Parties: Conpet SA - claimant

Zacon Trandafir - defendant

Subject matter: Conpet SA filed a summons for the named Zacon Trandafir so that based on the evidence that will be administered, the court will issue a court decision by which:

- found the absolute nullity of the sale-purchase contract no. 1047 / 03.02.1999, concluded between Conpet SA, as seller and Zacon Trandafir as buyer;
- orders to the defendant to pay the legal expenses.

In the alternative, the defendant Zacon Trandafir is required to pay the equivalent value of the property at the fair market value established following the administration of a forensic technical expertise.

Clarifications: -

Procedural status of the case: Merits

Deadline: 03/11/2020

19. File no. 27022/3/2018 - Bucharest Court

Parties: Conpet - creditor

PETROCONSTRUCT GROUP S.R.L - debtor

Subject matter: Bankruptcy - general insolvency proceedings.

By the application for admission of the initial claim, Conpet requested the registration on the list of creditors with the claim in the amount of RON 17,176.14 representing unpaid debt and penalties resulting from the ADM 803 / 05.12.2017 contract (space rental). From this debt, the amount of RON 2,867.90 was recovered through compensation, being a receivable that was born after the opening of the procedure.

Conpet is registered on the list of creditors (BPI 21250 / 08.11.2018) **with the amount of RON 14,308.24**

Clarifications: --

Procedural status of the case: Merits

Deadline: 09/07/2021

20. File no. 5628/318/2019 - Târgu Cărbunești Courthouse

Parties: Conpet SA - appellant

ITM Gorj - respondent

Subject matter: Conpet filed an appeal against the minutes of finding and sanctioning the contraventions series GJ no. 00014386 / 06.03.2019 by which it was sanctioned with a contravention fine in the amount of RON 8,000. The appeal requested the replacement of the fines imposed with the sanction of the warning.

Clarifications: By decision no. 4417 / 21.06.2019, the Târgu Jiu Courthouse admitted the exception of the territorial incompetence of the Târgu-Jiu Courthouse and declined the competence to settle the case in favor of the Târgu Cărbunești Courthouse. Final.

At the request of CONPET, by the Conclusion of 10/22/2019, the Târgu Cărbunești Courthouse, pursuant to art. 413 paragraph 1 point 1 ordered the suspension of the case until the final settlement of the case registered under no. 2793/95/2019 on the role of the Gorj Court (in the file 2793 the control report was challenged, which was the basis for drawing up the contravention minutes). The file was re-filed on 10/20/2020.

By **Sentence no. 1176 / 27.10.2020** The Târgu Cărbunești Courthouse partially admitted the complaint of violation, partially annulled the minutes series GJ no. 00014386 concluded by the respondent ITM Gorj on 03/06/2019 regarding the contravention provided by art. 39 para. 4 reported to art. 13 lit. a of Law 319/2006, retained in point 2 of the heading regarding the description of the deed and, consequently, exempted CONPET from the payment of the contravention fine in the amount of RON 4,000 but **maintained the sanction of payment of the fine in the amount of RON 4,000** set out in point 1 of the minutes. The decision was communicated and an appeal is filed until 02/18/2021.

Procedural status of the case: --

Deadline: -

21. File no. 13717/281/2019 - Ploiești Courthouse

Parties: Conpet SA - creditor

Dobrogeanu Dumitru - debtor

Subject matter: Conpet formulates a request for the return of the foreclosure by which it requests the court, as by the decision that will pronounce it, to order the return of the foreclosure carried out on the basis of the enforceable title represented by the decision no. 669 of 12/20/2011 of the Prahova Court in the execution file no. 20/2016 to the B.E.J. Divoiu Maria, by partially restoring the situation prior to the execution, in the sense of obliging the defendant DOBROGEANU DUMITRU (pursuant to art. 723 of the Civil Procedure Code) to pay the following amounts to the undersigned:

- RON 5,930 amount which represents the difference between the amount actually enforced and the debt we owed;
- RON 576 as legal expenses consisting of stamp duty and equivalent value of photocopies of the execution file.

Also, it requests the updating with the penalizing legal interest of the amount of RON 5,930 starting with the date of 04/11/2016 and up to the date of the effective payment.

Clarifications: By the Conclusion of 11/27/2020, the Ploiești Courthouse reopens the case in order to summon the appellant with the mention of paying a remaining judicial stamp duty in the amount of RON 250, with the right of re-examination within 3 days from communication and with the possibility to apply for the granting of facilities for the payment of the stamp duty within 5 days from the communication.

Procedural status of the case: Merits

Deadline: 04/01/2021

22. File no. 8727/105/2017 - Prahova Court

Parties: Conpet SA - claimant

PAULUS S.R.L. - Defendant

Subject: Bankruptcy - general procedure

Subject matter: On 10/14/2019, Conpet filed a payment request with the judicial administrator CITR BUCHAREST SUBSIDIARY SPRL (art. 75 * paragraph 3 of Law no. 85/2014) for the payment of the amount of RON 32,493.44, amount due on 07/04/2019 by PAULUS SRL (CF 4000500), for not fulfilling the obligations established by the contract no. S-CA 1191 / 05.07.2017 (air conditioning maintenance). The request was granted.

Clarifications: Paulus filed an appeal against the measure of the judicial administrator file 8727/105/2017 / a13 - Appeal term 09/09/2020 (Ploiești Court of Appeal). By Decision 213/2020, the appeal was rejected. Conpet addressed the judicial administrator for the recovery of the amount of RON 2,891.95 from the guarantee of good execution and to pay the difference of RON 29,601.49 with priority according to the law. The judicial administrator did not respond to our request. Currently, an appeal has been filed against the administrator's measure. - deadline 03/09/2021

Procedural status of the case: Merits

Deadline: 03/23/2021

23. File no. 2036/83/2019 - Satu Mare Court

Parties: Conpet SA - claimant

PRODREP MG S.R.L. - Defendant

Subject: bankruptcy

Subject matter: On 11/18/2019, Conpet filed an application for registration on the list of creditors of the debtor PRODREP MG S.R.L. with the amount of RON 284,496.11 representing:

- damages in the amount of RON 148,926.49 provided in art. 18.2 of the works contract L-CA 699 of 09/28/2017 (20% of the contract value provided in art. 3 of the contract);
- penalties of 0.5% / day of delay provided by art. 17.1 of the works contract L-CA 699 of 09/28/2017 applied to the value of the unexecuted works in the amount of RON 46,575 for a number of 162 days of delay calculated from 04/10/2019 to 09/19/2019 the date of termination of the contract;
- equivalent value for electricity supply in the amount of RON 16.54 for the period 08/01/2019-08/31/2019, resulting from the execution of the works contract L-CA 699 of 09/28/2017;
- penalties of 0.5% / day of delay in the amount of RON 78,644.16 provided by art. 17.1 of the works contract L-CA 537 of 07/27/2017 applied to the value of unexecuted works for a number of 168 days of delay calculated from 05/01/2019 to 10/15/2019 the date of opening the insolvency procedure;
- penalties of 0.5% / day of delay in the amount of RON 10,333.92 provided by art. 17.1 of the works contract L-CA 380 of 10/05/2016 applied to the value of the unexecuted works for a number of 114 days of delay calculated from the date set for the completion of the works until their actual completion.

Conpet filed an application for registration on the supplementary list and for the amount of RON 18,724.8 (address 38994 / 04.12.2020) representing the current receivable born after the date of opening the insolvency and appeal procedure to the extent of the administrator to recover the amounts of RON 5,105.26 (address 30649 / 29.09.2020) and RON 49,295.45 (address 38987 / 04.12.2020) representing aggregate repairs, performed during the warranty period.

Currently, CONPET is registered on the final consolidated list of creditors with the amounts: RON 284,496.11 and RON 18,724.80 (item 8 table). At position 16 in the list we were provisionally registered with the amount of RON 54,400.71 (5,105.26 + 49,295.45 RON) until the communication of the sentence pronounced in the file 2036/83/2019 / a7- in this case the court admitted **our recovery in the amount of RON 54,400.71 from the performance guarantee.**

Clarifications: at the deadline on 10/20/2020, the court admitted the request of the judicial administrator and pursuant to art. 145 paragraph 1 point A letter c and point B of Law no. 85/2014 ordered the beginning of the bankruptcy procedure in the general form of the debtor PRODREP MG S.R.L. - SC 339 / F / 20.10.2020 BPI 18101 / 28.10.2020

Procedural status of the case: Merits

Deadline: 03/30/2020

24. File no. 8330/204/2019 - Prahova Court

Parties: Conpet S.A. - petitioner

NATIONAL ROAD INFRASTRUCTURE ADMINISTRATION COMPANY S.A by the REGIONAL DIRECTORATE OF ROADS AND BRIDGES BUCHAREST - NATIONAL ROADS SECTION PLOIEŞTI - respondent

Subject matter: Conpet S.A. files a complaint against the Minutes of finding a contravention (PVCC) Series BU No. 002501 concluded on 09/20/2019 by the National Company for Road Infrastructure Management S.A. - D.R.D.P. Bucharest / National Roads / Highways Section - Ploieşti National Roads Section, requesting its cancellation (fine: RON 6,000)

Clarifications: By the **Sentence no. 2705 / 21.10.2020** The Câmpina Courthouse admits the complaint of violation filed by the petitioner CONPET S.A. in contradiction with CNAIR SA-DRDP Bucharest National Roads / Highways Section-Ploieşti National Roads Section. It annuls the report of contravention series BU no. 002501 concluded on 09/20/2019 and exonerates the petitioner from paying the contravention fine. The decision was appealed by the NATIONAL ROAD INFRASTRUCTURE ADMINISTRATION COMPANY S.A by the REGIONAL DIRECTORATE OF ROADS AND BRIDGES BUCHAREST - NATIONAL ROADS SECTION PLOIEŞTI.

Procedural status of the case: Appeal

Deadline: 03/19/2021

25. File no. 4532/281/2020 * - Ploieşti Courthouse

Parties: Conpet SA - claimant

Dobrogeanu Dumitru - defendant

Subject matter: Conpet filed an appeal against the documents issued in the enforcement file no. 1/2020 pending before the Office of the Bailiff Divoiu Maria and requested:

1. Cancellation of the summons from 02/12/2020 issued by the Office of the Bailiff Divoiu Maria for the payment of **a debt in the amount of RON 19,342.63 (RON 16,321.30** representing the difference resulting from the calculation of inflation related to the amount of RON 53,116 for the years 2018 and 2019 starting with 12/20/2011 until 12/31/2018 for the amount due in 2018 and starting with 12/20/2011 until 12/31/2019 for the amount due in 2019, **RON 1,079.1** representing execution expenses and RON 1,942.23 representing the executor's fee)
2. Cancellation of the Conclusion establishing the execution expenses in the amount of **RON 3,021.33** from 02/12/2020 issued by the Office of the Bailiff Divoiu Maria in the execution file no. 1/2020
3. Cancellation of the notice of establishment of the attachment issued on 02/12/2020 issued by the Office of the Bailiff Divoiu Maria in the execution file no. 1/2020

4. Return of the execution for the amount of **RON 131.55** representing the difference resulting from the calculation of the inflation index calculated by the bailiff Divoiu Maria (16,321.30 RON) according to the conclusion of 02/12/2020 and the calculation made by CONPET S.A. according to INS (16,189.75 RON).
5. Return of the execution for the amount of **RON 1,311.97** paid as a debit update with the inflation index for the period 01/01/2018-12/31/2018 within the real payment offer no. 5/2018 – the Bailiff's Office Petcu Alexandru
6. Return of the execution for the amount of **RON 1,333.21** paid as a debit update with the inflation index for the period 01/01/2019-12/31/2019 within the real payment offer no. 2/2019 made by the Professional Civil Society of Bailiffs Goslan and Stanga
7. Return of the execution for the difference in fee paid in addition to Bailiff's Office Divoiu Maria within the execution file no. 1/2020, respectively the amount of **RON 587.78** (16,189.75 CONPET calculation as debit - 1,311.97-1,333.21 = 13,544.57; the debit is 13,544.57X10% = 1,354.45; 1,942.23 RON fee paid - 1,354.45 RON fee due = 587.78 RON)
8. Return of the execution for the amount of RON 850 representing unjustified execution expenses

Clarifications: By **Conclusion no. 1136 / 16.07.2020** The Ploiești Courthouse admits the plea of the territorial incompetence of the Ploiești Courthouse, a plea invoked ex officio by the court. It declines the competence to settle the case having as object a contestation to execution formulated by the claimant CONPET S.A., in contradiction with the defendant Dobrogeanu Dumitru in favor of the Câmpina Courthouse.

By **Conclusion no. 51 / 13.01.2021** The Câmpina Courthouse admits the plea of the territorial incompetence of the Câmpina Courthouse, invoked by the appellant CONPET SA. It declines the competence to settle the case regarding the appellant CONPET SA and the respondents DOBROGEANU DUMITRU and Bailiff's Office DIVOIU MARIA in favor of the Ploiești Courthouse. It notes the negative conflict of jurisdiction between the Ploiești Courthouse and the Câmpina Courthouse. It suspends the settlement of the case until the negative conflict of competence is resolved. It sends the case to the Prahova Court for a ruling by the competent regulator. At the deadline of 02/25/2021, the Prahova Court sent for settlement to the Ploiești Courthouse - the Ploiești courthouse file 4532/281/2020 *

Procedural status of the case: Merits

Deadline: 04/16/2021

26. File no. 1186/223/2020 - Drăgășani Courthouse

Parties: Conpet SA - petitioner

ITM Vâlcea - respondent

Subject matter: Appeal against contravention minutes no. 009540 / 07.05.2020 prepared by ITM Vâlcea by which Conpet S.A. was sanctioned with a fine of RON 8,000 for the documents in the periodic training files of Mr. Hotei Stefan.

Clarifications: -

Procedural status of the case: Merits

Deadline: 05/18/2021

27. File no. 5499/192/2019 - Bolintin Vale Courthouse

Parties: Conpet S.A. - petitioner

Romanian Administration Romanian Waters SGA Giurgiu - defendant

Subject matter: Conpet files a complaint of violation **against the record of finding and sanctioning the violation, ANAR series, no. 0007326, concluded on 11/27/2019**, by the National Administration “Romanian Waters” -SGA Giurgiu, headquartered in Mihăilești, Mihăilești Dam, Giurgiu County.

Clarifications: By the **Sentence no. 867 / 29.07.2020** The Bolintin Vale Courthouse admits the complaint of violation. It annuls the contravention report series ANAR no. 0007326 concluded on 11/27/2019. The decision was appealed by Romanian Waters.

Procedural status of the case: --

Deadline: --

28. File no. 3087/192/2019 - Giurgiu Court

Parties: Conpet S.A. - petitioner

National Environmental Guard - Giurgiu County Commissariat - defendant

Subject matter: Conpet files a complaint of violation requesting the annulment of **the report on the finding and sanctioning of the violation, series GNM, no. 17018, concluded on 06/20/2019**, by the NATIONAL ENVIRONMENTAL GUARD - GIURGIU COUNTY COMMISSARIAT, headquartered in Giurgiu, Fd. Frumoasei, no. 2, Giurgiu County.

Clarifications: By the **Sentence no. 8 / 07.01.2020** The Bolintin Vale Courthouse rejected Conpet's request as unfounded. The decision was communicated and appealed.

Procedural status of the case: Appeal

Deadline: 03/25/2021

29. File no. 17469/281/2020 - Ploiești Courthouse

Parties: Conpet SA - claimant

Drăghici Adrian Marian - defendant

Drăghici Mariana - defendant

Subject matter: Conpet has filed a request for a summons requesting the court to order:

1. The sharing of the common good, hereinafter referred to as "building" identified as follows: Building located in Brazi commune, Bătești village, Anton Pann street no. 12, Prahova county, composed of land with an area of 456 sq. m. and the construction on it, respectively the building with an area of 96 sq. m., held in joint ownership by the spouses Drăghici Adrian Marian and Drăghici Mariana;
2. The sharing by attributing the building in kind to Mr. Drăghici Adrian Marian, our debtor, following to retain in his task the obligation to pay the corresponding amount to Mrs. Drăghici Mariana;
3. Orders the defendants to pay the legal expenses.

Note: By the criminal sentence no. 1991 / P / 12.10.2010 pronounced by the Medgidia Courthouse in the file no. 3588/256/2010, remained final by the Criminal Decision no. 356 / P / 15.04.2011 of the Court of Appeal Constanța Drăghici Adrian Marian was obliged to pay the undersigned the amount of RON 4,698.79 representing material damages. As our debtor did not voluntarily fulfill his obligation, the enforcement procedure was started on 08/02/2013 by registering the execution file no. 180/2013 on the role of the Office of the Bailiff Divoiu Maria from Ploiești. By the Request formulated on 09/26/2013, the debtor Drăghici Adrian Marian requested that the payment of the debt be made in instalments, a request with which Conpet SA agreed. Thus, during the foreclosure, small amounts were paid, as a result of which, so far, the amount recovered is RON 2,974.82 representing execution expenses and bailiff fees advanced by Conpet SA and part of the debt due.

Clarifications: In this case, Conpet SA filed a request for re-examination of the judicial stamp duty, which is the subject matter of the file no. 17469/281/2020 / a1. By Conclusion no. 2206 / 13.11.2020 the request for re-examination was rejected. The judicial stamp duty paid by Conpet is RON 3,765.30.

Procedural status of the case: Merits

Deadline: --

30. File no. 16445/281/2020 - Ploiești Courthouse

Parties: Conpet SA - civil party

Drăghici Adrian Marian - defendant

Tocu Petrică - defendant

Constantin Dan - defendant

Atanasiu Ion - defendant

Subject matter: Grand larceny. Conpet was a civil party for the amount of RON 87,184.57, representing the equivalent value of 40 liters of stolen and unrecovered gasoline (84.26 RON), the equivalent value of 17,615 kg of gasoline lost after the discharge of the pipeline (in order to intervene to remedy the pipeline at the point

where it was damaged) (53,930.69 RON) and the equivalent value of the remediation works for the pipeline Ø 6^{5/8}" Țicleni - Ploiești, consisting in the decommissioning of the artisanal installation, works necessary to restore the pipeline in working order (RON 28,956.81) .

Clarifications: By Conclusion no. 690 / 09.12.2020 pronounced in the file no. 16445/281/2020 / a1 rejects the requests and pleas invoked by the defendants DRĂGHICI ADRIAN MARIAN, TONCU PETRICĂ, CONSTANTIN DAN and ATANASIU ION, finds the material and territorial competence of the court, the legality of the referral with the indictment no. 3569 / P / 2014 of 06/30/2020 of the Prosecutor's Office attached to the Ploiești Courthouse, of the legality of the administration of evidence and of the execution of criminal investigation acts. It orders the beginning of the trial in the case registered in the Ploiești Courthouse under number 16445/281/2020. The Conclusion was contested by the defendants and has a trial date of 03/11/2021 at the Prahova Court.

Procedural status of the case: Pre-Trial Chamber (16445/281/2020 / a1)

Deadline: --

31. File no. 21875/281/2020 - Ploiești Courthouse

Parties: Conpet SA - claimant

The Prosecutor's Office attached to the Ploiești Courthouse - respondent

Subject matter: Conpet files a complaint against the `nolle prosequi` in the Indictment issued on 06/30/2020 by the Prosecutor's Office attached to the Ploiești Courthouse in the file no. 3569 / P / 2014, regarding the commission of the crime of grand larceny, requesting the admission of the complaint, the annulment of the dismissal order from the Indictment issued on 06/30/2020 by the Prosecutor's Office attached to the Ploiești Courthouse and Ordinance no. 153 / II / 2/2020 ordered on 10/14/2020 by the Chief Prosecutor of the Prosecutor's Office attached to the Prahova Court, the prosecution of the defendants against whom the dismissal was ordered for committing the crime of grand larceny (the deeds from the dates of 04/09 - 10/2014, 05/12 - 13/2014 and 07/27 - 28/2014), as well as in order to recover the damage caused to our company (RON 337,276.27).

Clarifications: --

Procedural status of the case: Merits

Deadline: Postponement of the ruling on 03/17/2021

32. File no. 2910/259/2020 - Ploiești Courthouse

Parties: Conpet SA - claimant

The Prosecutor's Office attached to the Ploiești Courthouse - respondent

Subject matter: Conpet filed a complaint against the Ordinance of 06/11/2020 of the Prosecutor's Office attached to the Ploiești Courthouse, which ruled in file no. 6707 / P / 2015 the dismissal of the case regarding the commission of the embezzlement offense, provided by art. 295 para. 1 Criminal Code reported to art. 308 para. 1 Criminal Code requesting the admission of the complaint, the annulment of the Nolle prosequi ordered on 06/11/2020 by the Prosecutor's Office attached to the Ploiești Courthouse, in the file no. 670 / P / 2015 and of the Ordinance ordered on 09/30/2020 by the Chief Prosecutor of the Prosecutor's Office attached to the Ploiești Courthouse, in the file no. 233 / II-2/2020, no. 242 / II-2/2020, the continuation of the prosecution and the extension of the investigations in question regarding the suspect LAMBRU DRAGOMIR, domiciled in Baba Ana village, no. 467, Baba Ana commune, Prahova county and the prosecution of the suspect in order to oblige him upon payment of the damage in the amount of RON 524,752.23 representing the equivalent value of the quantity of 5,989.72 m of missing pipe in management and of 15,532.00 m of missing electrical cables in management, amount with which the company CONPET SA is a civil party in the criminal trial.

Clarifications: By the **Conclusion no. 81 / 23.11.2020**, the case was declined in favor of the Ploiești Courthouse.

Procedural status of the case: Pre-Trial Chamber (2910/259/2020)

Deadline: 03/10/2021

33. File no. 6143/2/2020 - Bucharest Court of Appeal

Parties: Conpet SA - claimant

The Insured Guarantee Fund – defendant

Subject matter: Conpet appealed against **Decision no. 24238 / 25.09.2020** issued by the Insured Guarantee Fund by which the payment requests no. 79167, 79166, 79163, 81691, 81687, 81698, 82691, 82690, 88271, 88728 and 89684 were rejected.

Clarifications: CONPET S.A. formulated payment requests for the refund of amounts related to policies concluded with the Insurance-Reinsurance Company ASTRA S.A. during the years 2009-2015, but by decision no. 24238 / 25.09.2020 which is the subject matter of the appeal, the Insured Guarantee Fund did not refer to the requests made by CONPET S.A. for the refund of the amounts due. The payment requests no. 79167, 79166, 79163, 81691, 81687, 81698, 82691, 82690, 88271, 88728 and 89684 specified in the decision are not related to any documents issued by our company.

Procedural status of the case: Merits

Deadline: 04/13/2021

34. File no. 25520/212/2020 - Constanța Courthouse

Parties: Conpet SA - claimant

Safir Gabriela - defendant

Subject matter: Conpet formulates a request for summons of the defendant SAFIR GABRIELA domiciled in Ovidiu locality, 101 Poporului street (or 82 A), Constanța county so that by the decision you will pronounce to order the **establishment of the share due to each co-owner on the building located in Ovidiu locality, Poporului street no. 82 A, Constanța county, building located in the joint property (joint ownership)** of our debtor SAFIR MARIUS (execution file 51 / 2019- Bailiff's Office Menaef Cristian) and of the defendant SAFIR GABRIELA.

Clarifications: By the **Conclusion of 01/13/2021**, the Constanța Courthouse annuls the request for summons invoking that it did not submit within 10 days the land book extract regarding the building.

Against the conclusion, Conpet filed a request for re-examination, by which we showed that the building under joint ownership of the defendant Safir Gabriela and our debtor Safir Marius is not tabulated, the right of joint property not being registered in the land book, Conpet being aware of the existence of the property right in the patrimony of the defendant and of the debtor from the relations received from the Ovidiu City Hall. At the same time, we demonstrated to the court that only the exclusive property right of the debtor on the land building is written in the land book and we attached the land book extract for the land, as well as all the steps taken by Conpet and Bailiff Menaef Cristian.

Procedural status of the case: Merits

Deadline: 04/08/2021

35. File no. 165/317/2021 - Târgu Cărbunești Courthouse

Parties: Conpet SA - petitioner

The Prosecutor's Office attached to the Târgu Cărbunești Courthouse - respondent

Subject matter: Conpet files a complaint against the Nolle Prosequi ordering the annulment of the Nolle Prosequi of 11/13/2020 and of Ordinance no. 134 / II / 2/2020 of 12/21/2020, ordered by the Prosecutor's Office attached to the Târgu Cărbunești Courthouse in the file no. 182 / P / 2020, continuation of the prosecution and extension of the investigations in order to identify the offenders and bring them to criminal responsibility, for stealing a 394 m long pipe section, property of CONPET SA, section resulting from the capital repair (RK) of the pipe of crude oil F 1, Barbatesti-Ploiești, Ø 10 ¾ diameter, which crosses Totea commune, Gorj county, of which 176 m in the Deal Comuna Totea- Sarbu Forest point and 218 m in the Negreni-Galcesti Deal point as well as their obligation to pay the damage in the amount of RON 20,965.03, amount with which Conpet S.A. became a civil party in the criminal trial.

Clarifications: --

Deadline: 02/18/2021

36. File no. 352/317/2021 - Târgu Cărbunești Courthouse

Parties: Conpet SA - petitioner

The Prosecutor's Office attached to the Târgu Cărbunești Courthouse - respondent

Subject matter: Conpet files a complaint against the Nolle Prosequi ordered on 12/16/2020 by the Prosecutor's Office attached to the Târgu-Cărbunești Courthouse in the file no. 1141 / P / 2014, regarding the commission of the crime of grand larceny requesting the admission of the complaint, the annulment of the Nolle Prosequi of 12/16/2020 and of the Ordinance no. 9 / II / 2/2021 of 01/12/2021, ordered by the Prosecutor's Office attached to the Târgu-Cărbunești Courthouse in the file no. 1141 / P / 2014, continuation of the prosecution and investigations in order to identify the offenders and bring them to criminal responsibility for stealing, on the night of 06/05 - 06/2014, 2 m of pipe from the aerial crossing of the crude oil transport pipeline Ø 10^{3/4} "F1 Bărbătești - Orlești, Amaradia brook point, Logrești commune, Frunza village, Gorj county, as well as in order to recover the damage caused to our society (RON 1,518.29).

Clarifications: --

Deadline: 04/06/2021

37. File no. 474/317/2021 - Târgu Cărbunești Courthouse

Parties: Conpet SA - petitioner

The Prosecutor's Office attached to the Târgu Cărbunești Courthouse - respondent

Subject matter: Conpet files a complaint against the Nolle Prosequi ordered on 12/17/2020 by the Prosecutor's Office attached to the Târgu-Cărbunești Courthouse in the file no. 3099 / P / 2009 regarding the commission of the crime of destruction requesting the admission of the complaint, the annulment of the Nolle Prosequi of 12/17/2020 and of the Ordinance no. 13 / II / 2/2021 of 01/25/2021, ordered by the Prosecutor's Office attached to the Târgu-Cărbunești Courthouse in the file no. 3099 / P / 2009, the continuation of the prosecution and investigations in order to identify the offenders and bring them to criminal responsibility for damaging, by drilling a crude oil transport pipeline on 10/03/2009, in order to steal petroleum products, as well as in order to recover the damage caused to our company.

Clarifications: -

Deadline: -

38. File no. 475/317/2021 - Târgu Cărbunești Courthouse

Parties: Conpet SA - petitioner

The Prosecutor's Office attached to the Târgu Cărbunești Courthouse - respondent

Subject matter: Conpet files a complaint against the Nolle Prosequi ordered on 12/17/2020 by the Prosecutor's Office attached to the Târgu-Cărbunești Courthouse in the file no. 935 / P / 2013, regarding the

commission of crimes of grand larceny and destruction, requesting the admission of the complaint, the annulment of the Nolle Prosequi and of Ordinance no. 11 / II / 2/2021 of 01/25/2021, ordered by the Prosecutor's Office attached to the Târgu-Cărbuneşti Courthouse in the file no. 935 / P / 2013, the continuation of the prosecution and investigations in order to identify the offenders and bring them to criminal responsibility for stealing 5 cathodic protection terminals on the night of 03/19 - 20/2013, as well as in order to recover the damage caused to our company (RON 6,887.40).

Clarifications: --

Deadline: 03/25/2021

39. File no. 3105/281/2021 - Ploieşti Courthouse

Parties: Conpet SA - petitioner

The Prosecutor's Office attached to the Ploieşti Courthouse - respondent

Subject matter: Conpet files a complaint against the Nolle Prosequi ordered on 01/28/2020 by the Prosecutor's Office attached to the Ploieşti Courthouse in the file no. 14970 / P / 2011, regarding the commission of the crime of theft requesting the admission of the complaint, the annulment of the Nolle Prosequi and of the Ordinance no. 16 / II / 2/2021 of 02/02/2021, ordered by the Prosecutor's Office attached to the Ploieşti Courthouse in the file no. 14970 / P / 2011, continuation of the prosecution and investigations in order to identify the offenders and bring them to criminal responsibility for stealing three collecting tubes (protectors) from the crude oil pipelines Ø 12 "and Ø 24 ", on 12/06/2011, from the Matizol - Ploieşti area, within the commune of Berceni, Prahova county, as well as in order to recover the damage caused to our company (RON 2,253.93).

Clarifications: -

Deadline: 03/11/2021

40. File no. 1825/311/2021 - Slatina Courthouse

Parties: Conpet SA - petitioner

The Prosecutor's Office attached to the Slatina Courthouse - respondent

Subject matter: Conpet files a complaint against the Nolle Prosequi ordered on 01/06/2021 by the Prosecutor's Office attached to the Slatina Courthouse in the file no. 580 / P / 2018 regarding the commission of the crime of grand larceny requesting the admission of the complaint, the annulment of the Nolle Prosequi and of Ordinance no. 10 / II / 2/2021 of 02/02/2021, ordered by the Prosecutor's Office attached to the Slatina Courthouse in the file no. 580 / P / 2018, continuation of the prosecution and investigations in order to identify the offenders and bring them to criminal responsibility for the theft of crude oil with the help of an artisanal installation mounted on the crude oil transport pipeline Ø 10 "Gherceşti - Icoana, in the area of Brebeni

locality, Olt county, deed identified on 12/22 - 23/2012, as well as in order to recover the damage caused to our company (RON 88,710.06).

Clarifications: -

Deadline: -

b) The list of litigations on 03/09/2021 in which the company CONPET S.A. has the status of defendant

1. File no. 8296/281/2007 - Ploiești Courthouse

Parties: Cornea Rodica Aurora - claimant

Conpet S.A., Petrotrans S.A., Regionala Transgaz Bucharest, Ministry of Finance - defendants

Subject matter: Cornea Rodica Aurora claims jointly and severally that the defendants are required to pay civil damages in the amount of EUR 74,000 representing the damage caused by the presence of pipes belonging to the defendants in the basement, the property of the claimant and the payment of civil damages provisionally assessed at RON 10,000 for the period of February 2004 - February 2006 as a result of the use of pipes that crossed the property of the claimant.

Clarifications: The case is suspended based on art. 36 of Law no. 85/2006.

Procedural status of the case: Merits

2. File no. 8297/281/2007 - Ploiești Courthouse

Parties: Rusu Mihaela - claimant

Conpet S.A., Petrotrans S.A., Regionala Transgaz Bucharest, Ministry of Finance - defendants

Subject matter: Rusu Mihaela claims that the defendants should be jointly and severally liable for civil damages in the amount of EUR 74,000, representing the damage caused by the presence of pipes belonging to the defendants in the basement, the property of the claimant.

Clarifications: The case is suspended based on art. 36 of Law no. 85/2006.

Procedural status of the case: Merits

3. File no. 14960/280/2015 - Argeș Court

Parties: Conpet - defendant

Cîrstea Stelian - claimant

Cîrstea Gherghina - claimant

Subject matter: Obligation to make + Claims. The claimants filed a request for a summons, requesting the court to order Conpet SA to:

1. Pay the lack of use from the date of acquiring ownership of the land – 10/06/2014, lack of use which it provisionally assesses at the amount of RON 1000.
2. Erect the pipelines and installations on the land owned by the claimants, and in so far as this is not possible, Conpet is obliged to pay a monthly amount equivalent to a rent for the land affected by the pipelines and installations on it - at the level of rents practiced on the free market.
3. Pay the legal expenses.

The conclusion of the Expert Report in the topography field drawn up in the case by the expert Căplan Petre was that the area affected by the oil objectives is: 244 sqm (215.44 sqm - pipelines, 9 sqm - tank, 5.56 sqm - tank, 14 sqm - concrete bridge)

The conclusions of the Expert Report in the agriculture field drawn up in the case by the expert Matei Viorica (the third report of this specialty drawn up in the case) were the following:

1. the value of the lack of use of the land occupied by oil objectives with an area of 230 sqm (pipes + 2 tanks), calculated for the category of hay use, during October 2014 - October 2019 = RON 350
2. The value of the lack of use of the land occupied by oil objectives with an area of 230 sqm (pipes + tanks), calculated for the conventional maize crop, during October 2014 - October 2019 = RON 176
3. The value of the lack of use of the land occupied by oil objectives with an area of 230 sqm (pipelines + tanks), calculated for a rent of 5 RON / sqm / year, during October 2014 - October 2019 = RON 5,750
4. Lack of use regarding the installations and equipment located on the ground surface that prevents its use according to the methodology established by the report of the State Domains Agency no. 675/2001, during October 2014 - October 2019 = RON 3.

Following this Expert Report, the claimants increased their claims to the amount of RON 6,276 representing the lack of use from 10/06/2014 until October 2019 (RON 350 + RON 176 + RON 5,750).

Clarifications: By the **Sentence no. 2797 / 07.07.2020** The Pitești Courthouse partially admits the request. It dismisses as unfounded the plea of the lack of passive procedural quality invoked by the Romanian State through the Ministry of Public Finance. It dismisses as unfounded the claim made by the claimants in contradiction with the defendants the Romanian State through the Ministry of Public Finance and the National Agency for Mineral Resources. It admits in part the claim made by the claimants in contradiction with the defendant Conpet SA. It obliges the defendant Conpet SA to pay to the claimants the amount of RON 350 representing the equivalent value of the lack of use for the period October 2014 - October 2019 and further the amount of RON 70 / year as rent during the concession. It admits the request of the defendant Conpet SA regarding the restitution of the judicial fee paid additionally for solving the motion of disqualification of the expert Ionescu Steliană. It orders the return to the defendant SC Conpet SA of the judicial stamp duty in the amount of 100 RON paid by the defendant with payment order no. 7178 / 24.10.2016. It obliges the defendant Conpet SA to pay to the claimants the amount of RON 95 as legal expenses. The decision was appealed by

Cîrstea Stelian and Cîrstea Gherghina, who considered that the land area for which the rent was calculated was too small and that the rent should have been calculated at the level of the rent on the free market. They requested the performance of a technical expertise specializing in property assessment with the aim of: *"assessment of rent due by law taking into account the free market price of rents and leases for land with positional and geomorphic characteristics similar to those of the land in question, in the absence of any pollution and in the absence of any legal installations and easements"*.

By the **Decision no. 943 / 04.12.2020** The Argeș Commercial Court admits the exception of material procedural incompetence. It declines in favor of the Argeș Court the competence to settle the appeal.

Procedural status of the case: Appeal

Deadline: 04/26/2021

4. File no. 3451/108/2016 ** - Timișoara Court of Appeal

Parties: Conpet SA - defendant

ATU Pecica Town - claimant

Subject matter: ATU of Pecica town filed a request for a summons requesting:

Mainly:

- the obligation of the defendant Conpet S.A. to divert the crude oil pipeline that crosses a number of 22 plots of urban land, intended for the construction of houses, located in our property, in a total area of 20,287 sq. m.
- order the defendant Conpet S.A. to pay the amount of EUR 65,000 representing the equivalent value of the house located in plot no. A141.7760 / 5/174, entered in L.B. no. 306869 because it can no longer be capitalized by the subscriber.

In subsidiary:

- order the defendant Conpet S.A. upon payment of an annual rent, during the existence of the pipeline, as a result of the encumbrance of the areas shown above by the right of legal servitude exercised by Conpet SA;

NOTE: The annual rent has not been quantified.

- order the defendant Conpet S.A. to the granting of compensations for the period 10/31/2014 – 05/31/2016 as a result of the limitation of the attributes of the property right of the 22 urban land plots and of the decrease of the circulation value of the land on the real estate market due to the restrictions imposed by Order 196/2006 of NAMR on construction;

- order the defendant Conpet S.A. that every 3 years to adapt the amount of compensation to the value of circulation at that time of similar lands and the provisions of future orders of the NAMR;

- the setting by the court of the due date on which the compensations will be paid annually, following the non-payment at the due term to attract the payment of the legal interest related to the amount received as compensation for the delay period;

- award the legal expenses incurred in the event of opposition.

Clarifications: By the Conclusion of 12/07/2016, the Arad Court finds the functional incompetence of the Civil Section I of the Arad Court and declines in favor of the Civil Section II of the Arad Court, the judgment of the action filed by the claimant Territorial Administrative Unit of Pecica Town.

By the Conclusion no. 40 / 26.01.2017 The Arad Court rejects the request to show the right holder formulated by the defendant Conpet SA in contradiction with the claimant ATU of Pecica Town and with the respondents the Romanian State through the Ministry of Public Finance and the National Agency for Mineral Resources. The decision was appealed by Conpet (File no. 3451/108/2016 * / a1 - Timisoara Court of Appeal, deadline: 14.03.2017). By the Decision no. 211 / 20.03.2017 The Timișoara Court of Appeal rejects the appeal.

By the **sentence no. 336 / 18.05.2017**, the Arad Court rejects the civil action filed by the claimant ATU of Pecica Town in contradiction with the defendant SC Conpet SA having as subject the obligation to act and claims. No legal expenses. The decision was appealed by the ATU Pecica Town.

By the **Decision no. 761 / 23.11.2017** The Timișoara Court of Appeal admits the appeal. It annuls the appealed sentence and sends the case for retrial to the Arad Court. Conpet filed an appeal.

Through the Report of 06/07/2018, the High Court of Cassation and Justice found the inadmissibility of the Conpet appeal, it being promoted against a final decision, which does not fall within the hypothesis regulated by art. 483 para. 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 HCCJ admits in principle the appeal declared by the appellant-defendant Conpet S.A. against the civil decision no. 761 / A of November 23, 2017 pronounced by the Timișoara Court of Appeal - Civil Section II. It sets a deadline for resolving the appeal on January 30, 2019. By the **Decision no. 615 / 22.03.2019** The HCCJ admits the appeal declared by the appellant-defendant Conpet S.A., quashes the appealed decision and sends the case to a new court of the same court of appeal.

Procedural status of the case: Appeal - retrial

According to the report of forensic expertise in the assessment performed in question at the request of the claimant ATU Pecica and submitted by the deadline of 01/11/2021, conclusions: The overall value of compensation for affecting the right of construction proposed by the expert is EUR 137,045.69, which at the exchange rate from 09/25/2020 of EUR 4.8750 has the value of RON 668,097.74. As regards the amount of the annual rent, the claimant did not formulate an objective of expertise. To date, the claimant ATU Pecica has not made any request to specify its claims with the value of the assessment expertise.

Deadline: 03/29/2021.

5. File no. 5413/204/2017 - High Court of Cassation and Justice

Parties: Conpet SA - defendant

NAMR - defendant

Dobrogeanu Dumitru - claimant

Dobrogeanu Păun Ioan - claimant

Subject matter: Claims. Dobrogeanu Dumitru and Dobrogeanu Păun Ioan filed a summons requesting the court that by the decision it will pronounce to order the obligation of the defendants to:

1. Payment of an annual rent for the land areas occupied by the two pipelines transporting petroleum products (crude oil) starting with 07/01/2014 and in the future, throughout the existence of the pipelines;
2. Obligation of the defendants to pay the losses suffered by not achieving economic objectives on the area left between the two pipelines after their restriction and the area along DN1 (E60);
3. Payment of legal expenses.

The first end of the application was estimated by the claimants at the amount of EUR 48,000 / year (RON 220,000), and the second end at the amount of RON 25,000 / year.

Clarifications: By the Decision no. 594 / 28.02.2018 the Câmpina Courthouse admits the plea of the material incompetence of solving the case of the Câmpina Courthouse, invoked by the court ex officio. It declines jurisdiction to settle the request in favor of the Prahova Court. No appeal.

By the **sentence no. 2446 / 28.08.2018** the Prahova Court admits the exception of the lack of passive procedural quality, invoked by the defendant National Agency for Mineral Resources Bucharest. It dismisses the action, in contradiction with that defendant, as being brought against a person without procedural capacity. It admits the exception of the res judicata. It dismisses the claim filed against the defendant SC Conpet SA, as there is res judicata. It finds that the defendants have not applied for legal expenses. The decision was appealed by Dobrogeanu Dumitru.

By the **decision no. 2804 / 11.11.2019** the Ploiești Court of Appeal rejects the appeal filed by the appellant Dobrogeanu Dumitru as unfounded. It admits the plea of inadmissibility of the cross-appeal. It dismisses as inadmissible the cross-appeal declared by the appellant Dobrogeanu Păun Ioan. The decision was appealed by Dobrogeanu Dumitru and Dobrogeanu Păun Ioan.

By **Decision no. 206 / 04.02.2021**, the High Court of Cassation and Justice rejects the appeal filed by the claimant Dobrogeanu Păun Ioan against the civil decision no. 2804 of November 11, 2019, pronounced by the Ploiești Court of Appeal, Civil Section I. It admits the appeal filed by the claimant Dobrogeanu Dumitru against the same decision. It quashes the appealed decision and the civil sentence no. 2446 of August 28, 2018 of the Prahova Court and sends the case for retrial to the Prahova Court. Final.

Procedural status of the case: Merits - retrial

Deadline: -

6. File no. 4561/281/2018 - Ploiești Courthouse

Parties: Conpet SA - defendant

Ovidenie Dumitru - claimant

Subject matter: Ovidenie Dumitru filed a summons requesting the court:

- to find that on the land with an area of 335 sqm located in the commune of Brazi, T31, plot 178/19, in accordance with art.7 paragraph 1 of Law no. 238/2004 updated, an easement legal right is established;
- to establish the annual rent to the claimant, according to the provisions of art.7 paragraph 2 of Law no.238 / 2004, calculated at 5 Euro / sqm;
- to order the defendant to pay this rent for the last 3 years”.

Clarifications: By the **sentence no. 437 / 20.01.2021** the Ploiești Courthouse admits the request having as subject an action for finding - claims, formulated-specified by the claimant, in contradiction with the defendant. It finds that on the land with an area of 633 sqm (corresponding to the 2.4 m wide access corridor located along the 12 3 pipeline), the property of the claimant, an easement legal right is established in favor of the defendant. It establishes the amount of the annual rent, for the exercise by the defendant of the right of legal easement, at the amount of RON 367. It obliges the defendant to pay to the claimant the amount of RON 1,101, representing the rent due for the period 02/28/2015 – 02/28/2018. It obliges the defendant to pay to the claimant the annual rent starting with the date of formulating the request for summons, during the period of establishing the right of legal easement. It dismisses the claim for reimbursement of the judicial stamp duty, made by the claimant, as unfounded. It obliges the defendant to pay to the claimant the amount of RON 3,074, representing the legal expenses. The decision can be appealed after communication.

Procedural status of the case: --

Deadline: -

7. File no. 3060/105/2018 - Bihor Court

Parties: Conpet - defendant

Pop Liviu - claimant

Ciordas Gheorghe - claimant

Subject matter: Pop Liviu and Ciordas Gheorghe filed a request for summons, requesting the court to find, by the decision it will rule, that during the periods mentioned in the employment records they were employed and actually worked 100% of the work schedule within the sections included in the second working group and the first working group, respectively special, extraordinary and consequential conditions to oblige the defendant to issue the certificates.

Clarifications: By the **sentence no. 3522 / 26.11.2018** the Prahova Court admits the plea of territorial incompetence invoked ex officio by the court. It declines the case for settlement in the Bihor Court.

By the **Sentence no. 981 / 03.12.2020** the Bihor Court rejects the specified action filed by the claimants Pop Liviu and Ciodaș Gheorghe. The decision can be appealed after communication.

Procedural status of the case: Merits

Deadline: -

8. File no. 5212/105/2018 - Prahova Court

Parties: Conpet SA - defendant

Fondul Proprietatea SA - claimant

Subject matter: Fondul Proprietatea SA files an appeal requesting the court to:

1. Oblige Conpet to pay the amount of RON 734,747.04, representing the net value of the dividends related to a share of 6% of the share capital of Conpet, respectively for a number of 524,366 shares held by the claimant on the registration date of AGOA Conpet from 04/25/2007 (i.e. 05/14/2007), for the financial year of 2006,
2. Oblige Conpet to pay damages, respectively the legal interest related to the dividends from the due date of the amount requested in point 1 and until the date of filing the summons (i.e. 11/09/2018), in the amount of RON 579,015.97.
3. Oblige Conpet to pay thereafter the legal interest related to the net value of the dividends, from the date of filing the summons and until the actual payment of the requested amounts,
4. Oblige Conpet to pay the legal expenses of the present litigation

Conpet S.A. filed an impleader of the Romanian State through the Ministry of Finance and A.A.A.S.

Clarifications: By the **Conclusion of 06/25/2019**, the Prahova Court rejected as inadmissible the impleader of the Authority for the Administration of State Assets, formulated by the defendant Conpet S.A. Conpet and the Romanian State through the Ministry of Public Finance filed an appeal against this decision of the court. By the same Conclusion of 06/25/2019, the court admitted in principle the impleader of the Romanian State through the Ministry of Public Finance, formulated by the defendant Conpet S.A. and rejected as unfounded the plea of the lack of passive procedural quality of the Romanian State through the Ministry of Public Finance. The appeal was registered with the Ploiești Court of Appeal with no. 5212/105/2018 / a2. By the **decision no. 515 / 05.11.2019** the Ploiești Court of Appeal admits the plea of the inadmissibility of the appeal declared by the Ministry of Public Finance. It dismisses this appeal as inadmissible. It rejects the plea of lack of interest and the exception of inadmissibility of the appeal declared by Conpet SA. It dismisses this appeal as unfounded. Final.

By the **Conclusion of 09/20/2019**, the Ploiești Court of Appeal suspended the trial of the case until the settlement of the appeals made against the decision pronounced on 06/25/2019. This conclusion remained final by non-appeal.

At the request of both parties, an accounting forensic expertise was performed. According to the conclusions of the expertise, the following values resulted:

Objective 1 of F.P.: The legal interest related to the amount of RON 734,747.04 representing the net value of dividends from the due date of the amount (10/26/2007) and until the date of filing the summons (11/09/2018) has the value of RON 579,015.97.

Objective 2 of F.P.: In the subsidiary variant, respectively from the date on which the action in claim was irrevocably resolved (10/03/2017) and until 11/09/2018, the legal interest related to the amount of RON 734,747.04 representing the net value of the dividends has the value of RON 50,583.83. And in the subsidiary version from the date of final settlement of the claimant's action regarding the annulment of the AGOA decision no. 2 in the file no. 3715/105/2007, respectively the date of 04/27/2018 and until the date of filing the summons 11/09/2018, the legal interest related to the amount of RON 724,747.04 representing the net value of the dividends has the value of RON 25,756.41.

Objective 3 of F.P.: In the version between 11/09/2018, the date of filing the summons and until the date of drawing up the forensic accounting expertise, the legal interest related to the amount of RON 734,747.04 representing the net value of dividends has the value of RON 84,264.41.

Conpet Objective: The legal interest related to the amount of RON 734,747.04 representing the net value of dividends starting with the date of finality of the court decision by which the AGOA Decision no. 2 / 25.04.2007, respectively the date of 04/27/2018 (the date of Decision no. 210 / 27.04.2018 of the Ploiești Court of Appeal pronounced in the file no. 3715/105/2007) on October 31, 2020, has the value of RON 116,774.45.

Procedural status of the case: Merits

Deadline: 03/29/2021

9. File no. 1474/105/2019 * - Ploiești Court of Appeal

Parties: Conpet SA - defendant

The municipality of Ploiești - claimant

Subject matter: The municipality of Ploiești filed a request for a summons and requested the court, by the decision it will issue, to order:

- the obligation of Conpet to pay the amount of RON 17,748 / month, representing the value of non-use, starting from 03/30/2016 and until the conclusion of a contractual form with Conpet, amount that will be updated with the inflation index communicated by the National Institute of Statistics;
- the obligation of Conpet to pay the equivalent in RON of the amount of EUR 72,110.17 (excluding VAT), at the official RON / EUR exchange rate, communicated by the NBR, valid on the date of payment, representing the non-use equivalent value for the period 03/29/2013 – 03/29/2016;

- the obligation of Conpet to pay the legal expenses of the proceedings

Clarifications: By decision no. 908 / 20.06.2019, the Prahova Court admitted the plea of the functional incompetence of the Prahova Court- Civil Section II of Administrative and Fiscal Litigation and declined the case having as subject matter a criminal liability action, in favor of the Prahova Court - Civil Section I.

By the **Sentence no. 1205 / 13.07.2020** the Prahova Court resolved the case by rejecting the request of Conpet regarding the completion of the expertise report specializing in real estate valuations as unfounded. It rejected the claimant's lack of procedural capacity as unfounded. It admitted the plea of the prescription of the material right to action, invoked by Conpet. It rejected the request regarding the obligation of Conpet to pay the amount of RON 847,692 (amount according to the expert report Mustătea Dragoș and for which the claimant increased her claims) representing the equivalent value of non-use for the period 03/29/2013 – 03/29/2016 as prescribed. It accepted the specified request. It obliged Conpet to pay to the Municipality of Ploiești **the amount of RON 1,025,081 representing the equivalent value of non-use related to the period 03/30/2016 – 11/15/2019**, amount updated with the inflation rate at the date of the actual payment. It rejected the defendant's claim that the claimant should be ordered to pay the legal expenses as unfounded.

The decision was appealed by Conpet and the Municipality of Ploiești. By the appeal, Conpet requested that in the event that the plea of the lack of active procedural capacity of the claimant Municipality of Ploiești be rejected, the partial change of the contested decision in order to reduce the amount of the payment obligation to which we were sentenced as equivalent value for the lack of use related to the period 03/30/2016 - 11/15/2019 from the amount of RON 1,025,081 to the amount of RON 598,625. The appeal made by the Municipality of Ploiești was not communicated to us.

Procedural status of the case: Appeal

Deadline: -

10. File no. 198/241/2020 - Horezu Courthouse

Parties: Podureanu Iordachi - claimant

Conpet S.A. - defendant

Subject matter: Podureanu Iordachi made an appeal requesting the court, by the decision it will issue, to order:

- the obligation of the defendant Conpet SA to pay the amount of RON 150,000 representing moral damages
- the obligation of the defendant Conpet SA to pay the legal expenses

Clarifications: -

Procedural status of the case: Merits

Deadline: 03/29/2021

11. File no. 5812/303/2020 - Bucharest Court

Parties: Conpet SA

Dobrogeanu Păun Ioan - appellant

Subject matter: Dobrogeanu Păun Ioan files an enforcement appeal against the foreclosure of the Conclusions given by the bailiff as well as against any enforcement act performed in the enforcement file no. 10/2013 of Bailiff's Office Răduță Nicoleta.

Clarifications: By the **Sentence no. 7057/2020 / 03.11.2020**, the District 6 Courthouse admits in part the exception of lateness formulated by Conpet, regarding the enforcement appeal filed against the foreclosure itself and the enforcement documents issued in the enforcement file no. 10/2013 of the Bailiff's Office „Răduță Nicoleta” prior to the conclusion of establishing additional execution expenses, the address for setting up the seizure, the address for notifying the seizure and the address regarding the amount of the debt, all issued on 03/06/2020. It rejects the plea of lateness, regarding the conclusion of establishing additional execution expenses, the address for setting up the seizure, the address for notifying the seizure and the address regarding the amount of the debt, execution documents issued on 03/06/2020 in the execution file no. 10/2013 of the Bailiff's Office „Răduță Nicoleta”, as unfounded. It rejects the enforcement appeal filed against the foreclosure itself and the enforcement documents issued in the enforcement file no. 10/2013 of the Bailiff's Office „Răduță Nicoleta” prior to the conclusion of the establishment of the additional execution expenses, the address for setting up the seizure, the address for notifying the seizure and the address regarding the amount of the debt, all issued on 03/06/2020, as being introduced belatedly. It rejects the enforcement appeal filed against the decision to establish additional enforcement costs, the address for setting up the seizure, the address for notifying the seizure and the address regarding the amount of the debt, enforcement documents issued on 03/06/2020 in the enforcement file no. 10/2013 of the Bailiff's Office "Răduță Nicoleta", as unfounded. It obliges the appellant to pay to the Bailiff's Office "Răduță Nicoleta" the amount of RON 554.54, representing the equivalent value of photocopying the execution file. Dobrogeanu Păun Ioan filed an appeal.

Procedural status of the case: Appeal

Deadline: 05/06/2021

12. File no. 4872/281/2020 - Ploiești Courthouse

Parties: Dobrogeanu Dumitru - applicant

Conpet SA - defendant

Bailiff's Office Petcu Alexandru – defendant

Subject matter: Complaint against the refusal of the bailiff.

Clarifications: By the **Sentence no. 7646 / 25.11.2020**, the Ploiești Courthouse admitted the plea of the lateness of the introductory request, invoked by us, signed by Conpet and rejected the applicant's request as

belatedly formulated. It dismisses the remainder of the claim as unfounded. The decision can be appealed after communication.

Procedural status of the case: --

Deadline: -

13. File no. 8422/281/2020 - Ploiești Courthouse

Parties: Conpet SA-defendant

Ananbi Intercons SRL -claimant

Subject matter: Ananbi Intercons SRL sued Conpet, requesting:

- the obligation of Conpet to pay the amount of RON 46,012, 25 which represents the equivalent value of the works executed by the claimant based on the works contract entered into between the parties no. L-CA CD no. 566 / 08.11.2018;
- Conpet's obligation to pay the penalties of 0.5% per day of delay in the execution of the payment obligation, according to art. 17 point 17.5 of the contract with the mention that it requests that the defendant Conpet be obliged to pay the delay penalties until the date of the effective payment of the obligation to pay the value of the works;
- the unquantified legal expenses.

Clarifications: By the **Sentence no. 7767 / 27.11.2020**, the Ploiești Courthouse rejects the action against Conpet. The decision can be appealed after communication.

Procedural status of the case: --

Deadline: -

14. File no. 804/241/2020 - Vâlcea Court

Parties: Popa Ionel appellant

Conpet S.A. - defendant

Subject matter: Popa Ionel filed an enforcement appeal against the enforcement documents drawn up by the Bailiff's Office Balan Ovidiu in the enforcement file no. 53/2007

Clarifications: By the **Conclusion no. 47 / 09.09.2020** the Horezu Courthouse admits the plea of non-stamping, invoked ex officio. It cancels the appeal on execution, as unstamped. The appellant Popa Ionel filed an appeal.

Procedural status of the case: Appeal

Deadline: 03/11/2021

15. File no. 4395/270/2020 - Onești Court

Parties: Municipality of Onești - claimant

Local Council of Onești - claimant

Conpet SA - defendant

Subject: Onești Municipality and the Local Council of Onești Municipality, Bacău County, have sued Conpet S.A. asking the court:

"1. The obligation of the defendant at the conclusion of the agreement for the exercise of the right of legal servitude over the lands with an area of 11,474.5 sq. m., crossed and affected by crude oil transport pipelines within the municipality of Onești, equivalent to the payment of an annual rent, during the existence of the pipelines, to the local budget of Onești municipality, determined according to the principle of the least violation of the property right and calculated taking into account the circulation value of the affected real estate, established under the law, at the time of the damage.

2. The obligation of the defendant to pay material damages, representing the equivalent value of the lack of use for the land in the area of 11,474.5 sq. m. crossed and affected by the crude oil pipelines within the municipality of Onești, established according to the Market Study approved by the Decision of the Local Council no. 199 of 11/29/2018, respectively according to the Updated Market Study approved by the Decision of the Local Council no. 122 of 06/29/2020, calculated starting with 2017 and until the date of concluding the agreement for exercising the right of legal servitude over these lands, to which are added late fees, interest and late payment penalties in the amount provided by the Fiscal Procedures Code applicable in this period.

3. The obligation of the defendant to pay the legal expenses of the present proceedings. '

Details: ---

Procedural status of the case: Merits

Deadline: 04/06/2021

16. File no. 5019/105/2020 - Prahova Court

Parties: Conpet SA - defendant

GUSA PAUL - claimant

Subject matter: Gusa Paul filed a request for a summons, requesting the court to find in the judgment that it will rule that during 02/01/1989-08/01/2010 he was employed in positions and jobs that fall into group II of work, special conditions and extraordinary conditions, with 100% schedule

Clarifications: -

Procedural status of the case: Merits

Deadline: 03/09/2021

17. File no. 17042/303/2020 - Bucharest District 6 Courthouse

Parties: Conpet SA - respondent

Dobrogeanu Păun Ioan - appellant

Subject matter: Dobrogeanu Păun Ioan files an enforcement appeal against the foreclosure which is the subject of the enforcement file no. 61/2018 – the Bailiff's Office Petcu Alexandru respectively the conclusion of 09/28/2020 regarding the distribution of the amounts collected. In the file 61/2018, the bailiff ordered the cessation of the foreclosure.

Clarifications: -

Procedural status of the case: merits

Deadline: Postponement of the ruling on 03/15/2021

18. File no. 17433/303/2020 - Bucharest District 6 Courthouse

Parties: Conpet SA - respondent

Dobrogeanu Păun Ioan - appellant

Subject matter: Dobrogeanu Păun Ioan files an enforcement appeal against the foreclosure which is the subject of the enforcement file no. 16/2017 – the Bailiff's Office Raduta Nicoleta respectively the address for setting up the seizure of 10/05/2020, the conclusion of 10/05/2020 regarding the establishment of the additional execution expenses, notification of seizure of 10/05/2020.

Clarifications: -

Procedural status of the case: Merits

Deadline: 03/10/2021

19. File no. 19819/303/2020 - Bucharest District 6 Courthouse

Parties: Conpet SA - respondent

Dobrogeanu Păun Ioan - appellant

Subject matter: Dobrogeanu Păun Ioan files an enforcement appeal against the foreclosure which is the subject of the enforcement file no. 16/2017 – the Bailiff's Office Raduta Nicoleta respectively the address for setting up the seizure of 11/06/2020, the conclusion of 11/06/2020 regarding the establishment of the additional execution expenses, notification of the seizure reduction of 11/06/2020.

Clarifications: -

Procedural status of the case: Merits

Deadline: Delayed ruling on 03/17/2021

20. File 2758/95/2020 * - Gorj Court

Parties: Conpet SA - defendant

POPESCU D. VASILE - claimant

Subject matter: Popescu Vasile requests the issuance of a certificate through the court.

Clarifications: By the **Sentence no. 144 / 04.02.2021** the Gorj Court rejects the action as being without subject matter. The decision can be appealed after communication.

Clarifications: -

Procedural status of the case: --

Deadline: -

c) The list of litigations on 03/09/2021 in which the company CONPET S.A. has double status

1. File no. 378/105/2007 - Prahova Court

Parties: Conpet S.A. - claimant-defendant

Petroconduct S.A. – defendant - counterclaimant

Subject matter: Conpet S.A. requests the obligation of the defendant Petroconduct S.A. Ploiesti at:

- payment of the amount of RON 80,548.49 representing penalties for non-execution on time of the obligations assumed by contract no. L 45/18.03.2004 and the contract no. M 59/9.06.2004

- delivery of the tubular material composed of China steel pipe in the quantity of 504 in the amount of EUR 21,344.4 and China steel pipe in the quantity of 96 m in the amount of EUR 4,366.08 or upon payment to our company of its equivalent value, i.e. the amount of RON 89,291 .50.

- payment of the amount of RON 20,626 representing transport, loading, unloading expenses for the tubular material

- payment of the legal expenses in the amount of RON 5,062.24, of which RON 5,057.24 judicial stamp duty and RON 5.00 judicial stamp as well as other legal expenses that we will incur in this proceedings.

Petroconduct S.A. filed a counterclaim requesting the obligation of Conpet SA to pay the amount of RON 46,214.01, representing the value of the works executed by it based on the works execution contracts no. L 45/18.03.2004 and no. MST 09/09.06.2004, in favor of the beneficiary Conpet SA.

Clarifications: On 02/22/2010, based on art. 36 of Law no. 85/2006, the court ordered the suspension of the case.

Procedural status of the case: Merits

Deadline: Suspended

2. File no. 1372/212/2017 - Constanța Courthouse

Parties: Conpet SA – defendant - counterclaimant

Cruceanu Alin Florinel - claimant-defendant

Subject matter: Cruceanu Alin Florinel filed a request for a summons requesting the court to order:

- the obligation of Conpet SA to pay compensations equal to the market value of the land building with an area of 460 sq. m. located in Lazu commune, Luceafărului street no. 29, Constanța county and of the land building with an area of 460 sq. m. located in Lazu commune, Luceafărului street no. 31, Constanța county, the equivalent value estimated at EUR 30,000, the equivalent in RON 134,700;
- the obligation of Conpet SA to pay the equivalent value of the lack of land use in the form of an annual rent for the last three years;
- the obligation of Conpet SA to pay the legal expenses of settling the present request.

The claimant subsequently set out his action on the second head of claim, claiming that the court should:

- order Conpet SA to pay the amount representing the non-use of the two land buildings for the period between 12/10/2015 and the date of finality of the decision by which the first end of the claim was admitted.

The lack of use was provisionally assessed for stamping in the amount of RON 5,000.

Conpet filed a counterclaim requesting:

- The obligation on the claimant to allow Conpet S.A. the exercise of the right of legal servitude established by the provisions of art. 7 et seq. of Law no. 238/2004 on the two lands owned by the claimant Cruceanu Alin Florinel, located in Agigea commune, Lazu village, Luceafărului street no. 29 and 31, respectively, Constanța County. The exercise of the right of legal servitude is to be done on a 2.4 meter wide corridor located along the main crude oil transport pipeline Ø 20 " Constanța-Bărăganu for the purpose of permanent access to the pipeline in order to daily check the condition of the pipeline and execution of any repair works.
- Establishing the amount of the annual rent provided by law owed by us to the claimant in exchange for exercising the right of legal servitude.

Conpet also filed an impleader request with the Ministry of Public Finance and the National Agency for Mineral Resources (N.A.M.R.) that if Conpet S.A. Ploiești will fall into claims regarding the claimants' claims made in the summons to compensate us with the amounts we will be obliged to pay to the claimants.

According to the conclusions of the forensic report on the assessment carried out in question at the request of the applicant, the following resulted:

- the circulation value of the two plots of land as compensation was estimated at RON 184,700.
- the equivalent value of the lack of use in the period 12/10/2015 – 12/10/2018 was calculated at the amount of RON 22,164.

NOTE: The claimant orally applied for an increase in claims against the findings of the expert and stamped accordingly.

According to the conclusions of the forensic report in the specialty of agriculture carried out in the case (the land has an arable-extra-urban scope) at the request of Conpet, the amount of the annual rent for the area of 81 sq.m. (2.4 mx 33.78 m) is RON 17.06 / year.

Procedural status of the case: Merits

Deadline: Ruling postponed to 03/19/2021

3. File no. 18344/212/2017 - Constanța Courthouse

Parties: Conpet SA – defendant - counterclaimant

Mitu Dumitru – claimant - defendant

Mitu Rodica – claimant - defendant

Subject matter: Obligation to do. Mitu Dumitru and Mitu Rodica file a summons requesting Conpet's obligation to pay compensations for the two plots of land with an area of 4,972 sq. m. and 4,977 sq. m. respectively located in Lazu village, Agigea commune, Constanța county affected by the route of some pipelines transporting petroleum products, as well as obliging the defendant to pay an annual rent for the lack of use on the land affected by the exercise of the right of legal servitude, starting with 06/20/2014 and compensations in the form of an annual payment for affecting the use of part of the land on which the pipeline is not located, with the obligation to pay the legal expenses.

The claimants assessed the claims brought before the court in the amount of RON 10,000 in order to stamp the request, showing that after establishing the values by the expertise that they will administer in the case, to pay the difference of judicial fee.

Conpet filed a counterclaim requesting the court:

1. To order the claimants to allow Conpet S.A. the exercise of the right of legal servitude established by the provisions of art. 7 et seq. of Law no. 238/2004 on the two plots of land owned by the claimants. The exercise of the right of legal servitude is to be done on a 2.4 meter wide corridor located along the main crude oil transport pipeline F2 Ø 20 " Constanța-Bărăganu for the purpose of permanent access to the pipeline in order to daily check the condition of the pipeline and execution of possible repair works.
2. To establish the amount of the annual rent provided by law due by Conpet to the claimants in exchange for exercising the right of legal servitude.

Conpet also filed an impleader request with the Ministry of Public Finance and the National Agency for Mineral Resources (N.A.M.R.) that if Conpet S.A. Ploiești will fall into claims regarding the claimants' claims made in the summons to compensate us with the amounts we will be obliged to pay to the claimants.

According to the conclusions of the forensic report in the specialty of assessment carried out in question at the request of the claimant, the following resulted:

-compensations according to the circulation value of the land as a result of the existence of the pipelines were estimated at the amount of EUR 260,438.

-the value of the annual rent for the lack of use of the land affected by the exercise of the right of legal servitude is EUR 17,313 / year or EUR 1,443 / month.

- the value of the compensations in the form of an annual payment for affecting the use of the part of the land on which the pipeline is not located is EUR 24,000 / year.

- the value of the compensations in the form of an annual payment for the part on which the pipeline is located is EUR 10,600 / year.

NOTE: to date, the claimant has not applied for an increase in claims against the findings of the expert, nor has it stamped accordingly.

According to the conclusions of the forensic report in the specialty of agriculture carried out in the case (the land has an arable-extra-urban scope) at the request of Conpet, the amount of the annual rent for the area of 435 sq. m. (corridor of 2.4 m for access) is RON 81 / year.

Procedural status of the case: Merits

Deadline: 03/10/2021

4. File no. 2323/120/2018 - Dâmbovița Court

Parties: Conpet SA - defendant - counterclaimant

Buzatu Florin - claimant - defendant

Subject matter: Buzatu Florin files a request for a summons requesting the court:

1. To oblige the defendant Conpet SA to pay the claimant the amount of EUR 150,000, payable at the NBR exchange rate on the day of payment (amount to be revalued on completion of the real estate assessment expertise report to be carried out in the probation case, to be resized and specified the value of the claims, corroborated with the appropriate adjustment of stamp duties), representing fair and equitable compensation for the damage suffered by restricting the possibility of exercising its property right over the land area of 5980 sq. m. located in the built-up area of Slobozia Moară locality, Dâmbovița county, with cadastral number 70618, registered in the land book 70618 / ATU Slobozia Moară Dâmbovița county, on which are the underground gas pipelines and above-ground devices owned by the defendant, a land which cannot be used for building;
2. To oblige the defendant Conpet SA to pay a monthly indemnity of EUR 1,000 payable at the NBR exchange rate on the day of payment, starting with the date of the sentence, throughout the existence of underground pipelines and above-ground devices, buildings on the land owned by the claimant and to bear all the costs incurred by the claimant for the stages prior to the construction permit;

3. In the alternative, claims that the defendant should erect all the buildings built on the claimant's property, namely the gas pipelines and the above-ground devices, to restore the land to its original condition or to enable the claimant to carry out the obligation to do so, at the defendant's sole expense;

4. To order the defendant Conpet SA to pay the legal expenses incurred in the present legal proceedings.

Conpet filed a counterclaim requesting the obligation of the claimants to allow our company to exercise the right of legal servitude established by the provisions of art. 7 et seq. of Law no. 238/2004 and the establishment of the amount of the annual rent provided by law due by Conpet to the claimants in exchange for exercising the right of legal servitude.

In this case, the court ordered the administration of 3 expertises, namely: the topographic expertise, the assessment expertise and the agriculture expertise.

So far, only the topographic expertise has been administered, which has established the land areas related to the protection and safety zone of the 3 petroleum products transport pipelines under the administration of Conpet and of the gas transport pipeline belonging to Tranzgaz.

Regarding the forensic technical expertise, the assessment specialty, it is not completed, only the field visit was carried out.

Clarifications: -

Procedural status of the case: Merits

Deadline: 04/07/2021

5. File no. 1122/284/2019 - Răcari Courthouse

Parties: Sotir Mădălina Rebeca - claimant

Conpet SA - defendant

Subject matter: Sotir Mădălina Rebeca filed a summons requesting the court to oblige Conpet SA to compensate her with the amount of RON 25,000 for the land area of 523 sq. m., construction yard category, land surface of the claimant located in Cojasca commune, Dâmbovița county having the cadastral no. 72587, undercrossed by the Conpet pipeline.

Conpet SA filed a counterclaim requesting:

1. Obligation on the claimant Sotir Mădălina Rebeca to allow CONPET S.A. the exercise of the right of legal servitude established by the provisions of art. 7 et seq. of Law no. 238/2004 on the land owned by it, located in Cojasca commune, Cojasca village, Dâmbovița County. The exercise of the right of legal servitude is to be carried out on a 2.4 meter wide corridor located along the main crude oil transport pipeline Ø 14 3 / 4" Cartojani-Teleajen Refinery (Lukoil) for the purpose of permanent access to the pipeline in order to daily checking of the condition of the pipeline and execution of any repair works. The exercise of the right of servitude is to be carried out throughout the existence of the pipeline located on the claimant's land but not

later than the date of termination of the oil concession agreement concluded by us, signed by CONPET S.A., with the Romanian State.

2. Establishing the amount of the annual rent provided by law due by us, the subscribed CONPET SA, to the claimant Sotir Mădălina Rebeca in exchange for exercising the right of legal servitude starting with the date of finality of the decision pronounced in the present case, rent consisting in the equivalent value of the annual use of the land under the exercise of servitude.

Clarifications: By the **Conclusion of 09/25/2019**, the Răcari Courthouse rejects the plea of the lack of passive procedural capacity of Conpet SA. It admits the plea of the lack of passive procedural capacity of the National Agency for Mineral Resources.

In this case, the court ordered the administration of two expertise reports - topographic expertise and assessment expertise. So far, only the topographic expertise has been administered. The expert determined the surface occupied by the 2.4 meter wide corridor and the collecting manifold as the surface $S1 = 23\text{sqm}$, having the dimensions on the sides, according to the representation on the situation plan. The expert established the value of the $S1$ surface of 23 sq. m. at the amount of RON 202 according to the values from the Market Study - minimum values / grid of public notaries Dâmbovița. Regarding the technical judicial expertise, the specialty of assessment (objective - establishing the annual rent due by Conpet in exchange for the exercise of the right of legal servitude), the expert appointed by the court did not summon us until this term.

Procedural status of the case: Merits

Deadline: 03/30/2021

6. File no. 18792/281/2019 - Prahova Court

Parties: Conpet S.A. - claimant

Andex Import - Export S.R.L. - Defendant

Subject matter: Conpet is suing Andex Import - Export S.R.L. so that by the decision that the court will pronounce, it will order:

1. The obligation of the defendant Andex Import - Export S.R.L. upon payment to Conpet S.A. of the amount of RON 46,176.27 representing damages in the amount of 20% due according to art. 16 of the service contract no. S-CA 97/15.03.2018, following the unilateral termination of the contract due to the fault of the defendant;
2. The obligation of the defendant Andex Import - Export S.R.L. upon payment to Conpet S.A. of the penalties in the amount of RON 2,123.62, due by the defendant in accordance with the provisions of art. 15.1 (1) and art. 15.2 of the contract for the non-execution in whole or in part of the collection, transport and temporary storage services from the locations of Conpet S.A. sent through orders between August 2018 and December 2019, according to Annex 2;
3. The obligation of the defendant to pay the legal expenses.

Andex Import - Export S.R.L. filed a counterclaim requesting the obligation of Conpet S.A. to:

1. the refund of the amount of RON 22,704.89, representing a guarantee of good execution constituted by SGB and executed abusively by Conpet on the date of notification of the unilateral termination;
2. the payment of the amount of RON 10,000 (plus VAT) representing the value of the services provided under the contract and not paid by Conpet S.A.;
3. the payment of the amount of RON 25,000 as damages, representing the damage caused by Andex Import-Export S.R.L. (unrealized benefit) as a result of the abusive termination of contract no. S-CA 97/15.03.2018.

Clarifications: By the **Sentence no. 7008/06.11.2020** the Ploiești Courthouse admits the main request, obliges the defendant to pay to the claimant the amount of RON 46,176.27, representing damages and to pay the amount of RON 2,123.62, representing delay penalties. It dismisses the counterclaim as unfounded. It obliges the defendant to pay to the claimant the amount of RON 2,143.29 representing legal expenses, respectively equivalent to the judicial stamp duty. The decision was appealed by Andex Import - Export S.R.L..

Procedural status of the case: Appeal

Deadline: 04/12/2021

7. File no. 5022/270/2020 - Onești Courthouse

Parties: Bacău Regional Water Company S.A. - Claimant

Radu Marian - Defendant counterclaimant

SC E.On Energie România S.A.-Counterclaimant

SC Delgazgrid S.A. - Counterclaimant

SC Transgaz S.A. - Counterclaimant

SC Conpet S.A. - Defendant and counterclaimant

General Secretariat of the Government of Romania - Counterclaimant

Romanian State by the Ministry of Public Finance - Counterclaimant

Subject matter: We render the subject of the counterclaim filed by the defendant Radu Marian

By counterclaim, the defendant Radu Marian requested the obligation of the claimant and the other counterclaimants, including our undersigned Conpet S.A., to:

1. *"the prior purchase of the free right of way, because we had no advantage, no favor, but only suffered, caused us only inconvenience and damage, although all were obliged not to aggravate the situation of the servient tenement, not to cause damage to the owner of the servient tenement by the exercise of the servitude, but on the contrary to contribute to its preservation and even to improve it, they were obliged to conclude an agreement or expropriation for all the real estate mentioned, taking into account that all the property mentioned is in the aisle of construction which is of public utility established in accordance with the laws mentioned, the constructions were carried out with their consent, but after a fair and prior compensation*

inclusive with the payment of claims, compensations invoked until the moment of effective expropriation or real estate exchange of value equal to the claimed amount, if it suits us, or even other options if they are convenient for us... we formulate a counterclaim against the claimant and we sue the claimant and the following defendants in tort proceedings. ”

2. “The obligation of the defendants to move the transport networks located on its property, to another location, at a distance of min. 20m from the limits of our property, at their expense and until the network is moved, demand the immediate cessation of transport on these infrastructures until they agree to pay the damages and will guarantee that in case of damage resulting in material or human damage, they will accept our claims and will compensate us immediately without further comments.”

3. "The obligation of the defendants to bring the land in the state it was in before, the dismantling of the manifold illegally placed by Transgaz".

4. "The obligation of the parties jointly and severally to pay compensation of EUR 1,000,000 (one million) in this case for infringement of fundamental rights and freedoms, for all criminal activity carried out to date and for all material and non-material damage caused, plus a monthly fee of EUR 5,000 (five thousand) and the tax to be paid to the state for this fee for each defendant, injured party, respectively for me and my wife, in the amount valid at the time of filing this counterclaim, summons in tort proceedings, at the Onești Courthouse, at the Bacău Court, for every month since 1990 when we became owners of the first plot of land and the claimant and the other defendants transport on these transport networks, illegally located on our property until present, a value that in the future requires to have a periodic indexation ex officio, equal to the coefficient of the minimum wage, as a reference index and to be transmitted to our descendants who will own these goods (buildings, land, everything on them, etc.) after our death, as long as these transport networks exist."

5. "The obligation of the defendants that in case of damages resulting in material, moral or human damages to compensate us in advance for the repair of damages, both for damages caused by failures and for damages caused during the repair of failures. We also claim compensation for damages caused by previous damages and their repair, as well as prior compensation for damages caused by current damages and those caused by their repair."

6. "The obligation of the claimant and the defendants to pay the legal expenses or, in the absence of such legal possibility, pursuant to Article 90 (1) and (2) (a) (b) and (c) and paragraph 3 of the Code of Civil Procedure, I request legal assistance under the conditions of the special law on public legal aid, namely the granting of exemptions both for the payment of this stamp duty and any fees during the entire case until the payment of damages, because we have no material possibilities to support this civil case without endangering our own livelihood and that of our family. "

Conpet filed a counterclaim in this case, requesting the court:

1. *To order the claimants Radu Marian and Radu Elena to allow CONPET S.A. the exercise of the right of legal servitude established by the provisions of art. 7 et seq. of Law no. 238/2004 on the arable land outside the town, their property, located in the city of Tg. Ocna, Progresului street, no. 6, Bacău County. The exercise of the right of legal servitude is to be done on a corridor 2.4 meters wide located along the crude oil transport pipeline Ø 10 3 / 4" Vermești - Tg. Ocna, for the purpose of permanent access to the pipeline in order to daily check the condition of the pipeline and the execution of any repair works. The exercise of the right of servitude is to be carried out throughout the existence of the pipeline located on the claimants' land but not later than the date of termination of the oil concession agreement concluded by us, signed by CONPET S.A., with the Romanian State.*
2. *To establish the amount of the annual rent provided by law due by us, subscribed by CONPET SA, to the claimants Radu Marian and Radu Elena in exchange for exercising the right of legal servitude starting with the date of finality of the sentence in this case, rent consisting of the annual use for the land affected by the exercise of the servitude.*

At the same time, Conpet also formulated in the case a Request to show the holder of the right by which I indicated as holder of the property right over the crude oil transport pipeline Ø 10 3 / 4" Vermești - Tg. Ocna with inventory number 120036/P.I.F. 1952 located on the arable land outside the town of the claimants Radu Marian and Radu Elena located in the city of Tg. Ocna, Progresului street, no. 6, Bacău County, Romanian State represented by: Ministry of Public Finance, headquartered in Bucharest, Apolodor Str., no.17, District 5, and the National Agency for Mineral Resources, headquartered in Bucharest, Dacia Boulevard, no. 59, district 1.

Clarifications: -

Procedural status of the case: Merits

Deadline: 03/24/2021

8. File no. 1657/91/2020 - Vrancea Court

Parties: Vasile Maria Ilaria - at S.C.P.A. Buruian, Caracaș and Associates - Claimant

Dragu Georgeta - the S.C.P.A. Buruian, Caracaș and Associates - Claimant

The company Conpet SA Ploiești - Defendant

Romanian State - through the Ministry of Public Finance - Defendant

National Agency for Mineral Resources - Defendant

Subject matter: By their summons, the claimants Vasile Maria-Ilaria and Dragu Georgeta requested to the court (we return the petition for the summons) to:

- A. In particular, order the defendant to pay an annual rent of EUR 496.64 for the protection area of the pipeline belonging to the defendant and which crosses the building privately owned by the undersigned, as of the date of registration of this summons;
- B. In particular, order the defendant to pay a lump sum of EUR 508,080 in respect of the attribution of the use of the property according to its intended purpose, namely that the undersigned may not build buildings on the privately owned building;
- C. In particular, order the defendant to pay legal interest on the annual rent provided for in point A, from the date of registration of the present summons;
- D. In particular, order the defendant to pay legal interest for the lump sum compensation provided for in point B, from the date of registration of the present summons;
- E. *In the alternative, we request you to order the other two defendants to pay the amounts indicated in the preceding paragraphs.'*

Conpet filed a counterclaim in this case, requesting the court:

1. *To order the applicants Vasile Maria - Ilaria, Dragu Georgeta and Dragu Maria to allow CONPET S.A. the exercise of the right of legal servitude established by the provisions of art. 7 et seq. of Law no. 238/2004 on the land owned by them, located in Focșani city, Vrancea County. The exercise of the right of legal servitude is to be done on a 2.4 meter wide corridor located along the crude oil transport pipeline Ø 20" Bărăganu - Borzești / Rafo Onești, for the purpose of permanent access to the pipeline in order to daily check the condition of the pipeline and the execution of accidental and planned repair works. The exercise of the right of servitude is to be carried out throughout the existence of the pipeline located on the claimants' land but not later than the date of termination of the oil concession agreement concluded by us, the undersigned CONPET S.A., with the Romanian State.*
2. *To establish the amount of the annual rent provided by law due by us, the undersigned CONPET SA, to the claimants Vasile Maria - Ilaria, Dragu Georgeta and Dragu Maria in exchange for exercising the right of legal servitude, rent consisting in the equivalent value of the annual land use affected by the exercise of the legal servitude.*

Clarifications: -

Procedural status of the case: Merits

Deadline: 03/09/2021

9. File no. 220/262/2017 * - Moreni Courthouse

Parties: Conpet SA - defendant

Chivu Ion - claimant

Subject matter: Chivu Ion filed a request for a summons requesting the court to order:

- obliging Conpet SA to move the oil pipeline that crosses the land owned by him, with an area of 1,753 sq. m. located in the commune of Ocnița T14, P114;
- establishing the access location with the obligation of Conpet SA to pay an afferent annual rent both for the access road and for the pipeline that causes damage to the land;
- compensations for the land affected by the pipeline.

The claimant assessed his claims provisionally at the amount of RON 45,540 / year x 3 years (RON 136,620). Conpet filed a counterclaim requesting the court to:

- Order the claimant CHIVU ION to completely dismantle the existing construction (concrete foundation) located on the crude oil pipeline Ø 6 5/8 "Ochiuri - Moreni, which under-crosses the land owned by him, located in Ocnița, T 14, p114, cadastral no. 159 Land book no. 70441 Dâmbovița county. This construction was carried out without authorization, and Ocnița City Hall ordered the works to be stopped.
- To oblige the claimant to allow the company CONPET SA to exercise the right of legal servitude established by the provisions of art. 7 et seq. of Law no. 238/2004 on the land owned by the claimant CHIVU ION located in Ocnița commune, T 14, p114, cadastral no. 159 Land book no. 70441 Dâmbovița county. The exercise of the right of legal servitude is to be carried out on a 2.4 meter wide corridor located along the crude oil transport pipeline Ø 6 5/8 "Ochiuri - Moreni that under-crosses the claimant's land, in order to have permanent access to the pipeline in order to daily check the condition of the pipe and perform any repair works.
- To establish the amount of the annual rent provided by law due by us to the claimant in exchange for exercising the right of legal servitude, starting with the date of finality of the decision by which the claimant is obliged to allow CONPET SA to exercise the right of legal servitude.

Conpet filed a request to show the owner of the property right over the transport pipeline that under-crosses the land owned by the claimant Chivu, introducing the Romanian state in question through the Ministry of Finance and NAMR.

Conpet filed a request to increase the amount, requesting the court to oblige the claimants to demolish the constructions (concrete platforms) built in the protection and safety area of the pipeline.

Clarifications: By the **sentence no. 1000/05.11.2019** the Moreni Courthouse partially admits the main request. It admits in part the counterclaim. The decision was appealed by Conpet SA and Chivu Ion.

By the **Decision no. 223/02.06.2020**, the Dâmbovița Court rejects the appeal filed by the Romanian State through the Ministry of Public Finance-General Regional Directorate of Public Finance Ploiești against the Conclusion of 04/5/2019. It admits the appeals exercised against the civil sentence no. 1000/5.11.2019 pronounced by the Moreni Courthouse in the file no. 1220/262/2017. It annuls the sentence under appeal and remits the case for retrial to the first instance.

In this case, the evidence with the forensic technical expertise specialized in agriculture was re-administered. According to the conclusions of the expert Conpet owes an annual rent of RON 2784 per year, as well as the amount of RON 18462 for the period 2014-2020.

Conpet filed a request for recusal of the expert, exceeding his competencies and being clearly biased in formulating the conclusions of the expert report. Deadline for resolving the request for recusal 03/11/2020 Conpet will object to the expert report drawn up in the present case.

Procedural status of the case: Merits- retrial

Deadline: 04/08/2021

10. File no. 32294/299/2020 - Bucharest District 1 Courthouse

Parties: Conpet SA - defendant - counterclaimant

Bob Mihăiță - claimant-defendant

NAMR - defendant

Subject matter: Bob Mihăiță files a summons requesting the court to order:

1. The obligation of Conpet SA and NAMR to move the crude oil pipeline crossing the land owned by the claimant located in Cernavoda, plot 1, plot A6 / 2, Constanța county;
2. The establishing the equivalent value of the lack of use, for a period of three years, prior to the formulation of the summons, amounting to RON 150,000;
3. In the alternative, the obligation of Conpet SA to pay an annual rent for the use of the land owned by the claimant, from the date of filing the summons, in the amount of EUR 5/sq. m./year for the area of 14,645 sq. m., land affected by the protection and safety area, during the existence of legal servitude;
4. The payment of legal expenses.

By the request for clarification of the summons, the claimant stated the following:

.....

3. *For the method of calculating the amount of RON 150,000, I indicated the value of a rent, estimated at RON 4,166 /month, for a period of three years prior to the formulation of the summons, which the defendants in the present case should pay as compensation for the damage suffered as a result of the impossibility of capitalizing the land crossed by their pipelines*
4. *We request, in the alternative, that the defendant SC Conpet SA be obliged to pay an annual rent for the use of the land personally owned by the undersigned, from the date of filing the summons, during the existence of the legal servitude, until the lifting of the pipelines on the land of the undersigned.*
5. *The value of the 3rd end of the claim is RON 10,000, estimated value, following that, after performing the report of forensic technical expertise, the real estate assessment specialty, performed in question to stamp according to the value of the land related to the protection and safety area of the construction.*

6. *I request that the court oblige the defendant Conpet SA to pay all the compensations requested in the summons, and the defendant the National Agency for Mineral Resources to be obliged to move / decommission the oil pipelines on the land owned by the undersigned.*

..... “

Conpet filed a counterclaim seeking the following from the court:

1. To order the claimant to allow CONPET S.A. the exercise of the right of legal servitude established by the provisions of art. 7 et seq. of Law no. 238/2004 on the land owned by the claimant Bob Mihaiță located in Cernavoda, plot 1, plot A6 / 2, Constanța County. The exercise of the right of legal servitude is to be carried out on a 2.4 meter wide corridor located along each of the main crude oil transport pipelines that under-cross the claimant's land, respectively the F1 main crude oil transport pipeline Ø 14 $\frac{3}{4}$ ", F2 main crude oil transport pipeline Ø 20 ", and Pipeline 28 Constanța - Bărăganu of crude oil transport Ø 28", for the purpose of permanent access to pipelines for daily verification of the condition of pipelines and execution of possible repair works. The exercise of the right of legal servitude is to be carried out throughout the existence of the pipelines located on the land of the claimant, but no later than the date of termination of the oil concession agreement concluded by us, the undersigned Conpet SA, with the Romanian State;
2. To establish the amount of the annual rent provided by law due by us, the undersigned, to the claimant in exchange for exercising the right of legal servitude.

Clarifications: -

Procedural status of the case: Merits

Deadline: -

HEAD OF LEGAL SERVICE
legal adviser Cornel BĂNICĂ

"certify the reality and accuracy of the information"

LEGAL SERVICE
legal adviser Cătălina DĂU

The undersigned, **Bucur Andreea-Ioana**, translator authorized by the Ministry of Justice, with the authorization no. 38749/2021, I do hereby certify the accuracy of this translation with the original Romanian document, which has been seen by me. Translator,



FINANCIAL STATEMENTS
at the date and for the financial year ended
December 31st, 2020

prepared based on the accounting regulations in accordance with
the International Financial Reporting Standards
approved by the Ministry of Finance Order no. 2844/2016

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The Company CONPET S.A.

Statement of the Financial Standing at December 31, 2020

(All amounts are expressed in RON, if not otherwise indicated)

Statement of the Financial Standing at December 31st, 2020

	Note:	December 31,	December 31,	
		2020	2019	
ASSETS				
Non-current assets				
Tangible assets	5	504,534,005	466,977,597	
Intangible assets	6	4,313,253	2,998,268	
Financial Assets	7	1,111,921	810,598	
Receivables related to the deferred corporate tax	14	4,955,676	5,422,459	
Total non-current assets		514,914,855	476,208,922	
Current assets				
Stocks	8	5,912,006	8,169,862	
Trade liabilities and other liabilities	9	40,260,134	42,248,700	
Cash and Cash Equivalents	10	198,257,333	238,576,951	
Prepaid expenses		602,808	1,862,719	
Total current assets		245,032,281	290,858,232	
TOTAL ASSETS		759,947,136	767,067,154	
Equities and liabilities				
Equities				
Subscribed and paid-up share capital	11	28,569,842	28,569,842	
Legal reserves	11	5,713,968	5,713,968	
Revaluation reserves	11	20,931,765	21,111,893	
Other reserves	11	500,269,257	495,540,772	
Retained earnings	11	40,678,977	43,997,162	
Year's Result	11	60,846,759	58,876,719	
Total Equities		657,010,568	653,810,356	

The Company CONPET S.A.

Statement of the Financial Standing at December 31, 2020

(All amounts are expressed in RON, if not otherwise indicated)

Long-term debts

Long-term debts due employees		19,864,043	16,268,908
Other long-term liabilities	12	3,470,722	4,544,833
Total long-term liabilities		23,334,765	20,813,741

Current liabilities

Trade liabilities	12	23,583,540	27,179,134
Ordinary Corporate Tax	12	738,139	3,076,456
Other debts	12	29,892,967	33,052,691
Short-term employees-related debts	13	14,127,500	14,652,697
Short-term provisions	13	11,259,657	14,482,079
Total current liabilities		79,601,803	92,443,057
Total liabilities		102,936.568	113,256.798
Total EQUITIES		759,947,136	767,067,154
AND LIABILITIES			

These financial statements from page 2 to page 56 have been authorized for issue and signed by the company's management at March 23rd, 2021.

Director General

Eng. Dorin Turdora

Economic Director,

Econ. Sanda Toader

The attached notes, from page 1 to 25 are constituent parts of these financial statements.

The Company CONPET S.A.

Statement of Profit and Loss and other elements of the global result for the financial year ended

December 31, 2020

**STATEMENT OF PROFIT and LOSS AND OTHER ELEMENTS OF THE GLOBAL RESULT FOR THE
YEAR ENDED ON DECEMBER 31st, 2020**

	Note:	December 31, 2020	December, 31 2019
Operating Revenues	16		
Contract revenues		406,928,337	407,822,341
Other revenues		40,707,357	35,180,465
Total Operating Revenues		447,635,694	443,002,806
Operating Expenses	17		
Expenditure on stocks		6,106,005	7,604,671
Expenses with energy and water		12,465,234	13,088,645
Personnel Expenses		162,558,904	159,900,933
Impairments of the fixed assets, less impairments related to rights of use resulting from leasing contracts		47,384,780	46,639,302
Impairments related to rights of use resulted from leasing contracts		1,925,587	1,621,597
Impairments of current assets		(346,944)	(716,533)
Expenses related to external services		107,481,861	107,102,681
Losses from disposal of assets		41,323	213,232
Impairments related to provisions		(2,802,153)	10,480,176
Other expenses		47,804,980	34,919,912
Total Operating Expenses		382,619,577	380,854,616
Operating profit		65,016,117	62,148,190
Financial Revenues		6,122,271	7,873,876
Expenses with interests related to leasing contracts		532,077	253,191
Other financial revenues		153,711	65,046
Financial Expenses		685,788	318,237
Financial profit	18	5,436,483	7,555,639

The Company CONPET S.A.

Statement of Profit and Loss and other elements of the global result for the financial year ended

December 31, 2020

Profit before corporate tax		70,452,600	69,703,829
Expenses with ordinary corporate tax	14	9,176,821	12,958,609
Expenses with (revenues from) deferred corporate tax		429,020	(2,131,499)
Profit of the year		60,846,759	58,876,719
Actuarial loss from discounted benefits granted upon retirement		(2,160,408)	(983,674)
Revaluation surplus (Loss from depreciation) of tangible assets		2,376,682	(13,315)
Total other global result elements		216,274	(996,989)
TOTAL GLOBAL RESULT		61,063,033	57,879,730
Result per share	15	7.03	6.80

These financial statements from page 2 to page 56 have been authorized for issue and signed by the company's management at the date of March 23rd, 2021.

Director General

Eng. Dorin Turdora

Economic Director,

Econ. Sanda Toader

The attached notes, from 1 to 24, are constituent parts of these financial statements.

The Company CONPET S.A.

(All amounts are expressed in RON, if not otherwise indicated)

	Share capital	Legal reserves	Revaluation reserves	Other reserves	Retained earnings	Year's profit or loss	Total Equities
Balance at January 1, 2020	28,569,842	5,713,968	21,111,893	495,540,772	43,997,162	58,876,719	653,810,356
Net result of the period	-	-	-	-	-	60,846,759	60,846,759
Actuarial loss of the period	-	-	-	-	(2,160,408)	-	(2,160,408)
Surplus from reevaluation of tangible assets	-	-	2,372,778	3,904	-	-	2,376,682
Surplus achieved from revaluation	-	-	(2,552,906)	-	2,552,906	-	-
Total other global result elements	-	-	(180,128)	3,904	392,498	60,846,759	6,063,033
Net increase of the modernization quota reserve	-	-	-	3,192,763	-	-	3,192,763
Dividends due to shareholders	-	-	-	-	(3,298,140)	(57,757,444)	(61,055,584)
Allocation of profit provided by law - tax exemption of the reinvested profit	-	-	-	1,531,818	(412,543)	(1,119,275)	-
Balance at December 31, 2020	28,569,842	5,713,968	20,931,765	500,269,257	40,678,977	60,846,759	657,010,568

STATE OF THE CHANGES IN EQUITY AT DECEMBER 31st, 2020

The Company CONPET S.A.

(All amounts are expressed in RON, if not otherwise indicated)

STATE OF THE CHANGES IN EQUITY AT DECEMBER 31, 2019

	Share capital	Legal reserves	Revaluation reserves	Other reserves	Retained earnings	Year's profit or loss	Total Equities
Balance at January 1, 2019	28,569,842	5,713,968	25,810,840	496,092,345	44,689,400	60,676,014	661,552,409
Net result of the period						58,876,719	58,876,719
Actuarial loss of the period	-	-	-	-	(983,674)	-	(983,674)
Loss from depreciation of tangible assets			(13,315)	-	-	-	(13,315)
Surplus achieved from revaluation	-	-	(4,399,439)	-	4,399,439	-	-
Total other global result elements	-	-	(4,412,754)	-	3,415,765	58,876,719	57,879,730
Net reduction of the modernization quota reserve	-	-	-	(1,017,356)	-	-	(1,017,356)
Retained earnings from the correction of various elements that have affected the profit of the previous years	-	-	-	-	(7,945)	-	(7,945)
Reunification reserve from revaluation of the land plots not included in share capital	-	-	(342,634)	452,315	(109,681)	-	-
Deferred corporate tax recognized at the expense of equities	-	-	56,441	-	-	-	56,441

The Company CONPET S.A.

(All amounts are expressed in RON, if not otherwise indicated)

Dividends due to shareholders	-	-	-	(1,105,807)	(4,304,887)	(59,242,229)	(64,652,923)
Allocation of profit provided by law - tax exemption of the reinvested profit	-	-	-	1,119,275	314,510	(1,433,785)	-
Balance at Tuesday, December 31, 2019	28,569,84 2	5,713,968	21,111,893	495,540,772	43,997,162	58,876,719	653,810,356

Note: The position „Other reserves” includes also the reserve representing the modernization quota in amount of 461,121,136 RON at 31.12.2020, namely 457,924,469 RON at 01.01.2020. This reserve has a special regime of use, provided in GD no. 168/1998, this being destined exclusively to the financing of the modernization 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 and the related notes, from page 1 to page 56, have been authorized for issue and signed by the company's management at March 23rd, 2021.

Director General

Eng. Dorin Tudora

Economic Director,

Econ. Sanda Toader

The Company CONPET S.A.

Cash-Flow Statement for the year ended December 31, 2020

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

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2020

December 31, 2020

(DIRECT METHOD)

-RON-

	Name of the Element	12 months 2020	12 months 2019
	Cash flows from operating activities:		
+	Proceeds from services supply	451,156,972	451,818,164
+	Proceeds from interests related to bank investments	6,572,110	7,956,249
+	Other proceeds	4,902,357	6,615,207
-	Payments to the suppliers of goods and services	117,925,202	119,161,438
-	Payments to and on behalf of the employees	160,129,565	155,943,944
-	VAT Payments	43,942,659	46,787,643
-	Corporate tax payments and specific tax	11,515,138	13,666,926
-	Other payments related to operating activities	41,803,337	36,819,821
A	Net cash from operating activity	87,315,538	94,009,847
	Cash flows from investment activities		
+	Proceeds from sale of tangible assets	63,378	38,310
+	Proceeds from modernization quota	36,980,848	31,080,415
-	Payments for procurement of tangible assets	102,602,530	84,149,146
B	Net cash from investment activities	(65,558,304)	(53,030,421)
	Cash flows from financing activities:		
+	Proceeds of dividends transferred to Depozitarul Central	-	2,786,508
-	Paid Dividends*	59,117,819	62,872,850
-	Payments on account of leasing-related debts	2,764,889	1,755,043
-	Payments related to interests	194,144	243,444

C	Net cash from financing activities	(62,076,852)	(62,084,829)
	Net increase of cash and cash equivalents cash=A+B+C=D2-D1	(40,319,618)	(21,105,403)
D1	Cash and cash equivalents at the beginning of the period	238,576,951	259,682,354
D2	Cash and cash equivalents at end of the period	198,257,333	238,576,951

*We hereby mention that at the date of 31.12.2019, erroneously has been contained the exchange value of the dividends prescribed during the period.

The cash and cash equivalents at 31.12.2020 have decreased by 16.9% as compared to those existing at December 31, 2019 (198.3 mRON compared to 238.6 mRON), due to the cash outputs for the payment of the dividends related to the financial year 2019 and assets procurement (investments), higher than the cash surplus from the operating activity related to the 12 months. Out of the total of 198mRON availabilities in the balance at 30.12.2020, the part associated to the modernization quota is in amount of 116mRON.

The effects of the three activity areas (operation, investment and financing) over the cash in 12 months period 2020 reveal the followings:

- the operating activity triggered a cash-flow in amount of 87 mRON
- the investment ended with a negative cash-flow in amount of 66mRON;
- the financing activity lowered the total cash flow by 62 mRON due to the cash outputs mainly for the payment of dividends in amount of 59 mRON.

The value of the net cash flows out of the operating activity registers a reduction by approx 6.7 mRON generated by the payment to the State budget of the exchange value of the amounts obtained during 2017-2020 from the sale of the pipe material generated by the pipes replacement works. The decrease of the cash from operating activities has been also influenced by the increase of payments with the employees generated by augmentation of salaries.

The net cash from investment activities registers a negative values, higher by approx. 13 mRON as compared to the level registered in 2019 due to the increase of the cash outputs for the payment of investment suppliers.

The net cash from the financing activity recorded in both periods compared negative amounts determined by the payment of dividends to shareholders and the amounts related to leasings.

The Company CONPET S.A.

Cash-Flow Statement for the year ended December 31, 2020

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

These financial statements and the related notes, from page 2 to page 56 have been authorized for issue and signed by the company management at March 23rd, 2021

Director General

Eng. Dorin Turdora

Economic Director,

Econ. Sanda Toader

The attached notes from 1 to 24 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 Prahova Trade Registry under no. J29/6/1991 and the Financial Supervisory Authority with certificate no. 7227/1997.

The address of the registered offices is in Ploiesti, No. 1-3, Anul 1848 Street, Prahova County.

CONPET is the concessionaire of the crude oil, rich gas, condensate and ethane National Transport System, capacity acquired, in 2002, by conclusion with the National Agency of Mineral Resources (NAMR), the competent authority representing the State's interests in the oil resources sector, the Oil Concession Agreement, approved by GD no.793/27.07.2002.

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

Currently, CONPET is included in 7 indexes of the total of 9, namely **BET, BET-TR, BET-XT, BET-XT-TR, BET-BK, BET-NG AND BET Plus**.

At 31.12.2020, CONPET S.A. had a market capitalization of 659.7 . million RON (135.5 million Euro), ranking 19 in "Top 25 issuers according to capitalization".

Company Set-up

CONPET is constituted based on GD no.1212/20.11.1990 on the set-up of the joint stock commercial company in the industry, under Law no.15/1990 on the reorganization of the state economic units as autonomous companies and commercial companies, by taking over the entire asset and liability of the former Crude Oil Pipeline Transport Enterprise (Ro:ITTC).

The shareholders structure and the number of voting rights at the date of 31.12.2020 are the followings:

- The Romanian State by the Ministry of Economy, Energy and Business Environment, holding 5,083,372 voting shares representing 58.72% of the share capital,
- legal persons with 2,368,002 voting shares representing 27.35% of the share capital, and
- natural persons with 1,206,154 voting shares representing 13.93% of the share capital.

Company's Mission

CONPET mission is the operation of the crude oil 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, in equal conditions, in a non-discriminatory and transparent manner.

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 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 via pipelines, as well as by rail, from the loading ramps to the refineries, for the oil areas not connected to the major transport 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, from the delivery sites to the processing units.

CONPET, as concessionaire of the crude oil National Transport System entitles as common carrier and has 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 National Transport System belongs to the Romanian State public domain and is being administered by NAMR. (as per the Oil Law provisions). It comprises a pipelines system of approximately 3,800 km and has a transport capacity of 18.5 million tons/year.

The Legal Environment

The activities in the oil sector are 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. 238/2001. As per the Oil Law, the National Agency for Mineral Resources entitles as Concession Provider of the goods belonging to the public domain, concessioned to the operators acting in the oil industry.

The main responsibilities of NAMR are the followings:

- negotiates and concludes oil agreements on behalf of the state;
- awards mining concession licenses and operating permits;
- issues regulatory acts, norms, instructions, orders and regulations;
- controls the holders' compliance with the oil agreements, concession licenses conditions and exploitation prerequisites;
- 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 stands for the exchange value of the transport service supplied by the holder of the oil concession, as common carrier for the transport, via the crude oil National Transport System, of an oil ton along the oil take-over sites from the domestic producers or import and the delivery sites to the refineries.

The company practices different transport tariffs for the two subsystems belonging to the National Transport System, namely the subsystem for the transport of crude oil, condensate, rich gas and ethane from the internal production and the subsystem fro the transport of the imported crude oil. For the transport service on the import subsystem are being settled tariffs per refineries and per transported quantity installments, being applied the bracket tariff model.

The transport tariffs are being established in accordance with NAMR 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 approved by NAMR as competent authority.

The tariffs are determined by allocation of value of the transport service to the oil quantities transported to the beneficiaries, by using a methodology based on the determination of service cost, defined as the totality of the revenues necessary for covering the transport operations via system, here included:

- the operating cost, including: expenses with materials, personnel expenses, pipeline maintenance expenses, expenses with energy, costs related to the amortization of the fixed assets, the royalties and other taxes applicable to the transporter, expenses related to the provision of pipeline guard, the amounts due to lands owners, other expenses;
- modernization and development quota;
- a reasonable rate of profit.

2. Drawing-up Basis

(a) Statement of Compliance

These financial statement 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 Reporting 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 statement prepared at the date and for the financial year ended December 31, 2020 have been audited.

(b) Overview of the Financial Statements

The financial statement are being presented in compliance with IAS,1 the Overview of the Financial Statements. The company has 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 variation of the currency*.

(d) Evaluation Grounds

The financial statements are being prepared at historic cost, except for the 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 herebelow have been consistently applied for all periods presented in these financial statements.

(e) Business Continuity

The financial statements have been prepared considering the ongoing concern.

(f) Accounting Estimations and Professional Reasonings

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, here included predictions of future events that are believed to be reasonable under certain circumstances. The results of these estimates set the grounds for the professional reasonings 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 reasonings used by the management for application of accounting policies of the Company and the main sources of uncertainty related to estimates were the same with the ones applied to the financial statements of 2019.

(g) The Use of Estimates and Reasonings

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 company, as per the Law no.31/1990 on the companies, republished, with subsequent amendments, where the majority of shares are being held by the State, being a public enterprises as per GDO. 109/2011 regarding corporate governance of public enterprises. The services supplied by the company are not public services, as they are being supplied in the benefit of the clients legal persons, therefore do not fall under the provisions of IFRIC 12, *Services Concession Agreements*.

3. Accounting Policies

In the followings there are being described the significant accounting policies applied consistently by the company on preparation of its financial statements.

(a) Transactions in Foreign Currency

The transactions in foreign currency are being expressed in RON by application of the currency from the date of transaction. 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 statement and other elements of the global result of the respective financial year.

The foreign exchange of the main foreign currencies were:

	December 31, 2020	December 31, 2019
RON/EURO	4.8694	4.7793
RON/USD	3.9660	4.2608
RON/GBP	5.4201	5.6088

(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 no longer applies 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 through profit or loss, 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 31.12.2020 the company holds the following non-derivative financial assets: cash, cash equivalents and receivables.

Short-term investments

The treasury accounting, as per item 92 of Order 2844/2016, provides for 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 first registration in the Company, the short-term investments are being assessed based on the purchase cost or the value established under the contracts.

During 2020 the company has not had transactions representing short-term investment and does not have short-term investments in balance at the end of the year.

Receivables

Receivables are financial assets with fix payments or determinable that are not listed on an active market. Receivables contain trade receivables 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.

(i) Non-derivative financial assets

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 within contractual transactions, trade payables and other liabilities.

Trade liabilities

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

Leasing-related debts

As per IFRS 16, a contract is or contains a leasing contract in case that contract confers the right to control the use of an asset identified for a certain period of time in exchange of a countervalue.

For such contracts, at the date of initiation of performance thereof, a lessee must recognize an asset related to the right of use and a debt deriving from the leasing contract, debt generating interest.

The company includes in the item "Other debts" also the debts deriving from the leasing contracts at the present value of the payments of leasing that are not paid at that date.

(iii) Share capital - Common stocks

The share capital consisting of common stocks (ordinary) is recorded at the value established based on the articles of association and addenda.

The company recognizes the amendments to the share capital only after the accomplishment of the legal procedures provided by Law no.31/1990.

Tangible assets

(i) Recognition and Assessment

The tangible assets in the company's patrimony are being classified in the following category of assets of same kind and similar use.

- land plots and land improvements;

- buildings
- operating oil product;
- technological equipment, measuring installations and devices, control and adjustment and means of transport;
- other tangible assets
- tangible assets in progress.

The tangible assets are initially evaluated at cost by the Company. After initial recognition the tangible assets are being revealed in the statement of the financial standing at reevaluated value, established based on an assessment report drafted by an authorized independent expert. The reevaluations are made with fair regularity to make sure that the accounting value does not significantly differ from what would have been determined by using the fair value at the date of the reporting period.

The tangible assets are being presented in the statement of the financial standing at the reevaluated value, diminished by the cumulated depreciation and the loss from cumulated depreciation, except for advance payments and ongoing tangible assets appear as cost.

The cost of an element of tangible assets is made up of the procurement price, here included the import fees or non-recoverable procurement fees, the transport expenses, manipulation, commissions, notary fees, expenses with permits acquirement and other non-recoverable expenses directly related to tangible assets and any other direct costs attributable to bringing the assets to the place and in operating conditions.

The tangible assets in progress stand for unfinished investments performed in-house or under contract. They are being evaluated at the production or procurement cost, as the case may be. Tangible assets in progress pass to the category of tangible assets completed after the reception, putting into operation or commissioning thereof, as the case may be.

The cost of a tangible asset built in-house is being determined by using the same principles as for a purchased 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.

The costs of current maintenance are mainly the workmanship and expandable costs and may include the cost of small components. The purpose of these expenses is often described as being meant for the "repairs and maintenance" of the tangible assets element.

(II) Ulterior costs

Replacements of several components of tangible assets

The components of several elements of tangible assets may need the replacements at time regulated intervals.

General Regular Inspections

One condition for the continuation of the exploitation of an element of tangible asset is the performance of a general major regular inspection for detecting defects, notwithstanding they are being replaced or not component arts of the respective assets. When a general regular inspection is being performed, the related cost is recognized in the accounting value of the tangible asset as a replacement, if the recognition criteria are satisfied.

An element of tangible assets and any significant part initially recognized are derecognised in the moment of disposal or when are not being expected future economic benefits from its use or sale.

If an element of tangible asset is re-assessed, all the other assets he's part of are re-evaluated, except for the situation when there is no active market for that asset. A class of tangible assets contains assets of the same nature and similar use, being operated by the entity. If the fair value of a tangible asset cannot be determined by reference to an active market, the asset value presented in the balance sheet is its reassessed value at the date of the last reassessment, where from are being lowered the cumulated value impairments.,

When certain components of a tangible asset have a different useful life, they are being counted as distinct elements (major components) of tangible assets.

The statement related to the evolution of tangible assets of the Company during 2020 and 2019 is being detailed in note 5.

Operating Oil Product

The company recognizes in tangible assets the operating oil product evaluated in the balance sheet at determined cost from the revaluation performed as per GD no.26 from January 22,1992 updated with inflation rate up to 31.12.2003, when Romanian economy was inflationary. Due to the fact that the oil operating product of the Company physically renews at every pumping and that the component elements of this product does not bear, therefore, moral or qualitative depreciation, the operation oil product has not useful life, thus is not being depreciated. The company presents the operating oil product at the cost value, here included the effects of restatements registered in the previous years as per application of "IAS29", Financial reporting in the 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 Investment 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. Our 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 asset, 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:

- They are available for immediate sale;
- The company's management is engaged in a sales plan;
- There are minimum chances that the sales plan incur significant changes or be withdrawn;
- It 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 group destined to disposal).

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 in view of sale.

(v)Assets related to the right of use of the assets taken by leasing

On initiation of a contract, the company evaluates if that contract is or includes a leasing.a A contract is or contains a leasing contract in case that contract confers the right to control the use of an asset identified for a certain period of time in exchange of a countervalue.

As per IFRS 16, Leasing Contracts, at the date of starting the performance, the company, as lessee, recognizes an asset related to the right of use. The cost of the asset related to the right of use includes the value of the initial value of the debt deriving from the leasing contract, any leasing payment being performed at the date of initiation of performance or prior to thid date, minus any in leasing stimulants received or any direct initial cost borne by the company as lessee.

The company reevaluates if a contract is or includes a leasing only provided that the terms and conditions of the contract are amended; The company determines the duration of a leasing contract as being the irrevocable period of a leasing contract, along with:

- (a) the periods covered by an option of extension of a leasing contract if the lessee has the reasonable confidence that it will exercise that option; and
- (b) the periods covered by an option of termination of the leasing contract if the lessee has the reasonable confidence that it will exercise that option.

In terms of financial standing, the assets related to the right of use are being included in the same element-item as the one where are being presented the assets-support of the company.

(Vi) Depreciation

Depreciation is being calculated by using the straight-line method.

The useful life of the tangible assets fit with those provided in the Catalog regarding the classification and normal operating durations of the fixed assets approved by Decision 2.139/2004.

The goods resulting following the investments related to the national transport system via pipelines pays off along the minimum duration between the remaining lifespan of the respective asset or the remaining duration from the concession agreement.

The assets related to the rights of use of the assets taken in leasing are linearly depreciated, all along contract duration.

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/ cessation of intangible assets

Tangible assets that are scrapped or sold are being derecognised 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 non-acknowledgment of an element from tangible assets, determined as difference between net proceeds from sale included in the operating revenues and the net accounting value of the asset included in other operating expenses are being revealed as separate position in the Statement of profit and loss 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 include expenses that are not directly attributable to the purchase of the respective elements. The 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 occurrence.

(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 life 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 depreciation indices. If such indices exist, it 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.

A depreciation 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 depreciation 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

depreciation loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

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.

Depreciation 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 and materials like inventory objects.

The stocks are valued at the lower of cost and net achievable 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.

If applicable there will be applied impairments for the obsolete stocks, slow movement or damaged.

(h) Dividends

The dividends are recognized as a liability in the period in which their distribution is approved. The distribution of dividends is being performed subsequently to 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 " Shareholders Equity" 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 the total equity, 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 the 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 possible 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 value, then it is being treated as follows:

- as an increase of the *revaluation reserve*, if there was no previous decrease written-back 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 recognition as income.

In case the result of revaluation is a *decrease* of the net accounting value, the latter will be treated as an expense when in the revaluation reserve is not registered an amount related to that asset (revaluation surplus) and the reserve formed out of the modernization quota is diminished simultaneously by writing-back 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 assigned and / or squashed, shall be taxed concurrently with the deduction of the fiscal depreciation, respectively when deducting from the administration of these fixed assets, as appropriate.

The achieved reserves 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 income 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). Once with the approval of the transport tariffs.

In other reserves - the modernization quota, as sub-element of the accounts of equities are being included the amounts representing the plus resulting from the revaluation of the tangible assets financed out of this source, until the clearing of the decrease previously acknowledged.

(l) Related Parties

The Parties are deemed related 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) The benefits of the Employees

(i) Benefits granted upon 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 probable that an outflow of resources be required to settle the obligation, and duty can be estimated reliably.

The amount recognized as a provision is the best estimate at the balance sheet date, of the costs required to settle this 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 present value of the expenditure 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 must be canceled by write-back as 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 in correspondence with the stage of execution.

As per IFRS 15 Revenues from clients contracts, the value of the trade price allocated to an obligation of execution is recognized in revenues when (or gradually) an execution measure is being fulfilled.

In order to determine the trade price there are being considered the terms of the contract and the usual business practices. The price of the transaction represents the value of the consideration to which the company expects to have the right in exchange of the transfer of goods or services promised to a client, not including the collected amounts on behalf of some third-parties.

Revenues from royalties, rentals and interests

Recognition rules:

- interests are recognized periodically, proportionally, upon generation of the said income, on an accrual based accounting, as per the contract;
- royalties and rentals are recognized on an accrual basis, under the contract.

(g) Financial Revenues and Expenses

The financial revenues comprise interest revenues related to the funds invested and other financial revenues. The interest revenues are recognized in profit or loss of the period, on the accrual-based accounting, using the effective interest method.

The financial expenses mainly contain expenses with interests related to leasing contracts and the expense related to currency differences.

The interest expenses generated by the debts coming from the leasing contracts are being registered in the loss and profit account along the leasing contract, being calculated at the outstanding balance of the debt related to the leasing, for each stage. This thing will determine higher expenses at the beginning of the leasing contract.

(r) Tax

The corporate tax expenses comprise the current tax and the 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

The 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 financial year ended December 31, 2020, 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.

The 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.

The receivables and debts related to Deferred tax 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 time, 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 fiscal positions and the possibility of occurrence 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 fiscal obligations affect the tax expense in the period in which such determination is made.

(l) Result 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) Business 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 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 the 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) Ulterior 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 adjusting events are disclosed in notes when they are considered significant.

(w) Comparative Figures

The statement of the financial standing for the year ended December 31, 2020 shows comparability with the statement of the financial standing for the financial year ended December 31, 2019.

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 ended December 31st, 2020 and were not applied when drawing up these financial statements: [IAS 8.30 (a)]:

Norm/Interpretation [IAS 8.31 (a), 8.31(c)]	Nature of imminent amendment of the accounting policy [IAS 8.31 (b)]	The impact over the financial statements [IAS 8.21(e)]
The amendments to IFRS 4" - "Insurance Contract" (in force for the annual periods starting January 1, 2021 or ulterior to this date).	The amendments to IFRS 4 extend the expiration date of the temporary derogation from the application of IFRS 9 up to 2023, in order to align the date of entering into force of IFRS 9 to the new IFRS 17.	The adoption of these amendments of IFRS 4 will not have impact over the financial statements, as this standard is not applicable at the date of preparation of these financial statements.
Amendments to IAS 39 "Financial instruments:recognition and assessment", IFRS 4 "Insurance contracts", IFRS 7, "Financial instruments": information to be supplied, IFRS 9 "Financial instruments" and IFRS 16 "Leasing contracts" (in force for annual periods starting 1st of January,2021 or ulterior to this date).	The amendments provide a particular accounting treatment for phasing the modification of the value of financial instruments or the lease contracts occurred following the replacement of the reference index of the interest rate, which prevents a sudden impact on the profit or loss and prevents the useless interruptions of the coverage relations against risks, following the replacement of the reference index and interest rate.	The impact of the amendments on the financial statements is under assessment.

Standard/Interpretation [IAS 8.31 (a), 8.31(c)]	Nature of imminent amendment of the accounting policy [IAS 8.31 (b)]	The impact over the financial statements [JAS 8.21(e)]
<p>The amendments to IAS 1 "Presentation of the financial statements", IAS 8 "Accounting Policies, amendments of the accounting estimates and errors"</p> <p><i>(in force for annual periods starting with or after January 1st ,2020)</i></p>	<p>The objective of the amendments brought to the standards IAS 1 and IAS 8 is to clarify the definition of the term "significant" in order to enable the assessment by the enterprises of the significant nature and in order to increase the relevance of the information presented in the notes to the financial statements.</p>	<p>The adoption of IAS 1 IAS 8 had no impact on the individual financial statements of the year 2020.</p>
<p>Amendments of the references to the general conceptual framework in IFRS standards.</p> <p><i>(in force for annual periods starting with or after January 1st 2019)</i></p>	<p>The objective of the amendments is to update the existing references to the previous frameworks, by replacing them with the references to the general conceptual framework reviewed, from various standards and interpretations (IFRS 2 "Payment based on shares", IFRS 3 "/Combinations of enterprises", IFRS 6 "Exploration and evaluation of the mineral resources", IAS 1 "Presentation of the financial statements", JAS 8 "Accounting policies, amendments of the accounting estimates and errors", IAS 34 "Interim of financial reporting", IAS 37 "Provisions, contingent liabilities and contingent assets", IAS 38 "Intangible assets", IFRIC 12 "Services concession engagements", IFRC19 "Full payment of financial liabilities with equities instruments", IFRC 20 "Stripping costs in the production stage of an open strip mine", IFRC 22 "Currency transactions and considerations in advance", SIC 32 "Non-tangible assets - Costs associated to the creation of web sites"</p>	<p>The adoption of these amendments had no impact on the individual financial statements of the year 2020.</p>
<p>The amendments to IFRS 9 "Financial instruments", IAS 39 "Financial instruments: recognition and evaluation", IFRS 7 "Financial instruments: information to be supplied" <i>(in force for annual periods starting with or</i></p>	<p>The amendments provide temporary exemptions and limited from the dispositions related to hedge accounting against risks provided by standards IAS 39, IFRS 9, IFRS 7.</p>	<p>The adoption of IFRS 9, IAS 39 IAS 1 had no impact on the individual financial statements of the year 2020.</p>

<i>following the date of January 1, 2020).</i>		
Amendments to IFRS 3 "Business combination" (in force for annual periods starting with or after January 1st, 2020)	The objective of the amendments is to clarify the definition of an enterprise in order to facilitate the implementation thereof.	The adoption of these amendments of IFRS 3 had no impact over the financial individual statements of the year, as this as this standard is not applicable at the date of preparation of these financial statements.
Amendments to IFRS 16 "Leasing Contracts" - Concessions on rental related to COVID-19 (in force for the annual periods starting June 1, 2020 or ulterior to this date).	Amendments to IFRS 16 offers temporary operational support, optional, related to COVID-19 for the lessees benefiting from periods without leasing payments, without undermining the relevance and utility of the financial information reported by the commercial companies.	The adoption of IFRS 16 had no impact on the individual financial statements of the year 2020

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) have *entered into force in the current period*:

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 reevaluated 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 reevaluated 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.

Within the assessment report drafted at December 31st, 2020, for the determination of the fair value was used the market approach for lands with active marker, the income approach for buildings with active market and cost approach for the rest of the buildings and special constructions without active market. For the appraisal of constructions without active market there was used the cost approach, by using the net replacement cost method (Ro,CIN), considering the specialized character thereof. CIN is a value used for the financial reporting applied in case of specialized properties or properties with restrained market, for which the market information are limited and are not available. The major premise of cost approach is that a prudent investor would not pay for an asset an amount higher than the cost by which the respective asset could be replaced.

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, 2020
Lands	-	24,853,886	-	24,853,886
Constructions	-	-	299,314,897	299,314,897
Machineries and equipments	-	-	61,967,609	61,967,609
Control and measurement devices	-	-	26,748,981	26,748,981
Means of transport	-	-	13,539,039	13,539,039
Other assets	-	-	3,171,604	3,171,604

	Level 1	Level 2	Level 3	The fair value at Tuesday,

				December 31, 2019
Lands	-	24,931,289	-	24,931,289
Constructions	-	-	297,164,708	297,164,708
Machineries and equipments	-	-	52,981,937	52,981,937
Control and measurement devices	-	-	19,338,486	19,338,486
Means of transport	-	-	12,349,467	12,349,467
Other assets	-	-	2,360,592	2,360,592

The Company CONPET S.A.

Explanatory notes to the financial statements for the year ended December 31, 2020

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

5. Tangible assets

During 2020, as compared to 2019, the tangible assets have evolved as follows:

Name	Lands	Special installations and buildings	Operating oil products	Machineries and equipments	Control and measurement devices	Means of transport	Other tangible assets	Tangible assets in progress	Total intangible assets
Gross accounting value at January 1, 2020									
	26,105,543	299,539,960	42,072,846	105,048,289	80,836,708	34,739,813	6,916,492	58,153,146	653,412,797
Depreciation cumulated January 1, 2020	(1,174,254)	(44,448,098)	-	(52,066,352)	(61,498,222)	(22,390,345)	(4,555,901)	-	(186,133,172)
Impairments for assets depreciation	-	-	-	-	-	-	-	(302,026)	(302,026)
Net accounting value at January 1, 2020									
	24,931,289	255,091,862	42,072,846	52,981,937	19,338,486	12,349,467	2,360,591	57,851,120	466,977,598
Inputs tangible assets	866,277	24,313,059	-	19,094,938	14,713,412	5,453,855	1,824,934	17,126,053	83,392,529
Outputs of tangible assets at gross value	(789,833)	(1,174,482)	-	(85,422)	(427,907)	(189,344)	(19,906)	(112,917)	(2,799,811)
Cumulated depreciation related to outputs	467,567	973,410	-	85,422	427,907	181,256	19,906	-	2,155,467
The diminution of tangible assets up to the net value, for registration of assets reappraisal.	-	(68,463,107)	-	-	-	-	-	-	(68,463,107)
Annuled depreciation from the accounting value as effect of application of net value method for registration of assets reappraisal.	-	68,463,107	-	-	-	-	-	-	68,463,107

The Company CONPET S.A.

Explanatory notes to the financial statements for the year ended December 31, 2020

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

Depreciation registered during the year	(896,214)	(25,201,939)	-	(10,109,266)	(7,302,917)	(4,256,195)	(1,013,921)	-	(48,780,453)
Appreciations from revaluation	392,722	3,243,925	-	-	-	-	-	-	3,636,647
Depreciations from revaluation	(117,921)	(3,784)	-	-	-	-	-	-	(121,705)
Impairments for depreciation written-back to revenues	-	-	-	-	-	-	-	73,734	73,734
Gross accounting value at December 31, 2020	26,456,788	257,455,571	42,072,846	124,057,805	95,122,213	40,004,324	8,721,520	75,166,282	669,057,349
Depreciation cumulated at December 31, 2020	(1,602,902)	(213,520)	-	(62,090,196)	(68,373,232)	(25,758,065)	(5,549,916)	-	(164,295,052)
Impairments for the depreciation of fixed assets December 31, 2020	-	-	-	-	-	-	-	(228,292)	(228,292)
Net accounting value at December 31, 2020	24,853,886	257,242,051	42,072,846	61,967,609	26,748,981	13,539,039	3,171,604	74,937,990	504,534,005

Name	Lands	Special installations and buildings	Operating oil products	Machineries and equipments	Control and measurement devices	Means of transport	Other tangible assets	Tangible assets in progress	Total intangible assets
Gross accounting value at January 1, 2019	22,584,099	255,182,601	42,072,846	84,139,169	71,712,695	28,925,819	6,519,889	59,335,443	570,472,561

The Company CONPET S.A.

Explanatory notes to the financial statements for the year ended December 31, 2020

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

Cumulated depreciation at January 1, 2019	-	(20,825,576)	-	(42,742,494)	(53,066,070)	(19,390,298)	(3,848,537)	-	(139,872,975)
Net accounting value at January 1, 2019	22,584,099	234,357,025	42,072,846	41,396,675	18,646,625	9,535,522	2,671,352	59,335,443	430,599,587
Inputs tangible assets	3,521,444	44,415,802	-	21,005,872	9,562,568	6,003,190	400,480	(979,646)	83,929,710
Outputs intangible assets	-	(42,642)	-	(87,915)	(438,556)	(189,197)	(3,876)	(202,652)	(964,838)
Gross value									
Cumulated depreciation related to outputs	-	14,942	-	72,829	432,453	189,197	3,876	-	713,297
Depreciation registered during the year	-	(23,360,125)	-	(9,402,838)	(8,864,604)	(3,020,528)	(711,240)	-	(45,359,335)
Impairments for depreciation of tangible assets in progress	-	-	-	-	-	-	-	(302,026)	(302,026)
Gross loss from depreciation of tangible assets	-	(15,801)	-	(8,837)	-	-	-	-	(24,638)
Depreciation amortization	-	1,287	-	6,151	-	-	-	-	7,438
Gross accounting value at December 31, 2019	26,105,543	299,539,960	42,072,846	105,048,289	80,836,707	34,739,812	6,916,493	58,153,145	653,412,795
Amortization cumulated at December 31, 2019	(1,174,254)	(44,169,472)	-	(52,066,352)	(61,498,221)	(22,390,346)	(4,555,901)	-	(186,133,172)
Impairments for the depreciation of fixed assets December 31, 2019	-	-	-	-	-	-	-	(302,026)	(302,026)
Net accounting value at December 31, 2019	24,931,289	255,091,862	42,072,846	52,981,937	19,338,486	12,349,466	2,360,592	57,851,119	466,977.597

At 31.12.2019 the net value of the tangible assets has increased as compared to the end of the year 2019, with the amount of 37,556,407 RON.

During 2020 there have been registered inputs of tangible assets in amount of 83,392,529 RON, outputs from the remaining value of 644,345 RON, write-back of impairments of tangible assets in progress in amount of 73,734 RON, appreciations from reappraisal of lands, buildings and special constructions in amount of 3,636,647 RON and depreciation from reappraisal and constructions in amount of 121,705 RON.

Tangible assets depreciation in 2020 was in amount of 48,780,453 RON.

The tangible assets receptioned in 2020 were of 66,266,476 RON, of which were commissioned 64,980,457 RON and 1,286,019 RON increases of the assets related to the rights of use resulting from the leasing contracts.

In the tangible assets are being recognized, as per IFRS, the assets related to rights of use resulted from the leasing contracts, as follows:

- At element-row “Buildings and special installations” is being included the value of the rights of use resulting from the lease and concession contracts concluded with various owners for buildings that are rented in order to be put at the disposal of gendarmes, as per GD no.1486/2005 for the security of the guard and protection of the objectives, goods and values with gendarmes and for the performance of the administrative activity. At 31.12.2020, the gross value of these assets is of 603,979 RON, the cumulated depreciation of 213,520 RON, resulting a net value of the rights of use related to the buildings of 390,459 RON.

- At element-row “Means of transport” is being included the value of the rights of use of the assets purchased in December 2019 in leasing system, consisting of 30 autovehicles necessary for the carry out of the company’s specific activity and a lease contract of oil products transport rail tanks. At 31.12.2020 the gross value of these assets is of 3,024,233 RON, the cumulated depreciation of 1,264,374 RON, resulting a net value of the right of use related to transport means of 1,759,860 RON.

For being able to compare the information, there has been also amended the presentation of the rights of use recognized at 31.12.2019.

At 31.12.2020, CONPET has recorded in the company patrimony lands in surface of 733,649 sqm, with an accounting value amounting to 22,858,900 RON, made up of:

- 554,538 sqm represent lands with an accounting value of 12,562,749 RON, held under 48 Certificates of ownership right 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 26,708,233 RON. These lands have been obtained in the company patrimony on the expense of other equity reserves, without augmenting the share capital by the value thereof..

- 155,411 sqm represent lands with an accounting value of 3,215,951 RON held based on 14 Land Ownership Certificates obtained until 2001. The share capital of the company has been increased by the value of these lands;
- 23,700 sqm represent lands with an accounting value of 7,080,200 RON, acquired by the Company based several sale-purchase contracts. A part of the procured lands are related to the corporate offices and on the other procured lands are placed telecommunication towers located in different sites over the country.

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

The tangible assets also include the oil operating product, assessed in the statement of the financial standing at the cost determined from the revaluation, restated by the application of IAS 29 "financial reporting in the hyperinflationary economies". In 2020 have not been registered movements of oil product.

At the end of the year 2020, the company tested for depreciation the operating oil product recognized as tangible asset with an undetermined lifespan, by comparison of its accounting value with the sale prices used by Conpet clients. Following the comparison of the two values, it was found that the sale prices used by the clients exceed, for each category of oil product, the accounting value of the assets, therefore no loss from depreciation was identified.

At 31.12.2020, the accounting value of the oil operating product is of 42,072,846 RON.

Operating oil product	December, 31	December, 31
	2020	2019
The value of the operating oil product at cost	254,549	254,549
Differences related to restatement as per IAS 29	41,818,297	41,818,297
Balance of the operating oil product	42,072,846	42,072,846

Tangible assets in progress

At December 31, 2020 the value of assets under execution is of 74,937,990 RON and comprises investment objectives provided in "2020 Investment Program", being mainly made up of: pipelines segments replacements on different lengths and routes, commissioning works of the crude oil pipelines at overcrossing and undercrossing of the rivers, tanks modernization, loading ramps

modernization, SCADA and telecommunication works, modernization of cathodic protection systems etc

Reevaluation of tangible assets

After initial recognition, the tangible assets are being reappraised.

The tangible assets for which the company has adopted the alternative treatment allowed, namely those that have been reappraised, are being presented in the financial statements at the re-assessed value (the fair value at the re-assessment value), less the ulterior depreciation cumulated and the ulterior losses from depreciation. The re-assessments have been performed with sufficient regularity, at least once at 3 years. At December 31st, 2020 there have been appraised, by the company "Estimatori Group" S.R.L., the lands and goods from Group I representing special buildings and constructions, in the company's patrimony.

As per the results contained in the reappraisal report, the fair value at 31.12.2020 related to the lands and tangible assets in group I, representing buildings and special constructions, records a total net increase of 3,514,942 mRON, which in the structure reveals the followings:

Crt.no	Class	Net accounting value at 12/31/2020, prior to reappraisal	The fair value at 12/31/2020	Reappraisal differences
1	Lands	22,584,099	22,858,900	274,801
2	Constructions	253,611,451	256,851,592	3,240,141
TOTAL		276,195,550	279,710,492	3,514,942

Following the reappraisal of the lands belonging to the company, they have recorded an increase of the net accounting value in amount of 274,801 RON.

The company recognized an increase of the net accounting value from re-assessment of the tangible assets comprised in Group 1, representing buildings and special constructions existing in the company's patrimony at 31.12.2020, in total amount of 3,240,141 RON.

The impact on the financial statements, resulting from the registration of the differences related to re-assessment of tangible assets, namely the appreciations compared to the accounting values, registered at 31.12.2020, resides in the augmentation equities, with the amount of 3,514,942 RON and in the increase of the year's result, with the amount of 664,143 RON, as follows:

Reserves	2,850,799
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Revaluation reserves	2,846,895
Other reserves - modernization quota	3,904
Profit of the year	664,143
Expenses from re-assessment of tangible assets	(20,161)
Revenues from re-assessment of tangible assets	684,304
Total Equities	3,514,942

6. Intangible assets

In 2020, as compared to 2019, the intangible assets have evolved as follows:

Name	Licenses and soft	Other intangible assets	Total intangible assets
Gross accounting value at January 1, 2020	5,645,183	910,983	6,556,166
Cumulated depreciation at January 1, 2020	(2,646,915)	(910,983)	(3,557,898)
Net accounting value at January 1, 2020	2,998,268	-	2,998,268
Intangible assets inputs	769,317	1,543,821	2,313,138
Intangible assets outputs at gross value	(53,205)	-	(53,205)
Cumulated depreciation of tangible assets outputs	53,205	-	53,205
Depreciation registered during the year	(998,153)	-	(998,153)
Gross accounting value at December 31, 2020	6,361,295	2,454,804	8,816,099
Cumulated depreciation at December 31, 2020	(3,591,863)	(910,983)	(4,502,846)

Net accounting value at December 31, 2020	2,769,432	1,543,821	4,313,253
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Name	Licenses and soft	Other intangible assets	Total intangible assets
Gross accounting value at January 1,2019	6,395,880	910,983	7,306.863
Cumulated depreciation at January 1, 2019	(3,598,392)	(864,867)	(4,463,259)
Net accounting value at January 1, 2019	2,797,488	46,116	2,843,604
Intangible assets inputs	1,174,415	-	1,174,415
Outputs intangible assets			
at gross value	(1,925,112)	-	(1,925,112)
Cumulated depreciation related to outputs	1,925,112	-	1,925,112
of Intangible assets			
Depreciation registered during the year	(973,635)	(46,116)	(1,019,751)
Gross accounting value at December 31, 2019	5,645,183	910,983	6,556,166
Cumulated depreciation at December 31, 2019	(2,646,915)	(910,983)	(3,557,898)
Net accounting value at December 31, 2019	2,998,268	-	2,998,268

At 31.12.2020, the net value of the intangible assets has increased as compared to the end of 2019, by the amount of 1,314,985 RON.

In 2020 of there have been recorded inputs of tangible assets in amount of 2,313,138 RON and the depreciation of the intangible assets registered during the year 2020 was in amount of 998,153 RON.

The depreciation method used is the linear one.

The intangible assets contain: It programs, soft licenses, Romanian vectorial map and the land altitudes numerical model, expenses borne by the company with the connection to the power energy network and the water network, recognized in intangible assets as rights of use.

There are not capitalized expenses of research development.

7. Financial Assets

The comparative statement of the financial assets on the two reporting periods reveals the followings:

Name	Other non-current securities	Non-current Receivables	Total financial assets
Net accounting value at January 1, 2020	5,100	805,498	810,598
Inputs	-	650,963	650,963
Outputs	-	(29,451)	(29,451)
Impairments for depreciation	-	(320,189)	(320,189)
Net accounting value at December 31, 2020	5,100	1,106,821	1,111,921

Name	Other non-current securities	Non-current Receivables	Total financial assets
Net accounting value at January 1, 2019	5,000	855,582	860,582
Inputs	100	90,895	90,995
Outputs	-	(140,979)	(140,979)
Net accounting value at December 31, 2019	5,100	805,498	810,598

At 31.12.2020, the value of the financial assets has increased as compared to January 1, 2020, at the expense of the increase of the non - current receivables during the year.

The company holds contributions at the share capital of Registrul Independent Monitor, in amount of 5,000 RON and is associate member, along with other companies, in the Romanian National Committee for the Oil International Council (CNR-CMP), participating at the establishment of the patrimony, CNR-CMP, with contribution in amount of 100 RON.

The non-current receivables, in net amount of 1,106,821 RON are made up, mainly, of returnable guarantees paid by the Company to the Ministry of Agriculture and Rural Development and the Ministry of Environment, Waters and Forests in view of temporary put out of the lands from agricultural use and from the forest fund for the fulfillment of different investment objectives, as well as from guarantees related to lands and spaces lease contracts in view of carry out of production and administrative activities in various locations in the country, guarantees telecommunication equipment, electric power guarantees related to several cathodic protection stations, guarantee for the invoices non-collection risk, related to a tank cars lease contract.

8. Stocks

Name	Consumables	Services in progress	Waste products	Total stocks
Gross accounting value at January 1, 2019	5,666,292	1,193,309	2,192,895	9,052,496
Impairments for stocks depreciation	(845,289)	-	(37,345)	(882,634)
Net accounting value at Wednesday, January 1, 2020	4,821,003	1,193,309	2,155,550	8,169,862
Stocks inputs during the period	6,577,611	769,477	(652,189)	6,694,899
Consumption/outputs of stocks during the period	(6,107,996)	(1,193,309)	(1,529,543)	(8,830,848)
Income from (Expense with) impairments for depreciation of stocks	(159,253)	-	37,345	(121,908)
Gross accounting value at December 31, 2020	6,135,908	769,477	11,163	6,916,548
Impairments for stocks depreciation	(1,004,542)	-	-	(1,004,542)
Net accounting value at December 31, 2020	5,131,366	769,477	11,163	5,912,006

Name	Consumables	Services in progress	Waste products	Total stocks

Gross accounting value at January 1, 2019	5,847,940	1,079,048	3,379,336	10,306,324
Impairments for stocks depreciation	(986,824)	-	(151,071)	(1,137,895)
Net accounting value at January 1, 2019	4,861,116	1,079,048	3,228,265	9,168,429
Stocks inputs during the period	7,502,354	1,193,309	1,451,791	10,147,454
Consumption/outputs of stocks during the period	(7,684,002)	(1,079,048)	(2,638,232)	(11,401,282)
Income from (Expense with) impairments for depreciation of stocks	141,534	-	113,726	255,260
Gross accounting value at December 31, 2019	5,666,292	1,193,309	2,192,895	9,052,496
Impairments for stocks depreciation	(845,290)	-	(37,345)	(882,635)
Net accounting value at December 31, 2019	4,821,002	1,193,309	2,155,550	8,169,861

The stocks are made up of materials, spare parts, residual products and other materials that are to be used when performing the company's core business, security and intervention stocks meant for the potential provoked technical accidents.

The company registers in the ongoing services the cost of the services non-received by the beneficiary up to the end of the period, at the expense of the revenues related to services in progress.

9. Trade liabilities and other liabilities

At December 31, 2020 and December 31, 2019 the trade receivables and other receivables are the followings:

	December, 31	December, 31
	2020	2019
Clients	35,115,718	39,276,991
Impairments for depreciation receivables	(339,307)	(341,524)
Other trade receivables	284,042	283,838
Impairments for loss of value of other non-current short-term receivables	(282,466)	-

Subtotal trade receivables (net value)	34,777,987	39,219,305
Other receivables	7,807,594	6,424,129
Impairments for the depreciation of other receivables	(2,325,447)	(3,394,734)
Subtotal other receivables (net value)	5,482,147	3,029,395
Total receivables	40,260,134	42,248,700

The structure of clients on activities reveals the followings:

	December, 31 2020	December, 31 2019
Clients - transport activity	34,562,999	38,623,179
Other clients - auxiliary activities	552,718	653,812
Total	35,115,718	39,276,991

The trade receivables are not interest bearer and have an average proceeds duration of 28 days.

The main receivables in the balance sheet at December 31, 2020 are due by: OMV PETROM SA - 29,623,308 RON (December 31, 2019; 34,405,183 RON) and Petrotel Lukoil S.A. - 4,904,580 RON (December 31, 2019; 4,170,733 RON).

The transport services supply performed by the clients have a significant share (over 99%) in the company's turnover.

The main client of the Company, OMV PETROM SA, holds approximately 74% of the total short-term receivables at December 31, 2020.

Other receivables in amount of 7,807,594 RON mainly include: the amount to be collected from the State budget, following the settlement in court of ANAF litigation (2,718,892 RON, namely 34.8%), recoverable amounts from various natural and legal persons, the majority thereof in litigation pending before law courts (1,715,352 RON, namely 22%), recoverable amounts from the budget representing allowances for medical leaves (1,413,317 RON, namely 18.1%), as well as non-exigible VAT related to unarrived invoices up to 31.12.2020 (936,236 RON, respectively 12%).

Impairments for the depreciation of the trade receivables are being registered for uncertain clients, in litigation or insolvency, presenting non-collection risk. At December 31, 2020 the values of these impairments is of 339,307 RON, decreasing with 2,217 RON compared to the end of the previous year.

The impairments for the depreciation of other receivables are being registered for the debits related to the legal files pending before the law courts, fines paid and under appeal proceedings. At December 31, 2019 the value of these impairments is in amount of 2,325,447 RON, decreasing by 1,069,287 RON compared to December 31, 2019, due to loss in court of the litigation against the Court of Auditors.

The Company' registers impairments for loss of values in quantum of 100% of the value of the receivable for the clients in litigation, in insolvency, in bankruptcy and for other debts related to the established legal files or the fines facing challenge procedure.

Seniority-related Statement of Receivables

Trade receivables

	December, 31	December, 31
	2020	2019
Clients, of which:	35,115,718	39,276,991
<i>Depreciated receivables</i>	339,307	341,524
<i>Unndepreciated receivables, out of which:</i>	34,776,411	38,935,467
- with maturity less than 30 days	34,766,616	38,885,905
- with maturity between 30 and 60 days	3,439	48,275
- with maturity between 60 and 90 days	530	-
- with maturity between 90 days and 270 days	5,154	-
- with maturity between 270 days and1 year	672	1,287
Other trade receivables, of which:	284,042	283,838
<i>Depreciated receivables</i>	282,466	-
<i>Non-depreciated receivables</i>	1,576	283,838

Other receivables

	December, 31	December, 31
	2020	2019

<i>Depreciated receivables</i>	2,325,447	3,394,735
<i>Non-depreciated receivables, of which:</i>		
	5,482,147	3,029,394
- <i>With maturity less than 30 days</i>	5,344,437	3,029,394
- <i>With maturity between 30-60 days</i>	137,710	-
Total	7,807,594	6,424,129

10. Cash and Cash Equivalents

At December 31, 2020 and December 31, 2019 the cash and cash equivalents reveal the followings:

	December, 31	December, 31
	2020	2019
Current bank accounts	5,796,960	6,899,866
Bank deposits with maturity ≤ 3 months	192,447,249	231,666,573
Cash in the register	11,974	10,512
Other cash equivalents	1,150	-
Total	198,257,333	238,576,951

The cash and cash equivalents have decreased by 16.9% at December 31, 2020 as compared to December 31, 2019 (198.3 mRON compared to 238.6mRON), due to cash outputs for the payment of the dividends related to the financial year 2019 and for the payment of assets procurement (investments) higher than the cash surplus from the operating activity related to the 12 months.

The availabilities in the accounts at 31/12/2020 include also the cash representing the modernization quota, with special use regime provided by GD no.168/1998, in amount of 116,404,356 RON. This is exclusively destined to the financing of the modernization and development works of the goods in the public domain.

The company does not have restricted cash.

11. Equities

Share capital

During the reporting period, the share capital of the company has not changed, remaining at the value of 28,569,842 RON, being divided into 8,657,528 ordinary shares with a nominal value of 3.3 RON/share and corresponds to the one registered at the Trade Register Office.

The structure of the share capital and the shareholding structure of CONPET S.A. at December 31, 2020 reveals the followings:

Shareholders	December 31, 2020			December 31, 2019		
	Number of shares	Amount (RON)	%	Number of shares	Amount (RON)	%
The Romanian State by the Ministry of Economy, Energy and Business Environment	5,083,372	16,775,128	58.7162	5,083,372	16,775,128	58.7162
Legal Persons	2,368,002	7,814,406	27.3519	2,361,896	7,794,256	27.2814
Natural Persons	1,206,154	3,980,308	13.9319	1,212,260	4,000,458	14.0024
Total	8,657,528	28,569,842	100%	8,657,528	28,569,842	100%

Legal reserves

At December 31, 2020 the value of the legal reserve is 5.713.968 RON (December 31, 2018; 5,713,968 RON). The company has distributed out of the profit the legal reserve of 20% from the share capital as per EGO no.64/2001, Law no. 571/2003, Law no.31/1990 and the Articles of Association.

Other reserves

At December 31, 2020, Other Reserves are in amount of 500,269,257 RON.

Other reserves have increased with the amount of 4,728,845 RON in 2020, which mainly results from the increase of the reserve representing the modernization quota in amount of 3,192,763 RON and the increase of the reserves related to the reinvested profit with 1,531,818 RON.

The reserve related to the modernization quota is in amount of 461,121,137 RON and holds the major part of share in total other reserves (92.2%).

Revaluation reserves

At December 31, 2020 in the statement of the financial standing the reserves out of reevaluation are being presented at net value of 20,931,765 RON, resulting after the reduction of the gross value by the related deferred tax directly recognized in the equities, as per IAS 12.

Retained earnings

At December 31, 2020 the retained earnings is in amount of 40,678,977 RON and comprises:

- The retained earnings representing actuarial loss from the discounting of the benefits granted on retirement 2,160,408 RON
- The retained earnings representing excess achieved out of revaluation reserves distributed for: 2,552,906 RON
- The retained earnings derived from the first adoption of IAS 29 related to fixed assets representing oil operating product recognized in tangible assets: 41,818,297 RON
- The reinvested net profit triggering the corporate tax exemptions, as per the provisions of Art. 22 of Law no.227/2015 on the fiscal Code, further amendments and completions in amount of 1,531,818 RON, distributed at own financing sources.

Profit of the year

The profit of the year is of 60,846,759 RON at December 31,2020 (December 31,2019). 58,876,719 RON).

The proposal of net profit distribution at December 31,2020

Along the year 2020 the dividends have not been distributed based on the interim financial statements.

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

The proposal of repartition on the legal destinations of the distributed net profit, reinstated with the provisions for the employees share of profit in tota amount of 67,503,152 RON is the following:

Crt.no.	Elements	Amount (RON)	Element share overall
a	Other distributions stipulated by law - payment exemption of the reinvested coporate tax (account 1068), Art.22 of Law no.227/2015 on the fiscal code	1,531,818	2,52%
b)	Dividends due to shareholders	59,314,941	97,48%
1	The net profit of the financial year 2020, reported based on the audited annual financial statement	60,846,759	100,00 %
2	Employees profit sharing 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 year.	6,656,393	
3	Total distributions (1+2)	67,503,152	

The retained earnings representing excess achieved out of revaluation reserves in amount of 2,552,906 RON is proposed to be distributed for covering the loss from the retained earnings and for the distribution as dividends due to the shareholders, as follows:

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

12. Trade Liabilities and other Liabilities

At December 31, 2020 and December 31, 2019, the trade liabilities and other liabilities reveal the followings:

Debts	December 31 2019	Decembrie 31, 2020	Maturity term for the balance at December 31, 2020		
			Under 1 year	1-5 years	Over 5 year
Trade liabilities	27,179,134	23,583,540	23,583,540	-	-
Employees-related debts	30,921,605	33,991,543	14,127,500	3,475,134	16,388,909
Other debts, here included fiscal debts and debts related to social insurances	40,673,980	34,101,828	30,631,106	2,850,363	620,359
Total	98,774,719	91,676,911	68,342,146	6,325,497	17,009,268

The goods and services suppliers for the operation activity are being mainly represented by: SNTFM CFR Marfa, CEZ Vanzare, OMV Petrom S.A., Edenred Romania SRL, Tinmar Energy SA, OMV Petrom Marketing, Director Special TROOPS-DST SRL, Envirotech, Prodial Tour, VTG Rail Europe GMBH, Orange Romania, Coral 33 All Prod, ABBSP zoo, CON Metal CF SRL, Mol

Romania Petroleum, Octavsviv Tour, Danger SRL, Quality Business Solutions SRL, Afer Bucuresti, Romflex Sistem SRL, Briliant Tehnologies SRL.

The value of the assets procurement in the first Half of 2020 has a share of 54% in total procurement.

The value of the assets procurement in the first Half of 2020 has a share of 46% in total procurement.

At 31.12.2020, within the element-row „Employees-related debts” were included also the future debts for the benefits granted to employees on retirement and the debt for the employees share of profit, recognized as provisions.

For being able to compare the information, there have also been amended the amounts presented at 31.12.2019.

The statement of the personnel - related debts, fiscal debts and other maturity date debts look as follows:

Debts	31 December 31st, 2019	December 31, 2020	Maturity term for the balance at December 31, 2020		
			Under 1 year	Over 1 years	Over 5 years
Salaries contributions	5,360,849	5,427,408	5,427,408	-	-
Ordinary Corporate Tax	3,076,456	738,139	738,139	-	-
Royalty due to the State Budget	8,059,150	7,864,678	7,864,678	-	-
VAT payable	3,073,760	3,022,250	3,022,250	-	-
Other taxes and debts - State Budget	980,693	1,014,565	1,014,565	-	-
Dividends Payable	13,410,903	10,277,535	10,277,535	-	-
Leasing-related debts	5,469,234	4,277,338	1,700,421	1,956,558	620,359
Accrued revenues	1,074,092	963,552	102,288	861,264	-
Other debts	168,844	516,363	483,822	32,541	-
Total	40,673,980	34,101,828	30,631,106	2,850,363	620,359

At 31.12.2020 the debts related to leasing comprise future payment obligations related to the leasing concluded for 30 vehicles necessary for the carry out of the company's specific activities and debts related to the rights of use recognized for the lease contracts and concession of some lands, buildings and rail tanks for transport of oil products (note 5).

The debts related to the rights of use recognized for the lands lease and concession, buildings and tank cars for the transport of oil products have been assessed at the value of rentals/royalties payments along the remaining contractual period, discounted with the loan rate for real estate credits.

The statement of employees-related debts on maturity terms reveal the followings:

Debts	31		December 31, 2020	Maturity term for the balance at December 31, 2020		
	December 31st, 2019	2020		2020	2020	2020
Salaries and associated debts	5,897,321	5,975,076	5,975,076	-	-	-
Debts for benefits granted upon retirement	16,892,477	20,351,577	487,534	3,475,134	16,388,909	
Debts for employees share of profit	6,592,192	6,806,162	6,806,162	-	-	-
Debts for not-taken annual leaves	1,476,057	858,728	858,728	-	-	-
Other debts to the employees	63,558	-	-	-	-	-
Total	30,921,605	33,991,543	14,127,500	3,475,134	16,388.909	

At December 31, 2020 the company comprises, at this chapter, mainly salaries and assimilated debts, as well as future debts for benefits granted upon retirement and for employees share of profit, recognized as provisions.

The biggest share in the debts related to employees is being held by the debt for benefits granted upon retirement, in amount of 20,351,577 RON, of which 19,864,043 RON representing long-term liabilities, and 487,534 RON represents short-term obligations.

This debt was registered based on the Actuarial Report drafted by the Company GELID ACTUARIAL COMPANY S.R.L. Bucuresti based on the services supply contract concluded with CONPET S.A.

As per the Labor Contract in force, the company must pay the employees, upon retirement, a benefit equal with a certain number of salaries, according to the seniority and company job history..

The discounted value of debt has been determined by using the Method of Designed Credit Factor (IAS, 19). The retirement benefits received by the employee have firstly been augmented by the value of contribution of the employee and then, each benefit has been discounted considering the rotation of the employees and the probability of survival until retirement. The number of years until retirement was calculated as difference between the date of retirement and the date of reporting. The average predicted of the remaining work period was calculated based of a number of years until retirement, considering the rate of dismissals, the rate of personnel fluctuation and the survival probability.

The main actuarial hypotheses used for the calculation at the date of December 31, 2020 were the followings:

- a) The discount rate. The following values have been used: the estimated rate of inflation on long term 2% p.y., the real yield of government bonds estimated on long term, 1.6% p.y., the liquidity premium for Romania, 0%, the balance forward rate, 3.6% p.y.
- b) The rate of inflation estimated based on the statistics issued by INSSE (National Institute of Statistics) and BNR forecast is of 2.1% in 2020, 2.5% during 2021-2030, followed by downward trend in the following years.
- c) The rate of increase of the gross monthly earning per company. It was estimated an indexation of the gross monthly earning per company by 2.5% for the year 2021 and by 2.4% for the year 2022. For 2023 and the following years it has been estimated an annual increase of the monthly gross average earning per company with the annual inflation rate.
- d) The mortality rate among the employees is based on the Mortality Board of the Romanian population 2013 (men and women) issued by INSSE.

In 2020, the movement in the debt for the benefits upon retirement granted to the employees is presented in the following table:

January 1, 2020	16,892,477
out of which:	
short term	623,569
long term	16,268,908
Interest cost	756,311
Cost of the current service	843,725
Debts payment during the year	(712,850)

Actuarial loss of the period	2,571,914
Cost of past service	-
December 31, 2020	20,351,577
out of which:	
short term	487,534
long term	19,864,043

The debt for the employees share of profit is constituted in compliance with the Ordinance no.64/2001 and Order of the Ministry of Public Finances no.144/2005. Ordinance no.64 from August 30,2001 establishes that the accounting profit remaining after the deduction of the corporate tax for total or majority state-owned companies should be distributed within the limit of 10% of the net profit but not more than the level of a monthly average base salary realized at the level of economic agent, in the reference financial year. The debt constituted for employees share of profit for the year 2020 amounts to 6,656,393 RON, to which is being added the amount of 149,769 RON related to the labor preservation contribution.

Within the debts for employees' benefits there is included also the debt for not-taken annual leaves, which, at 31.12.2020 is in amount of 858,728 RON.

13. Provisions

	December, 31 2020	Tuesday, December 31, 2019
Provisions for litigations	6,962,547	6,481,556
Provisions related to Mandate Contracts	2,506,709	2,534,051
Other provisions for risks and expenses	1,790,401	5,466,472
Total provisions	11,259,657	14,482,079

Provisions for litigations

In detail, the provisions for litigations are:

	December, 31 2020	December 31, 2019
Litigations for civil compensations	3,843,938	3,152,007

Litigations for the failure to respect, by third parties, of the contractual clauses	185,943	46,214
Other litigations	2,932,666	3,283,335
Total	6,962,547	6,481,556

The company is involved into various litigations for compensations claimed by various owners, natural and legal persons. Besides the compensations, they request either the payment of an annuity following the exercise, by the Company, of the legal easement right on the lands owned by the claimants, or by the retirement of the pipelines and installations to be found on lands thereof.

Following the restitution of their property rights, they are bringing proceedings in Court against the Company, invoking the lack of land use due to the fact that the latter are being crossed by the crude oil transport pipelines belonging to the public domain.

At 31.12.2020 are registered provisions regarding the litigations for civil compensations in amount of 3,843,938 RON, higher with 691,931 RON as compared to the amount thereof registered at 31.12.2019.

During the year there have been registered provisions for new litigations and for differences resulting from the discount of the necessary amounts for the settlement of potential obligations related to the litigations opened in the previous years.

At 31.12.2020, the position "Litigations for the failure to respect by third parties of some contractual causes" is in amount of 185,943, increasing with 139,729 RON YoY and the position "Other litigations" is in amount of 2,932,666 RON, decreasing with 350,669 RON as compared to 31.12.2019.

The decrease registered at the position "Other litigations" is due, mainly, to the discount of the provisions for use by CONPET of a land, held in property by Ploiești Municipality, where there are located some of the company's buildings. Ploiești municipality has formulated a sue petition and has requested the exchange value of the lack of use and rent of the land starting March, 2013 and up to the completion of a contractual form with the company CONPET (file no.1474/105/2019 pending before Prahova Law Court). The lack of use of the land estimated by the technical appraiser specialized in real estate assessment, Mustătea Dragoș Cosmin, designated by the court to perform a technical expertise in the file no.1474/105/2019. By sentence no.1205/13.07.2020, Prahova Law Court rejected the request regarding the obligation of the defendant to pay the amount representing the exchange value of the lack of use related to the period March 2013 - March 2016 as prescribed. The discounted value of the provisions at the date of 31.12.2020 is of 1,371,126 RON.

In the position "Other litigations" is included also the provision constituted for the litigation opened during 2008 by Fondul Proprietatea, by which is being requested the payment of the net value of the dividends for the financial year 2006, related to a 6% quota held by the plaintiff in CONPET S.A share capital, as well as the legal interest calculated for the requested amount, starting with the maturity date thereof. The fair value of the provision at 31.12.2020 is of 1,411,540 RON.

Provisions related to Mandate Contracts

There have been constituted debts for the allowances granted to the members of the Board of Administration and the directors as per the mandate contracts and the provisions of EGO no.109/2011 on corporate governance, here included the related contributions, as follows:

- 46,081 RON represents debt for not-taken annual leaves by the directors with mandate contract, related to the year 2020.
- 2,460,628 RON stands as debt for the variable component related to the year 2020, of which 1,118,460 RON debt for the allowances granted to the member of the Board of Directors and 1,342,168 RON debt for the allowances granted to the directors.

Other Provisions

At December 31, 2020, the balance of the position "Other provisions" in amount of 1,790,401 RON is made up of:

- 1,413,752 RON, provisions constituted at the level of penalties related to the amounts due to the State budget for the period 2017-2020 and paid in the month of December 2020, representing the gain resulting from the capitalization of the pipelines recovered following the replacement works (repairs/modernizations) performed on the National Transport System, value established as per the Control performed by the Court of auditors and completed in March 2020;
- 252,000 RON, provision for environmental expenses;
- 124,649 RON, representing other provisions.

14. Ordinary and Deferred Corporate Tax

The expense related to the company's current and deferred corporate tax in 2020 and 2019 is being determined by a statutory rate of 16%.

	December, 31	December, 31
	2020	2019
Expenses with ordinary corporate tax and specific tax	9,176,821	12,958,609
Expenditure with /(revenues from) deferred corporate tax	429,020	(2,131,499)
Total	9,605,841	10,827,110

Reconciliation of the Effective Tax Rate

	December, 31	December, 31
	2020	2019
Profit before taxation	70,452,600	69,703,829
- Corporate tax at the statutory rate by 16%	11,272,416	11,152,612
The Effect on the Corporate Tax of:		
- Non-deductible expenses	3,159,118	4,087,911
Non-taxable revenues	(3,987,927)	(2,300,897)
Elements similar to revenues	487,283	838,906
Elements similar to expenses	(1,190)	(850)
- Ordinary Corporate Tax	(245,091)	(179,084)
The amounts representing sponsorship within the limit provided by the law	(798,584)	(684,075)
- Specific tax	25,123	44,086
- corporate tax bonus as per EGO no.33/2020	(734,327)	-
Expenses with ordinary corporate tax and specific tax	9,176,821	12,958,609

Deferred Corporate Tax

The deferred and recoverable taxes were calculated based on the temporary taxable and/or deductible differences, determined for assets and liabilities as differences between the accounting value of the asset and/or liability and the amount awarded in fiscal purposes. The company recognizes the deferred taxes on the account of an expense or a revenue except for the tax generated by an event directly accounted in the equities.

The Statement of movements regarding the receivable/debt with the deferred tax during the first six months of the year 2020 reveals the followings:

2020	Net value at January 1	Deferred corporate tax recognized in the profit and loss account	Deferred corporate tax recognized at the expense of equities	Net value	
				December 31, 2020	
				Receivable related to the deferred corporate tax	Receivables related to the deferred corporate tax
Reevaluation of tangible assets	(421,184)	(6,348)	-	3,352,734	(3,780,266)
Provisions	5,283,969	(771,447)	411,506	4,924,028	-
Impairment of the current assets	559,683	(100,503)	-	459,180	-
Deferred corporate tax before compensation	5,422,468	(878,298)	411,506	8,735,942	(3,780,266)
Receivable/debt compensation				(3,780,266)	3,780,266
Net deferred corporate tax - recoverable					4,955,676

The debt representing the deferred tax, in the balance at 31.12.2020 is in amount of 3,780,266 RON and is recognized on account of the equities elements and the receivable related to deferred corporate tax, recognized in the statement of the global result, in the balance at the same date, is of 8,735,942 RON.

The net amount of the deferred tax represents deferred corporate tax recoverable in amount of 4,955,676 RON.

15. Result per share

The result per share in the last two years is:

	December 31, 2020	Tuesday, December 31, 2019
Profit of the Financial Year	60,846,759	58,876,719

The cash from ordinary shares at the beginning and the end of the period	8,657,528	8,657,528
Basic earnings and diluted per share (RON/share)	7.03	6.80

16. Operating Revenues

a) Contract Revenues

	December, 31	December, 31
	2020	2019
Revenues from transport service, of which:	402,785,394	402,017,178
<i>Revenues from transport services on Domestic subsystem</i>	299,928,340	295,631,981
<i>Revenues from transport services Import Subsystem</i>	102,857,054	106,385,197
Revenues from rents	1,633,474	1,593,145
Other contract revenues	2,509,469	4,212,018
Total turnover revenues	406,928,337	407,822,341

The transport revenues are being achieved out of services supplied to the clients for the transport of the crude oil, rich gas and condensate quantities approved by Order of the President of the National Agency for Mineral Resources. OMV Petrom is the client holding the highest share in the transport revenues of the company (81.2%).

In the year 2020, the quantities transported on subsystems, as compared to the same period of the previous years, reveals the followings:

	December, 31	December 31,
	2020	2019
Domestic Subsystem	3,400,777	3,487,317
Import Subsystem	3,284,120	3,637,426
TOTAL(QUANTITIES)	6,684,897	7,124,743

The total quantity of transported products has decreased by 6.2% in the year 2020, as compared to the same period of the previous year, given the context of the decrease, by 2.5%, of the quantities transported on the domestic transport subsystem and by 9.7% of the quantity transported on the import subsystem.

The tariffs for the supply of crude oil, rich gas, condensate and ethane are regulated and approved by the NAMR and are differentiated for each transport subsystem.

The tariffs applied for the import transport subsystem vary according to the installment of transported quantity, being practiced the bracketing tariff model and the refinery- the hand-over site.

In 2019 and 2020 the following tariffs have been applied:

Tariffs for transport services on the Domestic Subsystem:

Period	Transport tariff (RON/ton)	Approved by NAMR Order No.
June 19, 2018 - December 30, 2019	84.37	117/2018
Starting December 31, 2019	87.53	427/2019

Tariffs for the transport services on Import Subsystem:

Period	Installments	Arpechim Refinery	Ploiesti Basin (Petrobrazi and Petrotel Lukoil refineries)	Petromidia Refinery	Approved by NAMR Order No
	Thousand tons/month	RON/ton	RON/ton	RON/ton	
June 19, 2018 - December 30, 2019	<120	38.85	38.00	27.00*)	117/2018
	<120	16.60	16.00	24.74*)	
Starting December 31, 2019	<120	40.40	39.50	15.00	427/2019
	<120	17.25	17.00	12.85	

*) Starting the date of March 14, 2019 up to December 30, 2019, for the relation transport with Petromidia Refinery

Was applied a tariff of 14.00 RON/ton for the installment of up to 120 thousand tons and 12.00 RON/ton for the installment bigger than

120 thousand tons (approved by NAMR Order no.172/2019).

b) Other Operating Expenses

December, 31

December, 31

	2020	2019
Revenues out of consumption of the modernization quota	33,788,084	32,097,771
Other revenues	6,919,273	3,082,694
Total Operating Expenses	40,707,357	35,180,465

Revenues from the reserve representing the modernization quota hold 83% of other operating expenses, registering an increase of 5.3% as compared to 2019.

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.

17. Operating Expenses

a) Stocks Expenses and Utilities

	December, 31	December, 31
	2020	2019
Expenses with consumables	4,670,529	6,060,639
Other material expenses	1,409,621	1,445,374
Other with energy and water	12,465,234	13,088,645
Merchandise Expenses	25,855	98,658
Total Expenses related Stocks and utilities	18,571,239	20,693,316

b) Personnel Expenses

The personnel expenses include the expenses with the salaries, bonuses awarded to the employees, other personnel expenses, allowances related to the mandate contract of the members of the Board of Directors and the Directors with mandate and the expenditure with the contributions due by the employer.

	December 31, 2020	December, 31 2019
Salaries expenses	130,062,145	128,070,012
Obligations related to Employees Bonuses	19,241,943	18,120,216
Other personnel expenses	964,870	3,155,020
Expenses with the remuneration of the directors with mandate contract		
4,157,537	4,759,157	2,859,609
Expenses with contributions due by the Employer	7,530,789	7,696,076
Total operating expenses	162,558,904	159,900,933

The personnel expenses are detailed as follows:

Salaries expenses

	December, 31	December, 31
	2020	2019
Expenses with basic salaries and related bonuses	127,010,975	121,359,896
Quarterly Premiums	2,297,970	6,171,739
Aids for retirement	712,850	463,120
Aids for marriage	40,350	75,257
Total salary related expenses	130,062,145	128,070,012

The expenses with the base salaries of the personnel and the related bonuses increased in 2020, as compared to 2019, mainly following the increase of salaries with 300 RON/employee starting 01.10.2019 and the indexation of the salaries on average by 5% starting the date of 01.10.2020.

As per the provisions of the Collective Labor Agreement in force, the Company has also granted its employees the following benefits: quarterly premiums, retirement aids, marriage aids.

Obligations related to Employees Bonuses

	December, 31	December, 31
	2020	2019
Employees share of profit	6,439,906	5,083,747
Meal vouchers	5,129,940	5,117,145
Social expenses provided at Art.25 of Law no.227/2015 of the Fiscal Code, with Ulterior amendments and completions	6,154,469	5,668,217
Other expenses as per the the Collective Labor Agreement	1,517,628	2,251,107
Total	19,241,943	18,120,216

The values of bonuses granted to the employees has an increase (of 1,121,727 RON) in 2020, as compared to 2019, due, mainly, to the payment of the benefit related to the employees share of profit in a quantum higher than that paid in 2019.

As per the provisions of the Collective Labor Agreement in force, the Company has granted the employees bonuses as social expenditure provided at Art.25 of Law no.227/2015 on the Fiscal Code, consisting of holiday tickets and treatment, here included the transport, present offered to the employees, aids for birth, funeral, serious diseases, humanitarian and other social expenditure as per the Collective Labor Agreement (Ro.CCM).

The value of the bonuses granted as social expenses and other expenses as per CCM in the first nine months of the year2020, as compared to the same period of the previous year, has mainly increased following the grant of the gift vouchers on the occasion of Oilman Day, in quantum of 1,150 RON/employee.

In view of protecting the health of the employees in the context of (Covid-19) Pandemics, there where it was possible, the activity of the employees has been performed in telework regime, what has determined a reduction of the expenses with transport of employees to and from the work site. Also, given the traffic restrictions and termination of some activities during the state of emergency and alert conditions, there has been recorded a reduction of the expenses with the daily allowance, of the value of expenses with the holiday and treatment, here included the transport and expenses with kindergartens, nurseries, after-school, supported by the company for the employees children.

Other personnel expenses

	December, 31	December, 31
	2020	2019
Expenses with compensatory payments related to personnel lay-offs	962,850	3,155,020
Expenses with the rights of the personnel due based on court order	2,020	-

Total	964,870	3,155,020
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The position “Other personnel expenses” includes the expenses with the compensatory payments, granted as per the Contract Labor Agreement related to personnel lay-offs carried out in October and November of the year 2020, namely in June and November of the year 2019.

The expenses with the remuneration of the directors with mandate contract and the administrators

	December, 31	December, 31
	2020	2019
Allowance of the directors with mandate	2,571,461	1,373,180
Allowances of the Board of Directors members	2,187,696	1,486,429
Total	4,759,157	2,859,609

The expenses with the allowances related to the mandate contracts of the directors and administrators register an increase YoY. In 2020, the amount of the allowances was higher, as the company has paid to the administrators and directors with mandate contract the variable allowance related to 2019.

Expenses with contributions due by the Employer

	December 31, 2020	December, 31 2019
Company's contribution to the facultative pensions funds	2,895,553	3,033,858
Company's contribution to the health voluntary insurance	1,426,889	1,515,835
Precautionary labor contribution and other contributions	3,208,347	3,146,383
Total	7,530,789	7,696,076

In 2020, following the salary increase in October 2019 and October 2020, the precautionary labor contribution has proportionally increased.

Employees

During 2020, the average number of employees has evolved as follows:

	December, 31	December, 31
	2020	2019
Employees with leading positions	95	95
Employees with execution positions	1,445	1,492
Total	1,540	1,587

a) Expenses related to external services

	December, 31	December, 31
	2020	2019
Railway transport expenses	63,566,626	60,907,554
Rentals and royalties expenses	30,974,740	31,333,432
Third-parties pumping expenses	4,636,669	4,773,525
Expenses with the maintenance and repairs	1,985,408	2,540,652
Expenses with decontaminations, monitoring environmental factors	804,966	658,627
Expenses with travels, detachments and transfers	632,631	1,312,205
Expenses with goods and personnel transport	38,298	49,914
Postal expenses and telecommunication fees	526,584	525,332
Other expenses with services performed by third parties	4,315,939	5,001,440
Total expenses related to external services	107,481,861	107,102,681

Expenses with royalties and rents contain mainly the oil royalty due to state budget by the company, as holder of the oil agreement, for the use of the goods public property of the State within the oil operations.

This is being calculated as per the provisions of the Oil Law no.238/2004, by application of a quota of 10% on the value of gross revenues achieved out of oil transport operations via the oil national transport System.

b) Other expenses

	December, 31	December, 31
	2020	2019

Taxes, fees and similar levies related expenses	2,242,560	2,148,829
Expenses with compensations, fees and penalties	293,871	121,132
Granted donations (sponsorship)	798,584	684,078
Expenses with environmental protection	32,196	89,480
Modernization quota establishment - related expenses	36,980,848	31,080,415
Other operating expenses	7,456,921	795,979
Other expenses	47,804,980	34,919,912

In 2020 the expenses registered with other taxes, fees and assimilated levies comprise, mainly, the expenses local taxes and expenses with the contribution to the special fund, due based on Law no.448/2006 regarding the protection and promotion of the rights of people with disabilities

The chapter "Other reserves" regarding the modernization quota through other operating expenses, in compliance with the provisions of the GD no. 168/1998 further amendments and with the provisions of the Fiscal Code approved pursuant to Law no. 227/2015, further amendments and updates.

18. Net Financial Result

	December, 31	December, 31
	2020	2019
Interest revenues	6,096,612	7,853,469
Other financial revenues	25,659	20,407
Total financial revenues	6,122,271	7,873,876
Expenses regarding interests related to leasing contracts	532,077	253,191
Other financial revenues	153,711	65,046
Total financial expenses	685,788	318,237
Net Financial Result	5,436,483	7,555,639

The financial revenues have decreased by 22.3\$ in 2020 YoY and the financial expenses have increased by 115.5% in the current year YoY. Based on this evolution, the net financial result has decreased by 28.1% in 2020 YoY.

19. Fiscal Legislative Framework

The tax declarations are subject to revisions and corrections of fiscal authorities, generally for a period of five years after completion thereof.

The fiscal legislation in Romania is very complex and permanently reforms according to the internal and international economic-financial context, being regulated by a multitude of normative acts: laws, government decisions of approval of the application norms, simple ordinances and emergency ordinances, orders, instructions, circulars, clarifications etc.

We cannot talk about a facile approach thereof by the taxpayer, especially that it is generally maintained an abusive practice from the fiscal bodies in what concerns the construction of the legal provisions enshrined by the law itself.

The modernization of the fiscal legislation in Romania does not yet provide clarity and accessibility in the application of the provisions of the fiscal Code, by restructuring, on systematic bases, of the fiscal norms, as well as those on fiscal procedure and there still exists the risk that the fiscal authorities adopt different positions in connection with the interpretation of these aspects with consequence in the calculation of additional obligations and interests/penalties payment, augmentations and delay fines.

By Law no.207/2015 on the new fiscal procedure Code there have been amended several principles with regard to the interpretation of law, meaning that in the interpretation of the fiscal legislation is being applied the principle "in dubio contra fiscum, therefore in case of doubt related to the fiscal norm it is being applied the interpretation in favor of the tax payer.

However, before this interpretation has been given, each public servant must clarify the respective text, by appealing to the good will of the legislator and the meaning of law, verifying the points of view expressed in the substantiation notes, in reasons exposures (...). Thus, it should notice the spirit of the law as a whole and the purpose for which this law has been created. Only if by these norms the meaning of the norm has not been clarified, will the rule of interpretation in favor of the tax payer apply, which envisages the protection of the tax payer against an abusive application of the law by the fiscal body, as well as for the improvement of the relation between the fiscal administration and the tax payer, for avoiding some potential conflicts.

The management considers to have adequately registered the fiscal obligations in the financial statements.

20. Commitments and Contingencies

Capital commitments

The company does not have granted capital commitments.

Guarantees granted to third-parties

The guarantees granted to third parties are presented in the table below:

	December 31, 2020	Tuesday, December 31, 2019
Non-current Receivables (Note 7)	1,427,010	805,498
Other receivables (Note 9)	282,466	282,465
Total	1,709,476	1,087,963

Guarantees granted to third parties are separately presented at:

- financial assets line (Note 7)
- other receivables line, those to be recovered within less than 12 months (Note 9)

At the end of 2020, the Company has no record of other commitments granted to third parties.

Received Guarantees

The guarantees received are presented in the table below:

	December 31, 2020	Tuesday, December 31, 2019
Performance guarantees transferred on the company's accounts	44,173	41,299
Bank performance guarantee letters received from the clients	33,749,255	28,717,891
Bank performance guarantee letters received from the suppliers	15,940,237	14,614,859
Performance guarantees constituted by the beneficiaries in separate accounts at CONPET disposal.	5,362,768	5,984,039
Total	55,096,433	49,358,088

Contingencies

Taxation

Our company considers that all amounts due for fees and taxes have been paid and registered at the balance date.

21. Related Parties

In 2020, the Company has carried out the following procurement from related parties:

Procurement from related parties

Partner	Unsettled amounts at December, 31 2019	Procurement period 01.01 -31.12.2020	Settlements in Period 01.01 -31.12.2020	Unsettled amounts at December 31, 2020
SNTFM CFR Marfă SA	5,075,103	76,461,328	74,827,370	6,709,061

**The amounts include VAT*

22. Audit Expenses

The Company's audit for the year 2020 has been provided by the firm BDO AUDIT SRL.

By OGMS Decision no.6/30.09.2019 it was approved the appointment of the firm BDO AUDIT SRL. as financial auditor of the Company for a period of 3 years (2019,2020,2021).

The fees are established based on the contract concluded between the two parties. All paid fees refer to the audit services on the individual financial statements drafted in compliance with the Financial Reporting International Standards ("IFRS") and with the requirements the Order of the Ministry of Finance no.2844/2016, services of revision of the interim financial statements drafted at June 30, in compliance with IAS 34.

23. Risk Management

At the level of the company CONPET S.A. there has been implemented and is being developed the internal/management control system comprising the 16 standards included in the management internal control Code of public entities. The implementation of the requirements of standard no.8 "Risk management" represented a priority, by documentation and application of the provisions of the process documents "Risks Management" (the process sheet, flowchart and system procedure). In the first Half of 2020 there were identified, assessed and centralized the risks that may affect the achievement of the objectives. At CONPET level it was prepared a Register of the significant risks and an annual Plan comprising 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:

(a) Currency 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 currency risk expressed in RON was insignificant, as revealed in the statements below:

December 31, 2020	Value	RON	EUR	USD	GBP
Monetary Assets					
Cash and Cash Equivalents	198,257,333	198,202,153	49,711	4,081	1,388
Trade receivables and other receivables on short and long term	41,366,956	41,366,956	-	-	-
Monetary Debts					
Various suppliers/creditors	(28,374,914)	(24,366,919)	(3,881,489)	(126,506)	-
Net exposure in the statement of financial standing	211,249,375	215,202,190	(3,831,778)	(122,425)	1,388

December 31, 2019	Value	RON	EUR	USD	GBP
Monetary Assets					
Cash and Cash Equivalents	238,576,951	238,476,349	94,576	5,598	428
Trade receivables and other receivables on short and long term	43,054,198	42,921,283	132,915	-	-
Monetary Debts					
Various suppliers/creditors	(32,809,520)	(26,495,701)	(5,995,707)	(318,112)	-
Net exposure in the statement of financial standing	248,821,629	254,901,931	(5,768,216)	(312,514)	428

The currencies applied for the evaluation of the elements above in RON were:

	December 31, 2020	Tuesday, December 31, 2019
RON/EURO	4.8694	4.7793
RON/USD	3.9660	4.2608
RON/GBP	5.4201	5.6088

(b) 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.

Maximum exposure to the collection risk at the reporting date was:

	Net value	
	December 31, 2020	December, 31 2019
Commercial receivables and other short-term and long-term receivables	41,366,956	43,054,198
Total	41,366,956	43,054,198

The company carries out trade relations only on contractual basis with recognized third parties, that warrants credit financing. The management is closely monitoring the exposure to trade credit risk.

Financial assets that may subject the Company to risk collection are mainly the trade receivables. The company has implemented a series of policies that ensure that the sale of services are made to customers with a rapid collection. The net value of the receivables (without depreciation impairments) represents the maximum amount exposed to the collection risk.

At December 31, 2020 the Company holds a cash and cash equivalents in amount of 198,257,333 RON (at December 31, 2019; 238,576,951 RON). The availabilities are held by the banks, of which we enumerate Banca Transilvania, BCR, Raiffeisen Bank, BRD Groupe Societe Generale, CEC Bank, Unicredit Bank, OTP Bank, Exim Bank, Garanti Bank, First Bank, Credit Europe Bank, etc.)

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

The statement of the seniority of clients receivables at the date of preparation of the statements of financial statement is the following:

	Gross value December 31, 2020	Impairment December 31, 2020	Net value December, 31 2020
Not-reaching maturity	34,766,616	-	34,766,616
Maturity exceeded between 1-30 days	3,439	-	3,439
Maturity exceeded between 30-60 days	530	-	530
Maturity exceeded between 60-90 days	5,154	-	5,154
Maturity exceeded between 90 days - 1 year	672	-	672
More than 1 year	339,307	339,307	-
Total	35,115,718	339,307	34,776,411

	Gross value December 31, 2019	Impairment December 31, 2019	Net value December, 31 2019
Not-reaching maturity	38,885,905	-	38,885,905

Maturity exceeded between 1-30 days	48,275	-	48,275
Maturity exceeded between 30-60 days	-	-	-
Maturity exceeded between 60-90 days	-	-	-
Maturity exceeded between 90 days - 1 year	1,287	-	1,287
More than 1 year	341,524	341,524	-
Total	39,276,991	341,524	38,935,467

Statement of the seniority of other receivables at the date of preparation of the statement of the financial standing is:

	Gross value December 31, 2020	Impairment December 31, 2020	Gross value December 31, 2019	Impairment Tuesday, December 31, 2019
Not reaching maturity	7,807,594	2,325,447	6,424,129	3,394,735
Total	7,807,594	2,325,447	6,424,129	3,394,735

Statement of seniority of the non-current receivables at the date of preparation of the statement of financial position is:

	Gross value December 31, 2020	Impairment December 31, 2020	Gross value Tuesday, December 31, 2019	Impairment Tuesday, December 31, 2019
Non-current receivables	282,466	282,466	282,465	-

< 1 year				
not reaching maturity				
Non-current receivables				
>1 year	1,427,011	320,189	805,498	-
not reaching maturity				
Total	1,709,476	602,655	1,087,963	-

We hereby mention that for **advances for services** in amount of 1,567 RON (note 9) there have not been performed depreciation impairments as the respective receivables have not reached maturity.

The movements in the impairments for the depreciation of the receivables of the **clients** were the followings:

	2020	2019
Balance at January 1	341,524	716,044
Increases during the year	-	6,508
Write-backs during the year	(2,217)	(381,028)
Balance at December 31	339,307	341,524

Movements in the impairments for the depreciation of **other receivables** were the followings:

	2020	2019
Balance at January 1	3,394,735	3,820,630
Increases during the year	18,941	90,750
Write-backs during the year	(1,088,229)	(516,645)
Balance at December 31	2,325,447	3,394,735

The movements in the impairments for depreciation **non-current receivables** were the followings:

	2020	2019

Balance at January 1	-	-
Increases during the year	602,655	-
Write-backs during the year	-	-
Balance at December 31	602,655	-

(c) (c) 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.

2020	Contractual cash flow	< 1 years	Over 1 year	Over 5 years
Trade liabilities	23,583,540	23,583,540	-	-
Other debts	39,113,352	36,503,894	1,989,099	620,359
Total	62,696,892	60,087,434	1,989,099	620,359

2019	Contractual cash flows	<1 year	Over 1 years	Over 5 years
Trade liabilities	27,179,134	27,179,134	-	-
Other debts	45,497,209	41,914,858	3,582,351	
Total	72,676,343	69,093,992	3,582,351	

(d) The Personnel Risk and the Waging System

At December 31, 2020 the structure on age is not balanced, the age categories with the highest rate in the company was the personnel with the age is ranging between 51-60 years old (49.7%), 41-50 years (29.4%), followed by the category of age ranging between 31-40 years old (10.9%).

The average age of CONPET personnel is rather high (49.29 years old), the advantage being that 53.5% 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 experienced staff departure, for 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.

(e) The Risk determined by correlation with the evolution of the global market

The unpredictability of the crude oil price evolution will continue to impact the global economy. On short and medium term it is expected that the oil prices continue to bear the uncertainties related to the global economy, the commercial war between the United States and China, as well as the relations between OPEC + (OPEC member countries to which are being added the non-member - i.e. Russia). The contract futures on the oil market (5 years) do not exceed the barrier of 60\$/barrel.

In the perspective of 2030, at global level, it is estimated that the oil/oil products request and offer be influenced mainly by: the crude oil production cost out of unconventional resources, the impact of the new technologies in exploration and off-shore production in deep waters, as well as the dynamics of oil demands in the emerging economies in Asia.

Inside the European Union, the perspective of the years 2020-2030 firstly envisages the reduction of oil dependency, the policy tightly related to that of climate changes and massive promotion of the renewable energy resources. The technologies related to sources of energy other than crude oil consumptions have been developed and are being supported by the policies of the European union with regard to carbon emissions.

(f) Capital Market Risk

In the first 9 months of the year, the Romanian capital market was classified as frontier market by the stock indices classification agencies. Starting September 21, 2020, the agency FTSE Russel, the global leader in the classification of stock market indices, has decided that the Romanian stock market should be classified from the status of Frontier Market to that of Emerging Market.

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.

(g) 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 adapt the legislative requirements facing continuous changes may generate significant additional costs and the potential future amendments of the legislative framework could bear negative impact on the activity 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.

(h) Litigations Risks

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.

(i) 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 business 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.

(j) The Market Risk

The Market risk arises from the reduction of the quantity of crude oil transported to the refineries. This renders lower the utilization of the transport system. The company must identify new opportunities leading to increased use of the system andts adopt new solutions for increasing efficiency and for optimizing the transport activity, solutions meant to maintain SNT at a high level of operational security.

The company is dependent on the processing level of the refineries in Romania and the possibility to intervene in this are is held exclusively by the fuels market demand. CONPET can only prove, at any time, that it is capable to deliver quality services in what concerns the transport of the crude oil, rich gas and condensate for any client. For achieving this goal, CONPET must be an active player, permanently interested in market evolution within this area of interest.

Following the petrochemical industry restructuring in Romania, the transport of the crude oil derivatives (rich gas) has been significantly reduced (the transport of ethane has no longer been performed since 2009), thing that negatively influenced the subsystem's degree of use related to these products.

Given the conditions, by the support of the major stakeholder, the Ministry of Economy, Energy and Business Environment and the National Authority for Mineral Resources (NAMR), CONPET pays efforts to identify new collaborations that lead to the increase of the degree of use of the system, nevertheless involving into regional projects started in its business area.

(k) 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 the potential 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 of control such as the redefinition of the transport infrastructure according to demand-side, settlement and optimization of the pumping programs for the low production stations, extension of the modernization of pumping stations and

continuous monitoring of the process parameters 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 followings:

- escalation of the criminal behavior of attack to the pipelines with significant impact on the National Transport System via Pipelines and the environment;
- Tear and wear 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.

(I) The risk triggered by the Coronavirus Pandemic (Covid-19)

Besides the risks mentioned hereabove, the company is currently facing risks triggered by the Coronavirus pandemic (COVID-19). Under these circumstances, the company CONPET S.A. Has adopted a Plan of measures for the prevention and prevention of its employees contamination with the new coronavirus (COVID-19), as well as the identification of the scenarios related to the continuity of the activity inside the company's work sited, in case some of its employees become infected with the new coronavirus (COVID-19).

As of the beginning of this situation, CONPET has adopted special measures of protection of its employees and limitation of a potential extension of the disease COVID-19. Therefore, there have been adopted prevention and protection measures in all the work sites where the employees carry out their activities, here included: the limitation of visitors access, this one being permitted only in absolutely necessary cases, being conditioned by the compliance with the disinfection rules established at CONPET level, the intensification of the actions related to prevention and sanitation, limitation of internal departures in the work sites, establishing the minimum necessary personnel for the good performance of the operations and for ensuring the continuity of the crude oil transport, in the light of the Coronavirus pandemic (COVID-19).

Holding a strong financial stability and a very good ability to act, CONPET can rapidly and efficiently implement all the emergency measures required for the protection of the employees health, as well as for the safe administration of the crude oil National Transport System. In the light of Coronavirus (COVID-19) pandemic, the continuity of the company's activity is secured. As for the financial Statement of the company related to 2020, the activity is not affected, thus it is not required the adjustment thereof.

(m) Environmental Aspect

- *Identification of environmental aspects and environmental impact assessment*

The activity of assessment of the impact on the environment is performed within the production sectors whenever there occur modifications in the system that involve activities with impact on the environment, the list of aspects with major impact identified at the level of the company being the ground for elaboration of the environmental management Program and the Plan of actions for the fulfillment of the environmental objectives.

In 2020 there have been revised the environmental aspects at the level of locations and implicitly at the level of the company, the significant environmental aspects being comprised in a new Plan of actions for the fulfilment of the environmental objectives. The state of achievement of objectives and targets is periodically analyzed by the executive management.

During 2020, it has been performed an online external audit on the environmental management system, for checking the compliance with the requirements of the standard ISO =, 14001:2015. No misconducts have been found with regard to the compliance obligation on this domain.

- *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.

For the verification of the compliance with the legal requirements, at the level of the year 2020 there were registered 34 external inspections.

- *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 2020 there have been reported accidental pollutions in the areas: Matița, Avicola, Măgurele, Orzoaia de Jos, Drăgănești, Pietroșani, Fâncari, Boldești (Prahova county), Armășești, Balta Ialomiței, Fetești, Gârbovi, Jilavele, Grindu (Ialomița county), Lumina, Castelu, Cuza Vodă (Constanța county), Mădulari (Vâlcea county), Sudiți (Ilfov county). 2020 expenses for the decontamination of the affected areas reached 752.2 RON.

24. Ulterior Events and other Mentions

At the date of 28.01.2021 it has been convened the Extraordinary General Meeting of Shareholders (EGMS) for the date of 10.03.2021 (11.03.2021 second call), having as item on the agenda the approval of the augmentation of the company's share capital by the value of land held based on 48 land ownership certificates. It was identified that neither at the EGMS first meeting, nor the second has been met the presence quorum provided by the law necessary for the augmentation of the share capital with contribution in kind.

The Company CONPET S.A.

Explanatory notes to the financial statements for the year ended December 31, 2020

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

Starting 08.02.2021, by NAMR Order no.19/25.01.2021 with regards to the amendment of the transport tariffs, published in the Official Gazette of Romania, Part I, no.127 from 08.02.2021, there have been approved the new transport tariffs via the National Transport System of crude oil, rich gas, condensate and ethane.

These financial statements and the related notes, from page 1 to page 56, have been authorized for issue and signed by the company's management at March 23rd, 2021.

Director General

Eng. Dorin Tudora

Economic Director,

Econ. Sanda Toader

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 at 31.12.2020 for:

Entity	CONPET SA
County	PRAHOVA
Address	Ploiești No. 1-3, Anul 1848 Street
Trade Registry 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: Dorin Tudora, as Director General and Sanda Toader, as Economic Director are liable for the drafting of the annual financial statements at 31.12.2020 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 31.12.2020;
- b) The annual financial statements present fairly the financial position, financial performance and other information related to the conducted activity;
- c) The company operates under conditions of continuity;
- d) 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
Eng. TUDORA DORIN**

**Economic Director
Econ. TOADER Sanda**

Subject to endorsement in the BoD meeting dated 23.03.2021 and approval in the O.G.M.S dated 28.04.2021

Reg. no. 10117/23.03.2021

NOTE:

**regarding the approval of discharge of administration of CONPET S.A. administrators for
the financial year ended 31.12.2020.**

Along the year 2020, the Board of Directors has carried out the activity in the following compotence:

- **Gheorghe Florin - Cristian**, Chairman of the Board of Directors
- **Popa Claudiu – Aurelian**, BoD member;
- **Iacob Constantin - Ciprian**, BoD member;
- **Gavrilă Florin - Daniel**, BoD member;
- **Albulescu Mihai - Adrian** - BoD member;
- **Meșca Darius-Dumitru** - BoD member;
- **Buică Nicușor – Marian** - BoD member.

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).

By BoD decision no. 17/04.07.2019, the BoD appointed as provisional Mr. Buică Nicușor - Marian in the capacity of administrator, considering the proposal from the shareholder DEDEMAN SRL, the term of office starting 05.07.2019 and until the OGMS meeting, on the vacancy due to waiver of office and as administrator of Ms. Pavăl Karina. Appointment of the provisional administrator was carried out in accordance with Art. 137² Para. (1) of Law no.

31/1990 on companies, republished, subsequent amendments and completions and Art. 19 Para. (4) of the Articles of Incorporation of CONPET SA..

By Decision no. 5/30.09.2019, Mr. Buică Nicușor - Marian was appointed by the OGMS as administrator of the company CONPET SA, the term of office of the appointed administrator being the date of the OGMS Resolution (30.09.2019) and up to the end of the mandate of the current Board of Directors (21.08.2022, 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 principles of good corporate governance, 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.

The carried-out business, as well as the financial-economic results obtained in 2020 are being revealed as compared to 2019 in the Annual Report of the Administrators, as they are being contained in the audited annual financial statements related to the financial year 2020.

As per the dispositions of Art.111, Para (2), Letter d) of Law 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., it is necessary that the OGMS decide on the discharge of administration of the administrators of CONPET SA.

Following the approval of the audited financial statements for the year ended 31.12.2020, based on the Report of the independent auditor BDO Audit SRL on the financial statements of 2020 and the Annual Report of Administrators for the financial year ended 31.12.2020,

it is being proposed to the OGMS the approval of the discharge of administration of the company's administrators for the financial ended 31.12.2020.

CHAIRMAN OF THE BOARD OF DIRECTORS

Gheorghe Cristian – Florin

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of CONPET S.A.

1-3 Anul 1848 St., Ploiești, Prahova County, 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, 2020, 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 2020 are identified as follows:

• Net assets/Total equity:	657,010,568 RON
• Net profit for the year:	60,846,759 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, 2020, 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>Revenue recognition</p> <p>Please see Note 17. a) Turnover</p> <p>Revenue recognition policy is described in Note 3 "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"> - Evaluation of processes and controls on the existence and accuracy of the recorded revenues. - Audit procedures for testing that revenues were recorded in the appropriate period. - Testing a sample of receivables by sending direct confirmation letters.

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 skepticism 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 30 September 2019 to audit the financial statements of the Company for the year ended 31 December 2019, 2020 and 2021. Our total uninterrupted period of engagement is 5 years, covering periods ending 31 December 2016 to 31 December 2020.

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.

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 of financial auditors and audit firms with no. FA18

Partner's name: Vasile Bulata

Registered in the Public Electronic Report of financial auditors and audit firms with no. AF1480

Bucharest, Romania

23 March 2021

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.