

ROMGAZ

Societatea Națională de Gaze Naturale Romgaz S.A. - Medias - România

No. 0559/28.03.2016



To

THE GENERAL MEETING OF SHAREHOLDERS

Ref: approval of the net profit distribution for financial year 2015

The proposal for net profit distribution for 2015 was made considering the following:

- ✎ The provisions of *Government Ordinance no. 64/2001 regarding profit distribution to national authorities, national companies and trading companies with full or majority state-owned capital, as well as to autonomous administrations, including subsequent amendments and additions;*
- ✎ The specifications approved by *Order no. 144/2005 of the Ministry of Public Finance regarding the approval of Specifications for determination of the amounts subject to profit distribution in accordance with GO no. 64/2001 regarding profit distribution to national authorities, national companies and trading companies with full or majority state-owned capital, as well as to autonomous administrations, approved with amendments by Law no. 769/2001, including subsequent amendments and additions;*
- ✎ The provisions of *GO no. 936/2015 regarding the approval of the budget of income and expenditures for 2015 for Societatea Națională de Gaze Naturale "Romgaz" SA Medias;*

The net profit according to the financial statements is **RON 1,194,284,243.77** and the net profit to be distributed is **RON 1,376,579,724.41**.

The proposal for net profit distribution was made considering Board of Directors Resolution no. 18/2013 according to which "the Board of Directors estimates that, by the dividend policy, SNGN ROMGAZ- S.A. may pay dividends of maximum 75% of the accounting income resulting after the income tax deduction...".

In regard to this provision and according to the accounting policy approved by the Board of Directors, the retained earnings was added to the net profit and the set up reserve was deducted according to article 19⁴ of Law no. 571/2003 on the Fiscal Code.

The share of net profit distributions in the form of dividends is 75.60%, resulting further to rounding off two decimal places of the gross dividend per share.

Capital social: 385.422.400 RON
CIF: RO14056826
Nr.ord.Registrul Comerțului/an: J32/392/2001
RO08 RNCB 0231 0195 2533 0001 - BCR Medias
RO12 BRDE 3305 V024 6190 3300 - BRD Medias

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The proposal regarding the profit distribution by destination as provided in GO no. 64/2001 is presented in the table below:

	Indicators	Value (RON)
0	1	2
A.	Gross result of financial year	1,468,836,745.13
B.	Current income tax	343,268,774.03
C.	Deferred income tax (income)	68,716,272.53
D.	Net result of financial year [A.-B.+C.], from which:	1,194,284,243.77
a)	Legal reserve	0
b)	Other reserves representing fiscal facilities provided by law (Law no. 571/2003- Article 194)	31,847,798.48
c)	Retained earnings of accounting income of the previous years	214,143,279.12
c ¹)	Set up own financing sources for projects co-financed from external loans	0
d)	Other distributions provided by special laws	0
E.	Remaining net profit to be distributed [D.-b+c]	1,376,579,724.41
e)	Employees participation to profit	16,774,037.00
f)	Dividends due to shareholders (75,60% of the net profit to be distributed) - dividend / share	1,040,640,480.00 2.70
g)	Profit for setting up own financing sources (E-g)	335,939,244.41
*	TOTAL DISTRIBUTIONS	1,408,427,522.89

Establishing the amounts distributed from the profit are shown in the annex to the present report, to which the following specifications are made:

- RON 31.847.798,48 were allocated to reserves in accordance with Article 19⁴ of Law no. 571/2003 on the Fiscal Code and represent the profit invested in technological equipment - vehicles, work equipment and facilities;
- The retained earnings (profit) in amount of RON 214,143,279.12 represents the depreciated cost of fixed assets and investment projects abandoned in the reporting year and whose financing source was "*the share of expenditures necessary for the development and modernization of the natural gas production*", according to Government Decision no. 168/1998, a subsequently amended and supplemented;
- Employees participation to profit was established within the limit of 69.57% of the average monthly basic salary per employee for 2015, multiplied;
- The dividends due to shareholders were determined taking into account the provisions of Resolution no.18/2013 of the Board of Directors, by applying the 75.60% share to the net profit to be distributed.

Considering the above mentioned, we submit for review and approval the following:

- 1. Profit distribution by destination as provided in the this report;**
- 2. Employees participation to profit in accordance with Government Ordinance no. 64/2001.**

**Chairman
of the Board of Directors
Aurora Negrut**



Establishing the amounts distributed from the profit for 2015 according to G.O. no.64/2001, as subsequently amended and supplemented and the specifications approved by OMFP no.144/2005

RON

A.	Net profit	1,194,284,243.77
a)	Legal reserve (art.183 par.(1) and (2) of Law no.31/1990 - share capital - Share of 20% where: • Existent reserve fund • Set up reserve fund (admitted amount)	0 385,422,400.00 77,084,480.00 77,084,480.00 0
b)	Other reserves representing fiscal facilities provided by law	31,847,798.48
c)	Retained earnings, accounting profit from previous years	214,143,279.12
c ¹)	Setting up own financing sources for projects co-financed from external loans	0
d)	Other distributions provided by special laws	0
B.	REMAINING NET PROFIT TO BE DISTRIBUTED (A+c-b)	1,376,579,724.41
e)	Employees participation to profit	16,774,037.00
f)	Gross dividends due to shareholders (75.60% of the remaining profit after deduction of the amount provided in letter a), to which the amount in letter c) and e) is added).	1,040,640,480.00
g)	Undistributed profit for setting up own financing sources [B.-f)]	335,939,244.41
C.	TOTAL DISTRIBUTED PROFIT [a)+b)+f)+g)]	1,408,427,522.89
D.	Amounts representing the employees participation to profit, retained from the gross profit before taxation ➤ Participation to profit within the 10% limit of net profit remained to be distributed (B.) ➤ average number of employees ➤ average monthly basic salary in 2015 ➤ fund related employees participation to distributed profit	16,774,037.00 6,191 3,736.25 16,774,037.00