

No. ~~8.857~~ / March 24, 2017

REPORT
on the approval of gross dividend per share, dividend term of payment
and dividend payment methods

Applicable Legislation

- ⌘ Company Law no. 31 dated November 16, 1990 as amended from time to time:
 - ✓ The General Meeting of the Shareholders (GMS) is obliged „to consider, to approve or to modify the annual financial statements based on the reports presented by the board of directors [...] and to set the dividend”-Art.111, par.(2), letter a);
 - ✓ „The dividends are distributed to the associates proportionately to their equity interest to the paid share capital, provided that the articles of incorporation does not stipulate otherwise. Such are paid within the time limits set by the General Meeting of the Shareholders or, if applicable, during the term set by special laws, however, no later than 6 months from the date of approving the annual financial statements relating to the financial year under consideration” – Article 67, par. (2);

- ⌘ Law no. 297 dated June 28, 2004 on the capital market, as amended from time to time:
 - ✓ „...identification of the shareholders who are going to benefit of dividends or other rights and in relation to whom the GMS resolution is going to produce effects. This date shall be by at least 10 business days subsequent to the date of the GMS setting the dividends”-Article 238, par. (1);
 - ✓ „Once the dividends are set, the GMS shall also set the term of payment to the shareholders. Such term of payment shall not be longer than 6 months from the date of the GMS setting the dividends”- Article 238, paragraph (2);

- ⌘ Government Emergency Ordinance no. 64 dated August 30, 2001 on distribution of profit in state-owned companies or companies where the state is sole or majority owner, as well as in autonomous régies, as amended from time to time:
 - ✓ „... national companies and companies where the state or an administrative-territorial unit is sole, majority or controlling shareholder are obliged to transfer the dividends due to shareholders within 60 days from the legally provided term for filing annual financial statements”-article 1, paragraph (3)

- ⌘ C.N.V.M. Regulation no. 1 dated April 6, 2006 on issuers and transaction of securities, as amended from time to time:
 - ✓ „in case of dividends, the general meeting of shareholders shall set as date of payment a business day subsequent to the registration date by maximum 15 days, but not later than 6 months from the date of GMS for setting the dividends”- Article 129[^]3, paragraph (2):

- ✎ MFP Order no.166/2017 on the main aspects concerning the preparation and submission of annual financial statements and annual accounting reports of economic operators to the local offices of the Ministry of Finance and amending and supplementing certain accounting regulations:

- ✓ "Submission [...] of annual accounting reports as at December 31, shall be made within 150 calendar days after the calendar year-end" - Annex 3, section 3.1

Dividend per share

In consideration of the following elements:

- ✓ dividends due to the shareholders according to the 2016 profit distribution proposal amount RON 959,701,776;
- ✓ dividends are distributed to the shareholders proportionately to their equity interest to the share capital; and
- ✓ the company's share capital is RON 385,422,400, split into 385,422,400 ordinary, nominal, indivisible shares each having a nominal value of RON 1,
- ✓ the Memorandum of the Ministry of Public Finance, send by the Ministry of Energy by letter no.260176/February 1, 2017, which states that the State's representatives in the General Meeting of Shareholders/ Board of Directors are authorized to decide the distribution of a minimum share of 90% of the 2016 net profit as dividends, upon the approval of the Financial Statements of such year,

the value of the gross dividend is **RON 2.49/share**. The amount of dividends proposed for distribution represents 93.67% of 2016 net profit.

Term of payment

1) Law no. 31/1990, Law no. 297/2004 and C.N.V.M. Regulation no. 1/2006

- the dividend payment deadline is 6 months from the date of GMS for approving the annual financial statements of the ended financial year/ for setting dividends, namely October 25, 2017.

2) Government Emergency Ordinance no. 64/2001

- the dividend payment deadline is 60 days from the legally set term for filing the annual financial statements. Given that the term for filing the annual financial statements of the company is 150 days after the financial year end, it results that the dividend payout deadline is July 29, 2017.

3) C.N.V.M. Regulation no. 1/2006 - Article 129[^]3, paragraph (2):

- the dividend payment date established by GMS shall be a business day subsequent to the registration date by maximum 15 days, but not later than 6 months from the date of GMS for setting the dividends, therefore the record date for identifying the shareholders who will benefit from dividends will be set on July 5, 2017, the maximum dividend payout term is July 26, 2017.

Corroborating the provisions of the above incident regulations, it results that the maximum dividend payout term is **July 26, 2017**.

Payment methods

The dividends shall be paid in RON only to the shareholders registered in the Shareholders' Register (held by SC „Depozitarul Central” SA – Central Depository) on the Registration Date set by this GMS.

The net value of dividends shall be calculated as follows:

- i. the gross value of the dividends due to each shareholder shall be calculated by multiplying the number of shares held on the Registration Date by the value of the gross dividend per share, rounding up or down by two decimal;
- ii. the tax on dividends shall be calculated by applying the relevant tax level to the gross value of dividends calculated as per point i., the amount is rounded according to the legal provisions;
- iii. net value of the dividends is the difference between the gross value of the dividends and the relating tax on dividends.

The payment of dividends shall be made in compliance with the law.

The shareholders shall be informed of the payment details prior making the payments.

In view of all of the above, we submit for approval to the General Meeting of Shareholders the following:

- 1) Gross dividend per share is RON 2.49;**
- 2) To start the payment of dividends due to shareholders on July 26, 2017.**

**PRESIDENT OF BOARD OF DIRECTORS
Dumitru Chisăliță**

A handwritten signature in blue ink, appearing to be 'Dumitru Chisăliță', written over the printed name.