

*Nr. 9194/24.03.2015*

To

## THE GENERAL MEETING OF SHAREHOLDERS

### Ref: approval of the net profit distribution for financial year 2014

The proposal for net profit distribution for 2014 was achieved 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 regias, 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 regarding profit distribution to national authorities, national companies and trading companies with full or majority state-owned capital, as well as to autonomous regias, approved with amendments by Law no. 769/2001, including subsequent amendments and additions;*
- ✗ The provisions of *GO no. 570 from July 9, 2014 regarding the approval of the budget of income and expenditures for 2014 for Societatea Națională de Gaze Naturale "Romgaz" SA Mediaș;*
- ✗ The budget of income and expenditures of the company as it was approved by Resolution no. 6/July 30, 2014 of the General Meeting of Shareholders.

The net profit according to the financial statements is **RON 1,409,881,221.33** and the net profit distributed is **RON 1,621,115,085.94**.

The proposal for net profit distribution for 2014 was achieved considering the Resolution no. 18/2013 of the Board of Directors 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 earning was added to the net profit and the constituted reserve was deducted according to article 19<sup>4</sup> of Law no. 571/2003 regarding Fiscal Code.

The share of net profit distributions in the form of dividends is **74.89%**, resulting from the process of rounding off to two decimal places of the gross dividend per share.

The proposal regarding the profit distribution for the targets provided in GO no. 64/2001 is presented in the table below:

	Indicators	Value (lei)
0	1	2
A.	<b>Gross result of financial year</b>	<b>1,788,329,076.18</b>
B.	Current income tax	393,582,289.00
C.	Deferred income tax	15,134,434.15
D.	<b>Net result of financial year [A.-B.+C.], from which:</b>	<b>1,409,881,221.33</b>
a)	Legal reserve	0
b)	Other reserves representing fiscal facilities provided by law (Law no. 571/2003- Article 194)	30,668,039.25
c)	Retained earnings of accounting income of the previous years	241,901,904.29
c')	Formation of proper financing sources for projects co-financed from external loans	0
d)	Other distributions provided by special laws	0
E.	<b>Remaining net profit [D.-a+c)]</b>	<b>1,621,115,085.94</b>
e)	Employees participation to profit	16,774,036.50
f)	Dividends due to shareholders	1,214,080,560.00
g)	Profit for formation of proper financing sources	407,034,525.62
*	<b>TOTAL DISTRIBUTIONS</b>	<b>1,651,783,125.62</b>

Establishment of profit distributed amounts set off in the annex to the present Report, to which the following specifications are made:

- The amount of 30,668,039.68 lei was distributed for legal reserve in accordance with Article 19<sup>4</sup> of Law no. 571/2003 on Fiscal Code and represents the profit invested in technological equipment- cars, work equipment and plant;
- The retained earnings (profit) in amount of 241,901,904.29 lei represents the depreciable 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, with the subsequent amendments and additions;
- Employees participation to profit was established within the limits of the average monthly basic salary per employee achieved for 2014, based on the achieved average number of employees;
- The dividends due to shareholders were determined taking into account the provisions of the Resolution no18/2013 of the Board of Directors, by applying the 74.89% share of the net profit distributed.

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

1. Profit distribution for targets provided in the present report;
2. Employees participation to profit in accordance with the Government Ordinance no. 64/2001.

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



**Determination of  
Profit distributed amounts for 2014 according to G.O. no.64/2001, with subsequent  
amendments and additions and the specifications approved by OMFP no.144/2005**

\*lei\*

<b>A.</b>	<b>Distributed net profit</b>	<b>1,409,881,221.33</b>
a)	Legal reserve (art.183 par.(1) and (2) of Law no.31/1990	0
	- Equity capital	385,422,400.00
	- Share of 20% where:	77,084,480.00
	• Existent reserve fund	77,084,480.00
	• Established reserve fund (admitted amount)	0
b)	Other reserve representing fiscal facilities provided by law	30,668,039.68
c)	Retained earnings, accounting profit from previous years	241,901,904.29
c <sup>1</sup> )	Formation of proper financing sources for projects co-financed from external loans	0
d)	Other distributins prtovided by special laws	0
<b>B.</b>	<b>REMAINING NET PROFIT (A+c-a)</b>	<b>1,621,115,085.94</b>
e)	Employees participation to profit	16,774,036.50
f)	Gross dividends due to shareholders (74.89% of the remaining profit after deduction of the amount provided in letter a), to which the amount in letter c) and e) is added).	1,214,080,560.00
g)	Retained earnings due to formation of proper financing sources [B.-f)]	407,034,525.94
<b>C.</b>	<b>TOTAL DISTRIBUTED PROFIT [(a)+b)+f)+g)]</b>	<b>1,651,783,125.62</b>
<b>D.</b>	<b>Amounts representing the employees participation in profit, retained from the gross profit before taxation</b>	<b>16,774,036.50</b>
	➤ Participation to profit within the 10% limit of net profit remained to be distributed (B.)	
	➤ Employees average number	6 233
	➤ average monthly basic salary achieved in 2013	2691.17
	➤ employees participation to profit fund, admitted	16,774,036.50