

No. 11029 / 20.03.2020

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

### Applicable Legislation

- ✘ Company Law no. 31 dated November 16, 1990, republished, as subsequently amended and supplemented:
  - ✓ 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 shareholders pro rata to their equity interest to the paid share capital, provided that the articles of incorporation do 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 ended financial year” – Article 67, par. (2);
- ✘ Law no. 24 dated March 21, 2017 on issuers of financial instruments and market operations:
  - ✓ „...the date for identifying the shareholders who are going to benefit of dividends or other rights and who are affected by the GMS resolution is decided by the GMS. This date shall be by at least 10 business days subsequent to the date of the GMS setting the dividends” -Article 86, 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 86, paragraph (2);
- ✘ Government 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 subsequently amended and supplemented :
  - ✓ „... 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)
- ✘ ASF Regulation no. 5 dated May 10, 2018 on issuers of financial instruments and market operations:

- 
- ✓ „in case of dividends, the general meeting of shareholders shall set as date of payment a business day subsequent to the record date by maximum 15 business days, but not later than 6 months from the date of GMS for setting the dividends”- Article 178, paragraph (2):
  - ✎ MPF Order no. 3781/2019 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 Public Finance (MPF) and for regulating certain accounting issues;

### **Dividend per share**

In consideration of the following elements:

- ✓ dividends due to the shareholders according to the 2019 profit distribution proposal amount RON 535,737,136;
- ✓ dividends due to the shareholders from retained earnings distribution proposal amount RON 84,792,928;
- ✓ dividends are distributed to shareholders pro rata to their equity interest to the share capital;
- ✓ 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,

therefore the value of the gross dividend is **RON 1.61/share** of which RON 1.39/share related to 2019 profit, RON 0.22/share related to retained earnings.

### **Term of payment**

- 1) *Law no. 31/1990*
  - the dividend payment deadline is 6 months from the date of GMS for approving the annual financial statements of the ended financial year, namely October 23, 2020.
- 2) *Law no. 24/2017 and ASF Regulation no. 5/2018*
  - the dividend payment deadline is 6 months from the date of GMS for setting dividends, namely October 23, 2020.
- 3) *Government 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 financial year-end, the dividend payout deadline is July 28, 2020.
- 4) *ASF Regulation no. 5/2018 - Article 178, paragraph (2):*
  - the dividend payment date established by GMS shall be a business day subsequent to the record date by maximum 15 days, but not later than 6 months from the date of the GMS for setting the dividends, therefore the record date for identifying the shareholders who will benefit from dividends will be set on July 3, 2020, the maximum dividend payment term is July 24, 2020.

Corroborating the provisions of the applicable above regulations, it results that the maximum dividend payment term is July 24, 2020.

Dividend payment is subject to general provisions of prescription, being prescriptible within 3 (three) years as of July 24, 2020.

## **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 Record Date set by the GMS.

The net value of dividends shall be calculated as follows:

- 1) the gross value of the dividends due to each shareholder shall be calculated by multiplying the number of shares held on the Record Date by the value of the gross dividend per share, rounding up or down by two decimal;
- 2) the tax on dividends shall be calculated by applying the relevant tax level to the gross value of dividends calculated as per point 1), the amount is rounded according to the legal provisions;
- 3) 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 1.61 of which RON 1.39/share related to 2019 profit, RON 0.22/share related to retained earnings.**
- 2) **Payment of dividends due to shareholders on July 24, 2020.**

**Chief Executive Officer,  
Adrian Constantin VOLINTIRU**

**Accounting Director  
Marius Leonte VEZA**

