

**To: THE BOARD OF DIRECTORS
ORDINARY GENERAL MEETING OF SHAREHOLDERS**

**From: Financial Director, Mrs. Adriana Frangu
Chief of Accounting Service, Mrs. Cecilia Popovici**

**Development Director, Mrs. Marieta Stasi
Chief of Shareholding - Communication Department, Mrs. Georgiana Dragomir**

**Subject: Proposal to endorse the establishment of gross dividend per share related to 2022
financial year, of term and methods of paying dividends to shareholders**

No.: 626/16.03.2023

I. Proposal regarding the value of the gross dividend per share

We submit for analysis and approval the proposal regarding the establishment of the gross dividend per share related to the financial year 2022, based on the financial statements issued according to the Order of the Minister of Public Finance no. 2844/2016 for the approval of the Accounting Regulations compliant with the International Financial Reporting Standards, related to the financial year ended on 31.12.2022, in the amount of 0,00318066 lei/share.

The proposed gross dividend per share of 0.00318066 lei/share results from the amount of gross dividends proposed to be distributed from the net profit of 2022 in the amount of **9,533,012** lei based on a total number of **2,997,177,132** shares..

The subscribed and paid-up share capital registered as of 31.12.2022 and presented in the financial statements for the year 2022, in the amount of 58,243,025.30 lei, was increased based on the completion of subscriptions on 8 March in accordance with the "Simplified Prospectus for the increase of the share capital with contribution in kind and in cash of Oil Terminal SA" approved by the Financial Supervisory Authority (FSA) by Decision no. 46/17.01.2023.

By EGSM Resolution no. 4/21.03.2022, the increase of share capital by contribution in kind and in cash up to the maximum amount of 382,910,843 lei was approved by issuing a maximum of 3,829,108. 430 new shares with a nominal value of 0.10 lei/share, at the issue price of 0.10 lei/share, the subscription right can be manifested according to the "Simplified prospectus for the increase of the share capital with contribution in kind and in cash of Oil Terminal SA" approved by the Financial Supervisory Authority (ASF) by Decision no. 46/17.01.2023.

During the period 23.01.2023 - 08.03.2023 Oil Terminal shareholders subscribed and paid in order to keep their share in the share capital, a cash contribution in the amount of 13,174,659.70 lei, representing 131,746,597 shares at the subscription value of 0.10 lei/share.

The share capital increase established according to the law and the AGEA Resolution no. 4/21.03.2022 was closed on 08.03.2023, date established by ASF Decision no. 46/17.01.2023 and the contribution in kind subscribed and paid by the Romanian State through the MINISTRY OF ENERGY is 228,300,028.20 lei, i.e. a number of 2. 283,000,282 shares, with a nominal value of 0.1 lei/share, representing the value of the land for which certificates of attestation of ownership were issued, value established by valuation report no. 155/2021 drawn up by Mapps - Master Appraisal SRL (J40/7308/2004 and CUI 16400917), namely:
- land in the area of 254.261,325 sqm, located in Constanta county, Caraiman street no. 2, registered in CF no. 215416 held by OCPI, with cadastral number 215416, according to the certificate of attestation of ownership of land series M03 no. 11703/02.02.2011, value 151.325.519,26 lei;

- land of 129.334,70 sqm located in Constanta county, Caraiman street no. 2, registered in CF no. 215382 kept by OCPI, with cadastral number 215382, according to the certificate of attestation of the right of ownership of land series M03 no. 11704/02.02.2011, worth 76.974.508,94 lei.

In conclusion, the subscribed and paid-up share capital existing on 31.12.2022 was increased by 241,474,687.90 lei, representing a number of 2,414,746,879 new shares, with a nominal value of 0.1 lei/share, of which:

- cash contribution, amounting to 13,174,659.70 lei, representing a number of 131,746,597 shares at a nominal value of 0.1 lei/share;

- the contribution in kind subscribed and paid by the Romanian State through the MINISTRY OF ENERGY of 228,300,028.20 lei, i.e. a number of 2,283,000,282 shares, with a nominal value of 0.1 lei/share.

Therefore, the subscribed and paid-up share capital resulting d after the increase of 241,474,687.90 lei becomes

299,717,713.20 lei (58,243,025.30 lei + 241,474,687.90 lei) divided into 2,997,177,132 shares (299,717,713.20 lei /0.1 lei/share).

The Board of Directors met on 15.03.2023 and convened the AGM for 18(19).04.2023 to submit to the validation and approval of the shareholders the operations carried out to increase the share capital.

Please note that the amount of **0.00318066 lei/share** resulting from the value of gross dividends proposed to be distributed from the net profit of the year 2022 in the amount of **9,533,012 lei** related to a total number of **2,997,177,132 shares**, corresponding to the subscribed and paid-up share capital resulting after the increase.

The proposal for the distribution of the net profit related to the financial year 2022 was made taking into account:

- Accounting law no. 82/1991 republished, art. 19, para. (3), with further alterations and additions;
- Company law no. 31/1990, republished, with further alterations and additions;
- Law 227/2015 regarding Fiscal Code, with further alterations and additions;
- GO 64/2001 regarding the distribution of the profit to the national companies and commercial companies with integral or majority state capital, as well as to the autonomous companies, with further alterations and additions, approved with alterations by Law no. 769/2001;
- Memorandum on "Mandating State representatives in the General Meeting of Shareholders/Board of Directors, as the case may be, in national companies, national companies and companies with full or majority state capital, as well as in autonomous regions, with a view to taking the necessary measures for the distribution of at least 90% of the net profit for 2022 in the form of dividends/remittances to the state budget", approved at the Government meeting of 01. 03.2023, communicated by the Ministry of Energy - Directorate for Administration of Energy Holdings with address no. 220567/10.03.2023;
- The budget of revenues and expenses for 2022 approved by the resolution of the Ordinary General Meeting of Shareholders no. 3/23.02.2022, amended by the resolution of the Ordinary General Meeting of Shareholders no. 18/26.09.2022;
- MPF Order no. 144/2005 regarding the approval of the Specifications for determining the amounts object of profit distribution according to GO no. 64/2001 regarding the distribution of profit to national companies and commercial companies with full or majority state capital, as well as to autonomous companies;
- MPF Order no. 418/2005 regarding some accounting specifications applicable to the economic agents.

The net profit for the year 2022 in the amount of 12.663.447 lei we propose to allocate to the following destinations:

a) Legal reserves:

721,916 lei

(art.1 para.(1) letter a) of OG no. 64/2001 and Article 183(1) of Law no. 31/1990, republished)

According to the provisions of Article 183 of the Law no. 31/1990 on companies, republished, with subsequent amendments and additions, "From the company's profit, at least 5% shall be taken each year to form the reserve fund, until it reaches at least one fifth of the share capital".

The legal reserve constituted before the distribution of the net profit for the year 2022 is RON 6,050,889 (10.3% of the share capital).

Accounting profit before determining the profit tax = 14,438,327 lei.

Legal reserve 5% of gross profit = 14,438,327 lei x 5% = 721,916 lei

b) Other reserves representing fiscal facilities provided by law: 1,349,295 lei
(art.1 para.(1) letter b) of OG no. 64/2001 and
Article 22(1) of Law no. 227/2015, as amended and supplemented)

According to art. 22 para. (1) of Law 227/2015 regarding Fiscal Code, with further alterations and additions, *“the profit invested in technological equipment, electronic computers and peripheral equipment, machines and household appliances, for control and billing, in computer programs, as well as for the right the use computer programs, produced and/or purchased, including according to financial leasing contracts, and put into operation, used for the purpose of carrying out the economic activity, is exempted from tax. The tangible assets for which the tax exemption is applied are those provided in subgroup 2.1, respectively in class 2.2.9 of the Catalog regarding the classification and normal operating times of fixed assets, approved by Government decision(...).*

The profit invested in 2022 is 1,420,311 lei.

Profit exempted from tax distributed to reserves 1,420,311 lei x 5% = 71,016 lei.

1,420,311 lei – 71,016 lei = 1,349,295 lei.

c) Coverage of accounting losses from previous years Not applicable

c¹) Establishing own financing sources for projects co-financed from external loans Not applicable

d) Other distributions provided by law Not applicable

e) Employees' participation in profit: 1.059.224 lei
(art.1 paragraph 1 letter e) of GO no. 64/2001)

According to GO no. 64/2001 regarding the distribution of the profit to national companies and commercial companies with integral or majority state capital, as well as to the autonomous companies, approved with alterations by Law no. 769/2001, with further alterations and additions, Oil Terminal SA company may grant the employees' participation in the profit within the limit of 10% of the net profit, but not more than the level of an average monthly basic salary achieved at the level of the economic agent in the reference financial year, because it has committed and established by the budget of revenues and expenses the obligation to participate in profit.

Considering that the level of the maximum fund for employees participation in profit, whose calculation took into account the average monthly basic salary achieved, is higher than the share level of 10% of the net profit remaining after deducting the distributed amounts, the fund of employee participation in profit is 1,059,224 lei.

$[(12,663,447 \text{ lei net profit} - [(721,916 \text{ lei legal reserve} + 1,349,295 \text{ other reserves representing tax facilities})] \times 10\% = 1,059,224 \text{ lei}$

According to the MFP Order no. 418/06.04.2005 concerning some accounting specifications applicable to economic agents, the employees' profit-sharing is reflected in the accounts by setting up a provision for risks and expenses at the level of the gross amounts due to the employees.

As a result, the company has recorded the amount of 1,059,224 lei in the account "Other provisions for risks and charges".

Following the registration of the provision for risks and expenses in the total amount of 1,059,224 lei, the gross profit becomes 13,379,103 lei (14,438,327 lei - 1,059,224 lei), the income tax in the amount of 1,774,880 lei remains unchanged, since the provision set up is non-deductible for tax purposes, and the remaining net profit is 11,604,223 lei.

f) Dividends due to shareholders: 9,533,012 lei
(art.1. para. (1) lit. f) of OG no.64/2001
and
Memorandum communicated by ME-DAPE by address no. 220567/10.03.2023 (90% quota)

According to Article 1 paragraph (1) letter f) of the Governmental Decree no. 64/2001 on the distribution of profits of national companies, national companies and companies with full or majority state capital, as well as autonomous companies, approved with amendments by Law no. 769/2001, with subsequent amendments and additions, shall be distributed "at least 50% of the payments to the state or local budget,

in the case of autonomous companies, or dividends, in the case of national companies and companies with full or majority state capital", in conjunction with the provisions of the Memorandum approved in the Government meeting of 01.03. 2023 on "Mandating the State representatives in the General Meeting of Shareholders/Board of Directors, as the case may be, in national companies, national companies and companies with full or majority state capital, as well as in autonomous companies, in order to take the necessary measures for the distribution of a minimum of 90% of the net profit for the year 2022 in the form of dividends/payments to the state budget", communicated by the Ministry of Energy (ME) - Directorate for the Administration of Energy Holdings (DAPE) with address no. 220567/10.03.2023, the Company proposes dividends representing 90% of the net profit remaining after distribution of the legal reserve under Law 31/1990 and other reserves representing tax facilities under Law 227/2015, as follows:

$[(12,663,447 \text{ lei net profit} - [(721,916 \text{ lei legal reserve} + 1,349,295 \text{ other reserves representing tax facilities})] \times 90\% = 9,533,012 \text{ lei}.$

g) Other reserves that constitute own financing source: 0 lei

(art.1 paragraph (1) letter g) of OG no. 64/2001)

Pursuant to the provisions of Article (1)(1)(g) of Government Order No 64/2001 on the distribution of profits of national companies, national companies and commercial companies with wholly or majority state capital, as well as autonomous companies, approved with amendments by Law No. 769/2001, with subsequent amendments and additions, "the profit not allocated to the destinations provided for in letters a) - f) shall be allocated to other reserves and shall constitute its own source of financing, and may subsequently be redistributed in the form of dividends or payments to the state or local budget in the case of autonomous companies".

Net profit to be distributed = $[(12,663,447 \text{ lei net profit} - [(721,916 \text{ lei legal reserve} + 1,349,295 \text{ lei other reserves representing tax facilities} + 1,059,224 \text{ lei employee profit-sharing} + 9,533,012 \text{ lei dividends})] = 0 \text{ lei}.$

-own source of financing = 0 lei

II. Method of calculating payment dividends

The net value of the dividends to be paid and the related dividend tax will be established using the following calculation method: the gross dividend for each shareholder will be determined by multiplying the number of shares held, at the registration date, by the respective shareholder, with the value of the gross dividend related to a share; the resulting amount will be rounded up/down to two decimal places. The dividend tax will be calculated by applying the relevant tax rate to the gross value of the dividends already rounded up/down to two decimal places. The net dividend to be paid will represent the difference between the gross dividend rounded up/down to two decimal places and the related dividend tax, rounded according to the legal provisions.

The payment of dividends will be made only to the shareholders registered in the Register of Shareholders (kept by Depozitarul Central), on the registration date established by the Shareholders General Assembly.

III. Proposal regarding the term of dividends payment

We propose the payment of dividends to the company's shareholders to be made according to the provisions of Government Ordinance no. 64/2001 regarding the distribution of the profit to national companies and commercial companies with integral or majority state capital, approved with alterations by Law no. 769/2001, with further alterations and additions, corroborated with the provisions of Regulation no. 5/2018 issued by the Financial Supervisory Authority.

According to the provisions of art. 1 par. (3) of Government Ordinance no. 64/2001 regarding the distribution of profit to national companies and commercial companies with full or majority state capital, with further alterations and additions "*national companies and companies in which the state or a territorial administrative unit is sole, majority or in control shareholder, **have the obligation to transfer dividends due to the shareholders within 60 days from the term provided by law for the submission of the annual financial statements***".

The term for submitting the annual financial statements provided by the Accounting Law no. 82/1991, art. 36 para. (1) letter a) regarding Oil Terminal is of 150 days from the end of the financial year, respectively 30.05.2021.

The date of dividends payment will be established according to the provisions of art. 178 paragraph (2) of the Financial Supervisory Authority Regulation no. 5/2018: "*Regarding dividends, the shareholders general assembly **establishes the payment date on a working day that is no later than 15 working days after***

the registration date, but not later than 6 months from the date of the shareholders general assembly for dividends establishment”.

Considering the above provisions, **we propose that the date of dividends payment is 07.06.2023.**

Dividends are paid to shareholders in proportion to the share of paid-in share capital.

The shareholders entitled to receive dividends distributed from the net profit achieved in the financial year of 2022 are those registered in the Register of Shareholders on the registration date.

IV. Proposal regarding dividends payment method

Considering the modifications brought to the dividend payment procedure by the Financial Supervisory Authority Regulation no. 5/2018, **the payment of dividends will be made in RON on the payment date established by the Shareholders General Assembly.**

Shareholders General Assembly will be required to mandate the Board of Directors to appoint the paying agent according to the requirements of the regulatory framework, thus amended, applicable to the payment of dividends.

Details regarding the payment methods, the paying agent and the supporting documents will be communicated to shareholders before the payment date by a press release and will be presented to the Bucharest Stock Exchange and the Financial Supervisory Authority by a current report. The press release will be published on the OIL TERMINAL website (www.oil-terminal.com) in the “Investor Relations” section.

According to art. 111 para. (2) letter a) of Companies Law no. 31/1990, republished, with further alterations and additions and to art. 12 para. (3) letter a) of the Constitutive Act, the **Shareholders Ordinary General Assembly approves the profit distribution and establishes the gross dividend.**

The Board of Directors will propose to the Shareholders General Assembly the approval of the gross dividend per share for the 2022 financial year, of term and of methods of paying dividends to shareholders.

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