

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

**On behalf of: Financial Director, Ms Adriana Frangu  
Head of Accounting Department, Ms Ana Maria State**

**Development Director, Ms Marieta Stași  
Head of Shareholding - Communication Office, Ms Georgiana Dragomir**

**Subject: Proposal to approve the establishment of the gross dividend per share for the financial year 2023, the term and the method of payment of dividends to shareholders**

**No.: 949/ 22.03.2024**

### **I. Proposal on the amount of the gross dividend per share**

**We submit for your consideration and approval the proposal for the establishment of the gross dividend per share for the financial year 2023, based on the audited annual financial statements, prepared in accordance with the Order of the Minister of Public Finance no.2844/2016 for the approval of the Accounting Regulations in accordance with the International Financial Reporting Standards, for the financial year ended 31.12.2023, in the amount of 0.00320360 lei/share.**

The proposed gross dividend per share in the amount of 0.00320360 lei/share results from the amount of gross dividends proposed to be distributed from the net profit for the year 2023 in the amount of 9,601,748 lei reported on a total number of 2,997,177,132 shares.

The proposed distribution of net profit for 2023 takes into account the following:

- Accounting Law no.82/1991 republished, art.19, paragraph (3), as amended;
- Companies Act No 31/1990, republished, as amended and supplemented;
- Law no.227/2015 on the Tax Code, as amended and supplemented;
- O.G. no.64/2001 on the distribution of profits in national companies, national companies and companies with wholly or majority state capital, as well as in autonomous regions, with subsequent amendments and additions, approved by Law no.769/2001;
- The budget of revenues and expenses for 2023 approved by the resolution of the Ordinary General Meeting of Shareholders no.4/16.02.2023, amended by the resolution of the Ordinary General Meeting of Shareholders no.15/29.09.2023;
- Order of the Ministry of Public Finance no.144/2005 on the approval of the "Specifications for the determination of the amounts subject to profit distribution according to the OG no.64/2001 on the distribution of profit in national companies, national companies and companies with full or majority state capital, as well as in autonomous companies;
- Memorandum on "Mandating State representatives in the General Meeting of Shareholders/Board of Directors, as appropriate, in national companies, national companies and companies with full or majority state capital, as well as in autonomous companies, with a view to taking the necessary measures for the distribution of a minimum of 90% of the net profit for 2023 in the form of dividends/payments to the state budget", approved at the Government meeting of 07.03.2024, communicated by the Ministry of Energy - Directorate for the Administration of Energy Holdings with address no.220683 / 22.03.2024;
- Order of the Ministry of Public Finance No 418/2005 on certain accounting specifications applicable to economic agents.

**The net profit for the year 2023, amounting to 15,359,625 lei (replenished with the amount of the employee profit-sharing provision), we propose to allocate to the following uses:**

**a) Legal reserves:**

**881,330 lei**

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

According to the provisions of Article 183 of the Company Law no.31/1990, republished, with subsequent amendments and additions, "At least 5% of the company's profit 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 2023 is RON 6,772,805 (2.26% of the share capital).

Book profit before determination of corporate income tax = 17,626,598 lei.

Legal reserve 5% of gross profit = 17,626,598 x 5% = 881,330 lei.

**b) Other reserves representing tax relief provided by law: 3,809,686 lei**

(art.1 para.(1) letter b) of OG no.64/2001 and  
Article 22(1) of Law No.227/2015)

According to Article 22(1) of Law no.227/2015 on the Tax Code, as amended, "the profit invested in technological equipment, electronic computers and peripheral equipment, cash register, control and billing machines and appliances, in software, as well as for the right to use software, produced and/or purchased, including under financial leasing contracts, and put into operation, used for the purpose of carrying out economic activity, is exempt from tax. The tangible assets to which the tax exemption applies are those referred to in subgroup 2.1, respectively in class 2.2.9 of the Catalogue on the classification and normal operating lives of fixed assets, approved by Government decision".

The profit invested in 2023 is 4,010,196 lei.

The tax-exempt profit allocated to reserves is 3,809,686 lei (4,010,196 - 4,010,196 lei x 5% = 4,010,196 - 200,510 = 3,809,686).

**c) Coverage of accounting losses from previous years: Not the case**

**c') Establishment of own sources of financing for projects co-financed by external loans: Not the case**

**d) Other allocations provided for by law: Not the case**

**e) Employee profit-sharing: 1,066,861 lei**  
(art.1 par.1 lit.e) of GD no.64/2001)

In accordance with the GD. no.64/2001 on the distribution of profits in 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, Oil Terminal SA may grant employees profit-sharing up to 10% of net profit, but no 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 itself and established through the income and expenditure budget the obligation of profit-sharing. Given that the level of the maximum employee profit-sharing fund, the calculation of which took into account the average monthly basic salary earned, is higher than the level of the 10% share of the net profit remaining after deduction of the amounts distributed, the employee profit-sharing fund is 1,066,861 lei.

( 15,359,625 lei net profit - (881,330 lei legal reserve + 3,809,686 lei other reserves representing tax relief))  
x 10% = 1,066,861 lei

In accordance with MFP Order No 418/06.04.2005 on certain accounting specifications applicable to economic agents, employee profit-sharing is reflected in the accounts by setting up a provision for risks and charges at the level of the gross amounts due to employees. As a result, the company recorded the amount of 1,066,861 lei in the account "Other provisions for risks and charges".

Following the recording of the provision for risks and charges, the gross profit becomes 16,559,737 lei (17,626,598 lei - 1,066,861 lei), the income tax in the amount of 2,266,973 lei remains unchanged, as the provision set up is non-deductible for tax purposes, and the remaining net profit is 14,292,764 lei.

**f) Dividends due to shareholders: 9,601,748 lei**

(art.1 para.(1) letter f) of OG no.64/2001) and  
(Memorandum communicated by ME-DAPE by address nr.220683/ 22.03.2023 quota 90%)

In accordance with the provisions of Article 1(1)(f) of the Governmental Ordinance 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 by Law no.769 /2001, as subsequently amended and supplemented, "a minimum of 50% of the profits shall be distributed 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 at the meeting of the Government on 7 March. 2024 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, with a view to taking the necessary measures for the distribution of at least 90% of the net profit for the year 2023 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.220683 /22.03.2024, the Company proposes dividends representing a 90% share of the net profit remaining after the distribution of the legal reserve under Law no.31/1990 and the reserve representing tax incentives under Law no.227/2015, as follows :

[15.359.625 lei net profit - (881.330 lei legal reserve + 3.809.686 other reserves representing tax incentives)] x 90% = 9.601.748 lei.

**g) Other reserves constituting own source of financing:**  
(art.1 paragraph (1) letter g) of OG no.64/2001)

**0 lei**

According to the provisions of Article (1) paragraph (1) letter g) of the OG 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 by Law no.769/2001, with subsequent amendments and additions, "the profits not distributed to the destinations provided for in letters a) to f) shall be allocated to other reserves and constitute their own source of financing, and may be redistributed subsequently in the form of dividends or payments to the state or local budget, in the case of autonomous companies".

Remaining net profit to be distributed = [15,359,625 lei net profit - (881,330 lei legal reserve + 3,809,686 lei other reserves representing tax incentives + 1,066,861 lei employee profit-sharing + 9,601,748 lei dividends)] = 0 lei.

## **II. Method of calculating dividend payments**

The net amount of dividends payable and the related dividend tax will be determined using the following calculation method: the gross dividend payable to each shareholder will be determined by multiplying the number of shares held at the record date by the gross dividend payable per share; the resulting amount will be rounded up/down to two decimal places. Dividend tax will be calculated by applying the relevant tax rate to the gross amount of dividends already rounded up/down to two decimal places. The net dividend payable will be the difference between the gross dividend rounded up/down to two decimal places and the related dividend tax, rounded as required by law.

Dividends will be paid only to shareholders registered in the Register of Shareholders (kept by the Central Depository) on the record date determined by the General Meeting of Shareholders.

## **III. Proposal on dividend payment deadline**

We propose to pay dividends to the company's shareholders in accordance with the provisions of Government Ordinance no.64/2001 on the distribution of profits to national companies, national companies and companies with full or majority state capital, approved with amendments by Law no.769/2001, as amended, in conjunction with the provisions of Regulation no.5/2018 issued by the Financial Supervisory Authority.

According to the provisions of Article 1(3) of Government Ordinance No 64/2001 on the distribution of profits of national companies, national companies and companies wholly or majority-owned by the State, as amended and supplemented, "national companies, national companies and companies in which the State or a territorial administrative unit is the sole or majority shareholder or in which it has control are required to pay dividends to shareholders within 60 days of the deadline set by law for the submission of annual financial statements".

The deadline for filing the annual financial statements provided for by the Accounting Law no.82/1991, art.36 paragraph (1) letter a) in the case of Oil Terminal is 150 days after the end of the financial year, i.e. 30.05.2024.

The dividend payment date will be set in compliance with the provisions of Article 178(2) of the Regulation of the Financial Supervisory Authority No. 5/2018: 'In the case of dividends, the general meeting of shareholders shall set the payment date on a working day that is no later than 15 working days after the record date, but no later than 6 months after the date of the general meeting of shareholders setting the dividend'.

In view of the above provisions, we propose that the dividend payment date be 10.06.2024.

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

Shareholders entitled to receive dividends distributed from the net profit realised in the financial year 2023 are those registered in the Register of Shareholders on the record date.

#### **IV. Proposal on dividend payment arrangements**

In view of the amendments to the dividend payment procedure by the Regulation of the Financial Supervisory Authority no.5/2018, the payment of dividends will be made in RON on the payment date set by the General Meeting of Shareholders.

The General Meeting of Shareholders will be requested to mandate the Board of Directors to appoint the paying agent in accordance with the requirements of the regulatory framework, as amended, applicable for the payment of dividends.

Details of the payment arrangements, the payment agent and the supporting documents will be communicated to shareholders prior to the payment date by means of a press release and will be submitted to the Bucharest Stock Exchange and the Financial Supervisory Authority in a current report.

The press release will be published on OIL TERMINAL's website ([www.oil-terminal.com](http://www.oil-terminal.com)) in the "Investor Relations" section.

According to art.111 para. (2) letter a) of the Companies Act no. 31/1990, republished, as amended and supplemented, and Article 12 paragraph (3) letter a) of the Articles of Association, the Ordinary General Meeting of Shareholders approves the distribution of profits and sets the gross dividend.

The Board of Directors shall propose to the General Meeting of Shareholders to approve the gross dividend per share for the financial year 2023, the term and the method of payment of dividends to shareholders.

General Director,  
Ciutoreanu Viorel - Sorin

Financial Director,  
Frangu Adriana

Development Director,  
Stasi Marieta

Head of Accounting,  
State Ana Maria

Head of Shareholding Office - Communication,  
Dragomir Georgiana

Head of Legal Office - Litigation,  
Borşuc Carmen