

**ANNUAL REPORT
OF THE BOARD OF DIRECTORS
FOR THE FINANCIAL YEAR 2017**

drawn up according to the Law no. 297/2004 on the capital market and the National Securities Commission (C.N.V.M.) Regulation no. 1/2006 on issuers of securities and securities operations

**Company
ROMPETROL WELL SERVICES S.A.**

Head office:	Ploiești - Clopoței Street no. 2 bis
Phone:	0244/544321, 0244/544101
Fax:	0244/522913
Tax Identification Number:	RO 1346607
Unique Company Registration Number:	J29/110/05.03.1991
Trading market:	BUCHAREST STOCK EXCHANGE
Subscribed and paid-up share capital:	27,819,090 lei

The main characteristics of the securities issued by the company

No. of shares:	278,190,900
Nominal value (lei/share):	0.10 lei
Class and type of securities:	"A" nominative

1. The activity analysis of the Company "ROMPETROL WELL SERVICES" S.A.

Rompotrol Well Services S,A, (PTR) is one of the major suppliers of well services in Romania, The company offers a wide range of services for oil and gas wells, These services include cementing, consolidation and sand control services, stimulation, testing, slick-line, tubular running operations, etc, The company has a real potential for diversifying and increasing the complexity of the services rendered as the technologies in the field develop

The year 2017, mostly its second half, marked a gradual and constant increase in the company's operational activity and financial performance, after the difficult period generated by the drastic decrease of demand for Upstream services during 2015-2016.

In addition to the moderate increase of demand for well services recorded this year, a determinant role in increasing the financial performance of the company has been the full implementations of the operational restructuring program, started in 2016.

As a response to the deteriorating market fundamentals, the company has monitored all measures to redirect operational capacities in accordance with the continuous changing structure of demand, maintaining a competitive position in Romania and significantly reducing costs.

-RON -

Specificatie	Anul 2015	Anul 2016	Anul 2017
Operating Income, of which:	50,100,887	31,139,065	40,249,667
Services performed	49,917,461	31,024,397	39,874,677
Operating expenses	(45,762,811)	(30,776,779)	(33,945,337)
EBITDA	4,338,076	362,286	6,304,330
Depreciation	(7,831,801)	(6,970,205)	(6,172,280)
Provisions adjustments, net	(27,047,812)	(1,037,330)	(228,930)
Net financial income	1,720,057	1,926,978	2,568,620
EBIT	(28,821,480)	(5,718,271)	2,471,740
NET RESULT	(29,622,639)	(5,820,561)	2,442,446
Available cash on demand at the end of period	23,894,477	31,092,094	42,386,546
Number of Employees as no.	283	183	164

1.1. a) The description of the commercial company main activity;

Benefiting of over 67 years of experience, ROMPETROL WELL SERVICES S.A. is a competitive, solid and reliable partner, offering a wide range of services in the field of petroleum upstream industry. Object of activity of the company consists of: provision of services for oil and gas wells, rental of oil well tools and equipment and other services. The well services provided include cementing, stimulation, consolidation and sand control services, testing, slick-line, tubular running operations in oil and gas fields in Romania and abroad.

Annually, the company cements an average of 150 casing strings and liners, at depths between 500m and 4,500 m, performs consolidation and sand control operations for oil and gas wells and performs slick-line and tubular running services for strings and liners -for all clients from Romania. For the optimization of the activities, the company also offers a rental service for its drilling tools.

The drastic drop of the oil prices, in 2015 - 2016, caused a significant decrease of the market demand for well services worldwide and strongly affected the company's core business and performance, while the second half of the year 2017 marked a gradual market recovery

b) The specification of the incorporation date of the company;

The Company Rompetrol Well Services S.A. was incorporated in 1951 and during the 67 years of activity, although it functioned under different structures and different denominations, the main profile was the provision of special well services in Romania.

By the Government Decision no. 1213 from November 1990, according to the Law no. 15/1990, the company was transformed into a joint stock company, under the denomination of S.C. PETROS S.A., under which it functioned until September 2001, when it changed the denomination in S.C. ROMPETROL WELL SERVICES S.A.

c) The description of any significant merger or reorganization of the company, of its subsidiaries and controlled companies, during the financial year;

Not applicable.

d) The description of asset purchases and/or disposals;

For 2017, the investments put into operation characterize the IT side of the technology concerns by putting into operation a software specific to the basic activity, used for the design, simulation and optimization of cementing operations.

The financing of all the mentioned objectives was made from own sources.

e) The description of the main results of the company activity assessment.

1.1.1. General assessment factors:

a) result;

Between 2002 and 2014, the company reported annual profit. After two years with negative results, the results for 2017 show a net profit of RON 2,442,446 .

b) turnover;

The turnover for the year 2017: RON 39,997,068 , 28.6% higher than 2016.

The well services market in Romania was negatively impacted in recent years by the significant reduction of operational and investment plans of our customers, determined by the sharp decrease of crude oil price. The delay in investment programs due to decrease of crude oil, lead to a dramatic drop in drilling projects with direct consequences on well services, which is the main activity of the Company.

With the oil price hovering on an upward trend and numerous views on the positive outlook for service industry contractors in the oil industry, through exploration projects announced to run in 2018, the company's predicted results will no longer be significantly affected.

c) export;

Core activity services performed in European countries :RON 505,976 .

d) costs;

The evolution of costs for the period 2015 – 2017:

-RON-

Specification	2015	2016	2017
Operating expenses, from which	80,642,424	38,784,313	40,346,547
Expenses with materials, merchandise, consumables and utilities	10,970,829	7,784,683	11,609,179
Staff costs	21,205,208	15,763,596	14,653,645
Depreciation	7,831,801	6,970,205	6,172,280
Other operating expenses	40,634,586	8,265,829	7,911,443
Finance costs	1,560,437	398,708	267,779

e) % of the market held;

In Romania the company holds market shares varying from 15% to 60% for different types of well services provided.

f) liquidity (cash account, etc).

The current liquidity indicator's evolution (9.64 for 2015, 9.10 for 2016, respectively 10.07 for 2017) supports the company cash flow management insuring the continuity of the commercial transactions from own sources.

1.1.2. The assessment of the technical level of the company

Description of the main services rendered

The main services performed by the company ROMPETROL WELL SERVICES are as follows:

- **Cementing Services, including** such as:

casing cementing, secondary cementing, fracturing, sand-control, surface treatments, acidizing, killing of wells, well circulations, milling works and fluid displacements, well interventions, miscellaneous pumping.

- **Sand Control Services, including:**

transportation and handling of powder materials, mixtures and blends, operations at the well site

- **Well Stimulation Services, including:**

fluids transportation and handling (mud, crude-oil, acid solutions and emulsions, formation water etc.); operations at the well site (acidizing, fracturing, sand-control, cementing, pumping)

- **Nitrogen Services:**

Putting into production; nitrogen fracturing; foam acidizing; pressure tests of tubular material, manifolds, BOPs, etc.

- **Slick line services;**

- **Tubular running services;**

- **Tool and equipment rental of handling and fishing tools;**

- **Well and Drill stem testing operations**

a) main markets for each product or service and distribution methods;

The company ROMPETROL WELL SERVICES maintained its position on *the domestic market* being continuously interested in the improvement of the quality of the rendered services. Having operational capacities spread all over the country, as well as qualified and well prepared labor force in the field of oil and gas well services, ROMPETROL WELL SERVICES promptly provides the services requested by its customers, regardless of the location within the territory.

On the *external market*, the company provided over the year 2017 well services in Hungary, Ukraine and Bulgaria (through WEATHERFORD ATLAS GIP SRL).

b) share of each product or service category in the total incomes and turnover of the commercial company for the last three years;

The share of each service category within the operating incomes, as well as within the turnover, for the years 2015, 2016, 2017 is described in **annex no 1-a**,

c) new product envisaged to which a large volume of assets will be allocated during the next financial year and products' development stage.

The equipment modernization program was focused on updating the technologies for well stimulation and cementing services, respectively on casing running services and acidizing, of recent years.

The endowment of cementing pump trucks with new high pressure lines is in line with the current industry safety requirements. Continue to develop and implement cost effective technologies for well cementing and well stimulation to address the customers' production cost issue.

1.1.3. The assessment of the procurement activity (domestic and import)

Information about the security of supply and the prices of the raw materials and the size of the raw material and other materials stocks.

The main types of materials necessary to perform the company's activity are: spare parts for vehicles and operational equipment, fuels and lubricants, tires and accumulators, as well as cement and additives.

As beneficiary, our company concluded sale-purchase agreements for fuel, spare parts and other materials suppliers, as well as with service providers specialized in equipment repairs and maintenance.:as follows: S.C. ROMPETROL DOWNSTREAM SRL, S.C. UPETROM S.A. PLOIEȘTI, SICET SERVICES, S.C. CONFIND CÂMPINA, ADASI MORAVA, AUBIN, DYCKERKOFF AKTIENGESELLSCHAFT , S.C. MULTISUD PROD SRL, ELKEM AS MATERIALS, ANGHELOIU TRANS S.R.L.,GLOBAL SECURITY SYSTEM S.A.

The suppliers are selected according to the company's procedures and they are continuously assessed in terms of reliability and stability.

The levels of the raw material and spare part stocks usually guarantees the continuity of activity for 30 days. The purchase prices are the market prices level.

1.1.4. The assessment of the selling activity

a) *The description of the sales sequential evolution on the national and/or external market and the medium and long term sales perspectives.*

The revenues evolution is showed in the following table:

	-RON		
	2015	2016	2017
Sales per activities :	49,975,025	31,106,110	39,997,068
• Revenues from services performed	49,917,461	31,024,397	39,874,677
• Revenues from sales of goods	57,564	81,714	122,391

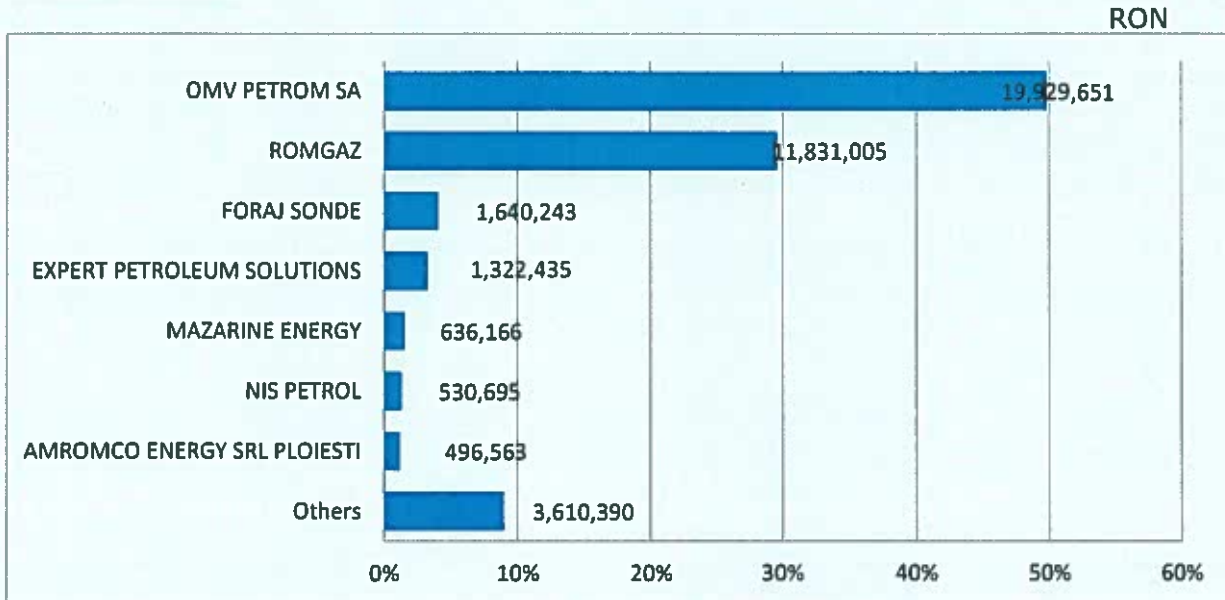
The year 2017, mostly its second half, marked a gradual and constant increase in the company's operational activity and financial performance, after the difficult period generated by the drastic decrease of demand for Upstream services during 2015-2016.

The company's main client on *the national market* is OMV PETROM S.A., the services provided to this beneficiary in 2017 representing a percentage of about 50 % of the total services rendered by the company. Other domestic clients to whom the company renders its services are S.N.G.N. ROMGAZ S.A., representing a percentage of about 30% , the Drilling contractors 4% and other operators in the petroleum industry.

Over the year 2017, the company delivered also services on the Internal market to independent operators, such as: FORAJ SONDE SA VIDELE, EXPERT PETROLEUM SOLUTIONS SRL (PETROFAC SOLUTIONS & FACILITIES SUPORT SRL), MAZARINE ENERGY SA, NIS PETROL SRL, AMROMCO ENERGY SRL etc.

The overseas activity : The activity was a concern of commercial interest in the medium term and without immediate results, but it was relevant on the direct relationship with external partners in Bulgaria. GEOLY, DESIGN AND EXPLORATION SRL Varna and Ukraine TOP OIL SERVICE COMPANY LLC, Ukraine, and as a subcontractor on the relationship with WEATHERFORD ATLAS GIP SRL on projects in Bulgaria.

Client structure



b) The description of the competitors' situation in the field of activity of the commercial company, the market share of the products and services of the commercial company and its competitors; Despite the increasingly competitive environment and the prudent maintenance of oil and gas activity caused by a volatile crude oil price, the Company managed to increase its market share for most services rendered in Romania, increasing in the complexity of the services rendered.

Our company holds a share varying from 15% to 60% on the specific services market. In the field of cementing operations, the services with the highest weight in our field of activity, the competitors are: SCHLUMBERGER LOGELCO INC. JUICE. BUCHAREST, HALLIBURTON ROMANIA and SIRCROSS.

There are also competitors in the field of stimulation operations, such as WEATHERFORD ATLAS GIP SRL, BAKER OIL TOOLS and TACROM SERVICES, and in the field of tools and equipment rental, WEATHERFORD ATLAS GIP S.R.L, ODJFELL, DOSCO PETROSERVICES S.R.L.

c) Description of any significant dependence of the commercial company on a single client or a group of clients whose loss would have a negative impact on the company's incomes. Rompetrol Well Services depends very much on OMV – PETROM, client which represents about 50% of Company's sales in 2017. To mitigate this reliance risk, the Company aims to increase the proportion of well services provided for other E&P players on the Romanian market and to expand activity on external market.

1.1.5. The assessment of the aspects related to the employees/the personnel of the commercial company

a) the specification of the number and the formation level of the company's employees, as well as the degree of syndication of the labour force;

The company conducted the training of its personnel, primarily through in-house tuition programs, to ensure maximum benefit from operation of next-generation equipment recently put into operation.

The structure of staff at December 31, 2017 was as follows:

TOTAL STAFF	168
from which:	
- higher education	65
- secondary education	15
- qualified workers	88
- unqualified workers	0

The syndication level of the labour force is of 86,31%.

b) The description of the relations between manager and employees, as well as any conflict elements which characterize these relations.

The relations between manager and employees are normal and cooperative, being based on "Collective labor agreement" at company level, without any conflict elements which could characterize these relations.

1.1.6. Business impact assessment on the environment.

Summary description of the impact of basic environmental issues and any existing or expected litigation regarding breach of environmental protection legislation.

Activities carried out within the company, located in Ploiesti, as well as all branches and working points in the country, aims to strictly enforce environmental legislation and thus avoids any disputes that may occur on the violation of environmental laws.

Environmental issues that arise naturally, are kept constantly under control and Rompetrol Well Services aims to improve the purposes of reducing the pollution by waste generated. Disposal (used batteries, tires, scrap metal, used motor oil, household waste, waste consisting of plastic bags, etc..) is done under contracts with authorized companies.

We want to emphasize that the company aims to continuously improve environmental performance in all its activities by adopting a proactive behavior on minimizing environmental impacts.

Also Rompetrol Well Services committed to multiple environmental objectives, among them:

- Inform suppliers, customers and society on our politics in environmental protection activities;
- Monitoring and reducing consumption of resources (water, gas, electricity, lubricants and fuels);
- Regular monitoring of the activity of loading and unloading bulk cement, and blending;
- Reuse of packaging used for liquid additives to reduce the amount of packaging placed on the market;
- Reducing emissions released into the atmosphere by replacing special vehicles equipped with non-euro engines with modern trucks equipped with Euro 6 engines;
- Training and awareness for all staff regarding: selective waste collection, reduction of specific consumption and especially the responsibility of implementing environmental policy that the company has declared and environmental objectives which it aims to achieve.

In July 2017 took place the surveillance audit of the Integrated Management System (environment, quality, health and safety at work), accomplished by DNV GL Business Assurance, following which confirmed that our society is on an upward trend in complying with the requirements specified in the 3 standards and received ISO 9001:2008, ISO 14001:2009 and OHSAS 18001:2007 certification, valid until 26.09.2018.

According to Law no. 105/2006 and Emergency Ordinance no. 196/2005, concerning environmental obligations to the Environmental Fund, and the Environment Fund Declaration the Rompetrol Well Services SA, pay monthly fees for emissions of pollutants into the atmosphere from stationary sources and an annual fee for packaging placed on the market.

1.1.7. The assessment of the research-development activity

The specification of the expenses during the financial year, as well as of those anticipated for the next financial year allocated to the research-development activity

Not applicable.

1.1.8. The assessment of the company's activity related to the risk management

The description of the commercial society's exposure concerning the price, credit, liquidity and cash flow risk. The description of the policies and the objectives of the commercial company concerning the risk management.

The assessment of the activity of the company regarding the risk management

The company's exposure to:

- *the price risk*: S.C.ROMPETROL WELL SERVICES S.A. Ploiești has a flexible price policy, allowing it to react and adapt to any variations of prices that could affect the market;
- *credit risk*: The company had no need to apply for bank loans, but could not completely eliminate the impact of trade credit. It has approached the clients' crediting in a procedural manner, flexible due to the contracting strategy established as an essential mechanism of risk distribution. The current economic environment in the oil industry is still a threat to all participants on the market. The company's management is permanently monitoring the receivables and their collection;
- *the interest rate risk*

Loans received: the Company is not being involved in any loan contract and therefore not exposed to risks regarding the movement of the interest rate. Loan granted: for the loans granted, the income from interest varies, depending on ROBOR 3M movement;

- *the liquidity risk*: it was estimated as low until now since the Company managed to maintain a steady balance between the maturity of receivables generated by sales and chargeability of the debts for operational and investment activity. In exchange, the financial crisis is still a menace for the next period on the market segment where the Company operates;
- *the cash-flow risk*: remains difficult to be characterized due to the menaces of the crisis effects on the global credit market;
- *the exchange rate risk*: the incomes obtained by the company are reported mainly in RON and EURO. The variation of the rate of exchange cannot generate significant patrimonial effects.

1.1.9. Perspective elements concerning the activity of the company

a) The description and analysis of the trends, elements, events or uncertainty factors which affect or could affect the liquidity of the commercial company by comparison to the same period of the previous year.

The reported loss for 2015 and 2016 did not cause cash flow dysfunctions being offset by the efficiency of existing liquidity management.

The commitments towards suppliers were progressively paid. The recorded arrears don't present the risk of significant penalties and the company is not involved in any dispute for the payment of such depths. The company insured the permanent operability in the execution of its contracts all around the country.

Prospects for expansion of service activities on foreign markets determine rational and operative decisions regarding the prudent engagement of liquidities at the conclusion of new contracts.

2018 Key Objectives

Maintain or increase market share in Romania for the main well services in the range, focusing on:

- Cementing Services
- Well Stimulation Services;

Services Diversification: Continue to develop and implement cost effective technologies for well cementing and well stimulation to address the customers' production cost issue;

Capacity Utilization: Increase average utilization ratio of the Pumping Equipment from 61% in 2017 to over 70% in 2018;

Operational Efficiency: Continue the optimization of operating costs, primarily by:

- Increase the subcontracting of logistic services
- Develop alternative cost effective solution for cementing and stimulation additives

b) The presentation and the analysis of the effect of the current or anticipated capital expenses on the financial situation of the commercial company by comparison to the same period of the previous year.

The company operated by using his own financing sources, without contracting any credits from banking institutions or any other individuals or entities.

In regard to debts category, there are no arrears such as interest or any other credits contracted from banking institutions.

c) The presentation and the analysis of the events, economic changes transactions changes significantly affecting the incomes generated by the core activity.

Turnover for the year 2017: RON 39,997,068 , 28.6% higher than in 2016 entirely from the revenues from the core activity, unlike in the period 2015-2016, when the operating income of the company was significantly affected by the global economic environment in the oil and gas industry, the determinant factor being the decrease in the crude oil price.

The effects of the oil price decline – the postponement of major projects for exploration and production of hydrocarbons, conventional or unconventional, investment cut, the severe diminishing in demand for well services – were fully felt in the markets where the company is active. The collapse of the oil barrel price has generated domino effects, the main petroleum operators significantly reducing operational and investment budgets.

2. The company's tangible assets

2.1. The specification of the location and of the characteristics of the main production capacities owned by the company.

The patrimonial assets of tangible fixed assets nature allow a flexible organization in the territory in order to fulfill the orders placed by the beneficiaries.

The services provision is identified at the customers' location, not at the company's organizational perimeter, the use of the operational capacities depending upon the orders received from the beneficiaries.

The location of lands and buildings on the geographical area is located in the following areas: Ploiești (Prahova County), Câmpina (Prahova County), Boldești - Scăieni (Prahova County), Răzvad (Dâmbovița County), Leordeni (Argeș County), Mihăești - Stupărei (Vâlcea County), Potcoava (Olt County), Cralova (Dolj County), Tg. Cărbunești (Gorj County), Slobozia - Conachi (Galați county), Ianca (Brăila County), Timișoara (Timiș County), Tg. Mureș (Mureș County), Mediaș (Sibiu County), Moinești (Bacău County), Tecuci (Galați County), Videle (Teleorman County).

The main operational facilities are represented by the fixed assets, such as: cementing units, bulk trucks, blenders, tank trucks, cement laboratory equipment and other types of utility vehicles and drilling tools.

2.2. The description and analysis of the wear degree of the company property.

Working outdoors, travelling on difficult access roads and the evolution of the purchase price of equipment justifies a significant degree of wear compensated by the investments in recent years. The specific equipment fleet requires high maintenance costs resulting from imperative normative documents specific to the European integration and the environmental protection issues: ADR transport licenses, vignettes, tachographs, environmental taxes, first registration fees, local taxes, etc.

2.3 The specification of the potential problems related to the ownership of the tangible assets of the company.

For all the patrimonial assets the company recognizes right of ownership, according to current regulations and documents held.

3. The market of the transferable securities issued by the "ROMPETROL WELL SERVICES" S.A. company

3.1. The specification of markets in Romania and other countries where there are negotiated transferable securities issued by the company.

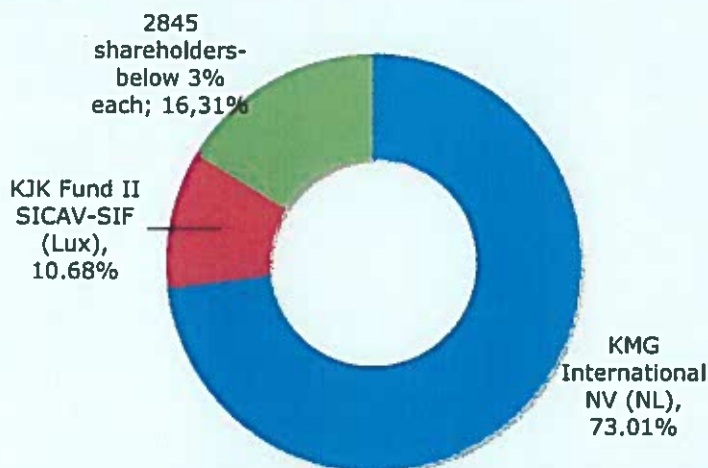
The transferable securities issued by SC Rompetrol Well Services S.A. are admitted to the Bucharest Stock Exchange by decision No. 133 / 26.03.1998 and are traded on this market category STANDARD in the securities sector issued by romanian legal entities, starting with 18.06.1998, under the symbol PTR.

The transferable securities issued by the company are Class A – nominative shares.

The registered capital on 31.12.2017 is of 27,819,090 RON equivalent to 278,190,900 shares with a nominal value of 0.10 RON / share and is distributed to holders as follows:

1. KMG INTERNATIONAL N.V. Olanda	20.311.015 lei (73,0111 %)
2. KJK FUND II SICAV-SIF Luxembourg	2.970.995 lei (10,6797 %)
3. Other shareholders (2864 shareholders)	4.537.080 lei (16,3092 %)

Shareholders' Structure



3.2. The description of the company policy regarding the dividends. The specification of the dividends due/paid/accrued in the last 3 years and, if appropriate, of the reasons for any decrease in dividends over the last 3 years.

For 2015, the A.G.O.A. of 28.04.2016 approved the financial statements afferent. The net result for the financial year 2015 is a loss amounting to 29,622,639 lei. The main activity of the company was actually affected by the global economic climate in the oil and gas industry, the determining factor being the drastic decrease in crude oil prices.

For 2016, the A.G.O.A. of 27.04.2017 approved the financial statements afferent. The net result for the financial year 2016 is a loss amounting to 5.820.561 lei. The main activity of the company was actually affected by the global economic climate in the oil and gas industry, the determining factor being the drastic decrease in crude oil prices.

For 2017, the A.G.O.A. from 27(30).04.2018 will analyze and will approve the financial statements afferent.

Thus in 2017 were achieved total revenues amounting to 43.086.066, total expenses amounting to 40.614.326 lei, resulting a net profit of 2.442.446 lei.

By 31 December 2017 was paid:

- 95 % of the gross dividend approved for the year 2013;
- 94.16 % of the gross dividend approved for 2014.

3.3. The description of any activities of the company to purchase own shares.

The Company has not conducted activities to purchase own shares.

3.4. If the company has subsidiaries, stating the number and the nominal value of shares issued by the parent company and held by subsidiaries.

Not applicable.

3.5. If the company issued bonds and/or other debt securities, the presentation of the way the company paid its obligations to holders of such transferable securities.

Not applicable.

4. The management of the ROMPETROL WELL SERVICES S.A. company

4.1. Presentation of the company's administrators and the following information for each administrator:

a) CV (family name, first name, age, skills, professional expertise, position and length of employment);

• **Yerzhan Orynbassarov** - Kazakh citizen, born in 1969;

President of the Board in the period 01.01.2017- 31.12.2017.

The mandate of administrator started on 01.05.2015 and ends on 28.04.2018.

He is economist, graduate of the Faculty of Mathematics of Lomonosov Moscow University and of the Faculty of Economics Al Farabi KazGu – class of 1993, graduate of a Masters in Petroleum Business - Eurasian Market Institute, Economic Management Academy (1996-1998), of an MBA from Essec & Mannheim Business School (France-Germany) (2011-2013) and a program ENI- Petroleum Industry Training Center (2002-2003).

He has a strong professional experience in finance and strategic development in the oil and gas industry, occupying management positions in companies such as KazakhOil NOC, KazakhOil-Emba OJSC, Caspian Pipeline Consortium-K CJSC, KazTransOil JSC, KazMunayGas Trading House JSC, The Rompetrol Group, JSC „KazMunayGaz – refining and marketing, KMG Rompetrol.

• **Bauyrzhan Nugumanov** - Kazakh citizen, born in 1984;

Member of the Board for the period 01.01.2017 – 31.12.2017;

Duration of the mandate: 4 years starting with 28.04.2018;

He is economist, graduate of the Faculty of Finance and Credit of the University of Economics in Almaty, Kazakhstan-class of 2006, and a Master in Finance at the London Guildhall University-UK.

He has a solid professional experience in financial analysis, attracting investments and long-term financial investments, working in various companies such as JSC KazAgroFinance Astana, JSC NC KazMunayGas Astana, JSC NC KazMunayGas RM Astana, LLC ATC KAZ Almaty.

• **Adrian-Ion Stănescu**, romanian citizen, born in 1953;

Member the Board of Directors for the period 01.01.2017-31.12.2017;

Duration of the last mandate: 4 years starting with 28.04.2018;

He is engineer, graduate of the Faculty of Mechanics – majoring in Machine Manufacturing Technology, Iasi - class of 1977, and of other specialized courses in the field of cementing operations technology, management and marketing.

He has a strong professional experience in the oil and gas industry, in various domains of this industry: the manufacture of oilfield equipment, in the technology of special operations, in the implementation of modern management practices and qualitative management of resources, in the opening of new markets and increasing the sales volume on domestic and foreign markets, holding management positions at UPETROM Ploiesti (1987-1999), ROMPETROL SA (1999-2001), ROMPETROL WELL SERVICES – General Manager for the periods: 01.07.2011-13.05.2013; 01.07.2015-28.02.2018, and Deputy General Manager for the periods: 01.05.2003–30.06.2011; 14.05.2013 – 30.06.2015. Management consultant 01.03.2018-present.

• **Vadim Poletaev** - russian citizen, born in 1964;

Member the Board of Directors for the period 01.01.2017-30.04.2017;

The mandate of administrator started on 01.07.2015 and ends on 30.04.2017.

He is lawyer, graduate of the Master of Law and of the Faculty of Law - University of the People's Friendship in Moscow, Russia 1985-1991.

Professional Background:

- Consulting public and private companies (organizations), government agencies and individuals in Russia and abroad.

- Development and drafting of corporate schemes, legal analysis of the transactions, projects.
 - Clients' rights protection in general jurisdiction courts at all levels, arbitration (in Russia and abroad).
 - Drafting, negotiation and legal support in execution of contracts, agreements, statutory and other legal documents.
 - Experience as a head of legal department of commercial companies, in the working teams for a number of projects (commercial, legislative, etc.), as a managing partner at consulting companies.
 - Professional experience in the following countries: Russia, India, Pakistan, Iran, Switzerland, Denmark, United Arab Emirates.
- **Eugeniu – Moby HENKE** – Romanian citizen, born in 1973;

Member the Board of Directors for the period 01.05.2017-31.12.2017;

The mandate of administrator started on 01.05.2017 and ends on 28.04.2018.

He is lawyer, graduate of the Faculty of Law – Bucharest University and graduate of the Master in Administrative Sciences of the National School of Political and Administrative Studies Bucharest.

Professional Background:

- Consulting public and private companies (organizations), government agencies and individuals.
- Development and drafting of corporate schemes, legal analysis of the transactions, projects.
- Clients' rights protection in general jurisdiction courts at all levels.
- Experience as director of the legal department of the Rompetrol Group in the working teams for a number of projects (commercial, legislative, etc.)

- **Aizhan Dykanbayeva** - Kazakh citizen, born in 1978.

Member of the Board of Directors during the period: 01.01.2017-31.12.2017;

The duration of this mandat: 4 years starting with 28.04.2014;

She graduated of the Faculty of International Relations at the State University Almaty, Kazakhstan - class of 2000, a Master "Arts in International Relations" and "International Finance and Energy, Environment, Science and Technology" at the School of Advanced International Studies of the "Johns Hopkins University, USA" in 2002 and INSEAD MBA Class in France / Singapore in 2008.

She has a significant professional experience in tax consulting, auditing oil and gas industry, economic analysis, budgeting, business planning, taxation, investment project analysis, corporate finance.

She worked in various companies such as: PriceWaterhouseCoopers, Planning Institute of Management and Economics Kazakhstan (lector), Financial consulting company in Central Asia Kazakhstan (corporate finance director), Trade House KazMunayGas Kazakhstan (Head department of economic analysis and budget), The Rompetrol Group NV (Deputy Director Finance), The Netherlands NV KazMunayGas (CFO).

b) any agreement, understanding or family relationship between the respective administrator and another person due to which that person was appointed administrator;

We are not aware of any agreement, understanding or family relationship between the managers of the company and another person due to which they were appointed administrators;

c) the participation of the administrator to the company's capital;

According to the Register of Shareholders, consolidated on 31.12.2016, issued by the Central Depository, none of the directors participates to the company's share capital.

d) the list of persons affiliated to the company.

None of the members of the Administrative Board of the Company is an affiliated person to SC ROMPETROL WELL SERVICES S.A. under the Regulation CNVM No. 1/2006.

4.2. Submission of the list of the company's executive management members. For each member the following information shall be included:

During 2017, the directors whom the company management was delegated were:

Item no.	Position designation	Surname and first name	Period
1.	GENERAL MANAGER	Eng. STĂNESCU ADRIAN-ION	01.01.2017-31.12.2017
2.	FINANCE DIRECTOR	Ec. DUMITRU VALERICA	01.01.2017-31.12.2017
3.	PRODUCTION DIRECTOR	Eng. DUMITRU GHEORGHE	01.01.2017-31.12.2017

b) any agreement, understanding or family relationship between the respective person and another person due to which that person was appointed member of the executive management;

There is no agreement, understanding or family relationship between the occupants of the positions mentioned above due to which the occupants of the positions were appointed as members of the executive management.

c) the respective person's participation to the company's capital.

According to the Company's register of shareholders, consolidated on 31.12.2017, issued by the Central Depository, no member of the executive management participates to the capital of the company.

4.3. For all the persons presented in 4.1. and 4.2. the specification of any litigation or administrative proceedings in which they were involved, in the last five years, regarding their work for the issuer, as well as those concerning the respective person's ability to perform duties for the issuer.

None of the managers of the company was involved in the last five years in any litigation or administrative proceedings.

5. Financial and accounting situation

The presentation of an analysis of the current economic and financial situation compared to the last three years, including at least:

a) balance sheet elements: assets representing at least 10% of the total assets, cash and other liquidities; reinvested profits, total current assets, total current liabilities;

Starting the year ended 31 December 2012, the statutory financial statements of the Company were prepared in accordance with the provisions of Order of the Minister of Public Finance no. 1286/2012 for approving the accounting regulations compliant with the International Financial Reporting Standards applicable to companies whose securities are admitted to trading on a regulated market, with all subsequent modifications and clarifications, the latter being Order of the Minister of Public Finance no. 2844/2016.

For the purposes of the preparation of actual financial statements, in accordance to Romanian legislative requirements, the functional currency of the Company is deemed to be the Romanian Leu (RON).

Synthesis of patrimonial elements according Statement of the Financial Position:

Specification	RON		
	2015	2016	2017
Total Assets, of which:	136,263,539	131,677,843	134,196,676
Fixed assets	48,882,077	37,527,339	30,790,131
Current assets	87,381,462	94,150,504	103,406,545
Total Equity and liabilities, of which:	136,263,539	131,677,843	134,196,676
Social Capital of which:	28,557,446	28,557,446	28,557,446

Share capital subscribed paid	27,819,090	27,819,090	27,819,090
Legal reserves	5,563,818	5,563,818	5,563,818
Other equity	121,633,575	92,010,934	85,838,029
Current result	(29,622,639)	(5,820,561)	2,442,446
Current liabilities	9,066,368	10,348,723	10,265,612
Long-term liabilities	1,064,971	1,017,483	1,529,326

b) *Statement of Profit or Loss :*

Summary of Statement of Profit or Loss:

Specification	2015	2016	RON
			2017
Total revenues, of which:	53,381,381	33,464,751	43,086,066
Operating income	50,100,887	31,139,065	40,249,667
Financial income	3,280,494	2,325,686	2,836,399
Total expenses	82,202,861	39,183,022	40,614,326
Operating expenses, of which:	80,642,424	38,784,314	40,346,547
- material costs	10,440,518	7,315,658	11,345,721
- power, water, gas expenses	489,847	420,929	182,838
- staff costs	21,205,208	15,763,596	14,487,577
- depreciation	7,831,801	6,970,205	6,172,280
- sales of goods	40,464	48,095	80,620
- other operating expenses	40,634,586	8,265,830	8,077,511
Financial expenses	1,560,437	398,708	267,779
Gross result - profit			2,471,740
- loss	28,821,480	5,718,271	
Income tax current and deferred	801,159	102,290	29,294
Net result - profit			2,442,446
- loss	29,622,639	5,820,561	

Starting with 2015, the Company implemented a reorganisation programme, which lead to the reduction of operational costs by putting into conservation some equipment and by staff restructuring - in stages, replace human guards with monitored guard, renegotiation of purchase prices of goods and services and the strict monitoring of specific consumptions on line of business and on cost centers. The effects are reflected in the expenditure structure of 2017.

Summary of actual budget indicators:

Specification	Achievements -previous year	RON	
		Budget Provisions	Achievements
Total revenues, of which:	33,464,751	48,551,600	43,086,066
Operating income	31,139,065	46,185,100	40,249,667
Financial income	2,325,686	2,366,500	2,836,399
Total expenses of which:	39,183,022	36,062,900	40,614,326
Operating expenses	38,784,314	36,062,900	40,346,547
Financial expenses	398,708		267,779
Gross result:			
Profit		12,488,700	2,471,740

Loss	5,718,271		
Income tax current and deferred	102,290	1,897,600	29,294
Net result:			
Profit		10,591,100	2,442,446
Loss	5,820,561		

The actual economic and financial indicators for the year 2017 are below the budgeted level, but significantly over the previous year's achievements.

Specification	Measuring unit	Year 2015	Year 2016	Year 2017
Number of Employees	Persons	283	183	164
Labour productivity ,annual average	RON/ person	173,752	165,007	239,593
Equipment fleet	Number of trucks	94	90	88

c) *cash flow: all the changes in the cash level within the primary activity, the investments and financial activities, in the cash level at the beginning and end of the period.*

Statement Cash Flows Synthesis-indirect method

Specification	-RON		
	2015	2016	2017
Net result before tax	(28,821,480)	(5,718,271)	2,471,740
Operating profit before changes in working capital	3,532,203	567,046	6,212,506
Net cash from operating activities	3,605,197	6,239,161	4,750,793
Net cash from Investment activities	176,254	936,979	2,475,504
Net cash from financing activities	(5,262,127)	(7,310,671)	(11,238,104)
Net variation of cash and cash equivalents	(1,480,676)	(134,531)	(4,011,808)
Cash and cash equivalents at the beginning of the year	9,162,354	7,681,678	7,547,147
Cash and cash equivalents at the end of the year	7,681,678	7,547,147	3,535,339

The execution of contracts with customers and strategic suppliers was managed in conditions of financial balance, and ensuring availability of cash for all full and timely payment of the wages and fiscal debt during the year 2017. All investment projects were financed from own sources. In addition to the cash balance at the end of the financial year, the Company can freely use the cash from the master account of the cash – pooling system, in the amount of 42.386.546 lei at December 31st, 2017.

Specification	2015	2016	2017
1. Liquidity indicators			
Current liquidity indicator	9.64	9.10	10.07
Immediate liquidity indicator	9.18	8.82	9.66
2. Activity indicators			
Turnover speed of debits - clients (days)	193.87	233.02	184.85
Turnover speed of fixed assets	1.02	0.83	1.30
3. Indicators on earnings per share			
Earnings per share	(0.11)	(0.02)	0.01
The ratio of market price action and earnings per share	(3.95)	(14.56)	35.39

The indicators presented above reflect the preservation of financial independence, even in the current low rate of debt collection.

6. Corporate Governance

SROMPETROL WELL SERVICES S.A. is a company listed on the Bucharest Stock Exchange - category II shares under the symbol << PTR >>, dated 18.06.1998, according to the Stock Exchange's Admission Committee decision no. 133/26 March 1998.

The Company is subject to the current legislation applicable to companies and to capital market: Law no. 31/1990 Commercial Company Law - including subsequent amendments, Law no. 82/1991 the Accounting Law - including subsequent amendments, Law no. 297/2004 on the capital market - including subsequent amendments, Law no. 24/2017 on issuers of financial instruments and market operations, the National Securities Commission (CNVM) Regulation No. 1/2006 on issuers of securities and operations with securities - including subsequent amendments.

The company's administration has voluntarily adopted, self-imposed, part of the Code of Corporate Governance of Bucharest Stock Exchange (CGC-BSE).

The Bucharest Stock Exchange Code of Corporate Governance is a set of principles and recommendations for companies whose shares are admitted to trading on its regulated market that aims at building an internationally attractive capital market in Romania, based on best practices, transparency and trust. The Code encourages companies to build a strong relationship with their shareholders and other stakeholders, communicate effectively and transparently and show openness towards all potential investors.

New Code launched in September 2015 replaced the original code that was issued in 2001 and revised in 2008.

The change to the new Code was desirable in order to take into account the changing legal environment in Romania and Europe, and the new aspirations of the society and stakeholders about the responsibilities and conduct of companies.

The aim of the Bucharest Stock Exchange Code of Corporate Governance is to improve confidence in listed companies by promoting positive development of corporate governance in these companies.

A good corporate governance is a powerful tool to enhance the competitiveness of the market.

At the center of this Code are access to information for investors and protection of shareholders' rights. Each listed company should aim at fulfilling all provisions of the Code. The role of good governance is to facilitate good, effective, entrepreneurial management that can deliver the long-term success of the company.

Status of compliance of the company with the new BSE Code of Corporate Governance is presented in **Annex no. 2**

In accordance with the articles of association, **Rompetrol Well Services S.A. is administrated in unitary system**, where the administrative powers fall on an administration board, consisting of five members, elected by the ordinary general meeting of shareholders, with a 4 years mandate.

The Administration Board has full powers in making any administrative and management decisions, other than those which the law expressly confers to the General Shareholders' Meeting.

By exception, the Administration Board will exercise the powers of the General Shareholders' Meeting, powers provided in article 113, letter b, c and f of Law 31/1990, republished.

The Administration Board's decisions shall be valid if taken with the vote of the majority of present members. In case of equal votes, the president has the casting vote.

During 2017, the **Administration Board's composition** was as follows:

- Yerzhan ORYNBASSAROV - President of the Board for the period 01.01.2017 - 31.12.2017;
- Bauyrzhan NUGUMANOV - Member for the period 01.01.2017 - 31.12.2017;
- Adrian - Ion STĂNESCU - Member for the period 01.01.2017 - 31.12.2017;
- Vadim POLETAEV - Member for the period 01.01.2017 - 30.04.2017;
- Eugeniu Moby HENKE - Member for the period 01.05.2017 - 31.12.2017;
- Aizhan DYKANBAYEVA - Member for the period 01.01.2017 - 31.12.2017.

6.1. Information about members of the Board of Directors

- **Yerzhan ORYNBASSAROV** - Kazakh citizen, born in 1969;
Member of the Board for the period 01.05.2015 - 30.06.2015;
President of the Board starting with 01.07.2015;
The mandate of administrator started on 01.05.2015 and ends on 28.04.2018.
Non-executive member of the Board.

Education, professional qualifications, responsibilities

He is graduate of the Lomonosov State University from Moscow, holding the Excellence Diploma in Mathematical Studies, graduate also of Eurasia Market Institute within the Economic Management Academy, obtaining a Diploma of Excellence as an Economist and with a Masters in Petroleum Business. He also has a master's degree in business administration from the Essec & Mannheim Business School (France-Germany).

He has a strong professional experience in finance and strategic development in the oil and gas industry, working for over 19 years in companies such as KazMunayGas, KazakhOil-Emba OJSC or KazakhOil NOC.

He holds top management positions such as deputy general director for finance and economy under the Trading House KazMunayGas and First Vice-President for Economics and Finance from the KazakhOil-Emba. Also, between 2010 and 2012, Mr. Orynbassarov occupied the position of Senior Vice President of KMG International, coordinating all group's business Units.

In currently the position of Mr. Orynbassarov is Senior Advisor to Chief Executive Officer.

- **Bauyrzhan NUGUMANOV** - kazakh citizen, born in 1984;
President of the Board of Directors for the period 28.04.2014 - 30.06.2015;
Member of the Board of Directors starting with 01.07.2015;
Duration of the mandate: 4 years starting with 28.04.2014;
Non-executive member of the Board.

Education, professional qualifications, responsibilities

He is economist, graduate of the Faculty of Finance and Credit of the University of Economics in Almaty, Kazakhstan-class of 2006, and a Master in Finance at the London Guildhall University-UK. Mr. Bauyrzhan Nugumanov has joined Rompetrol Group in April 2009.

He has a solid professional experience in financial analysis, attracting investments and long-term financial investments, working in various companies such as KazAgroFinance JSC Astana, JSC NC KazMunayGas Astana, JSC NC KazMunayGas RM Astana, LLC ATC KAZ Almaty.

In currently the position of Mr. Nugumanov is Chief Officer CEO block.

- **Adrian-Ion STĂNESCU**, romanian citizen, born in 1953;

Member the Board of Directors for the period 23.11.2002–11.08.2003, 10.05.2013- to the present;

President of the Board for the period 09.03.2006 – 9.05.2013;

Duration of the last mandate: 4 years starting with 28.04.2014;

Executive member of the Board.

Education, professional qualifications, responsibilities

He is engineer, graduate of the Faculty of Mechanics – majoring in Machine Manufacturing Technology, Iasi - class of 1977, and of other specialized courses in the field of cementing operations technology, management and marketing.

He has a solid professional experience in the oil and gas industry, in various domains of this industry: the manufacture of oilfield equipment, in the technology of special operations, in the implementation of modern management practices and qualitative management of resources, in the opening of new markets and increasing the sales volume on domestic and foreign markets, holding management positions at UPETROM Ploiesti (1987-1999), ROMPETROL SA (1999-2001), ROMPETROL WELL SERVICES – General Manager for the periods: 01.07.2011-13.05.2013; 01.07.2015-28.02.2018, and Deputy General Manager for the periods: 01.05.2003–30.06.2011; 14.05.2013 – 30.06.2015. In currently the position of Mr. Stanescu is Advisor to General Manager.

• **Vadim POLETAEV** - russian citizen, born in 1964;

Member the Board of Directors for the period 01.07.2015-30.04.2017;

The mandate of administrator started on 01.07.2015 and ends on 30.04.2017.

Non-executive member of the Board.

Education, professional qualifications, responsibilities

He is lawyer, graduate of the Master of Law and of the Faculty of Law - University of the People's Friendship in Moscow, Russia 1985-1991

Professional Background:

- Consulting public and private companies (organizations), government agencies and individuals in Russia and abroad.
- Development and drafting of corporate schemes, legal analysis of the transactions, projects, schemes.
- Clients' rights protection in general jurisdiction courts at all levels, arbitration (in Russia and abroad).
- Drafting, negotiation and legal support in execution of contracts, agreements, statutory and other legal documents.
- Experience as a head of legal department of commercial companies, in the working teams for a number of projects (commercial, legislative, etc.), as a managing partner at consulting companies.
- Professional experience in the following countries: Russia, India, Pakistan, Iran, Switzerland, Denmark, United Arab Emirates.

• **Eugeniu – Moby HENKE** - romania citizen, born in 1973;

The mandate of administrator started on 01.05.2017 and ends on 28.04.2018.

Non-executive member of the Board.

Education, professional qualifications, responsibilities

- Consulting public and private companies (organizations), government agencies and individuals.
- Development and drafting of corporate schemes, legal analysis of the transactions, projects.
- Clients' rights protection in general jurisdiction courts at all levels.

Experience as director of the legal department of the Rompetrol Group in the working teams for a number of projects (commercial, legislative, etc.)

In currently the position of Mr. Henke is Group Legal Director.

• **Aizhan DYKANBAYEVA** - Kazakh citizen, born in 1978.

Member of the Board of Directors Board starting with 28.04.2014;

The duration of this mandat: 4 years starting with 28.04.2014;

Non-executive member of the Board.

Education, professional qualifications, responsibilities

She graduated of the Faculty of International Relations at the State University Almaty, Kazakhstan - class of 2000, a Master "Arts in International Relations" and "International Finance and Energy, Environment, Science and Technology" at the School of Advanced International Studies of the "Johns Hopkins University, USA" in 2002 and INSEAD MBA Class in France / Singapore in 2008.

Mrs. Aizhan Dykanbayeva has joined Rompetrol Group in April 2009.

She has professional experience in tax consulting, auditing oil and gas industry, economic analysis, budgeting, business planning, taxation, investment project analysis, corporate finance.

She worked in various companies such as: PriceWaterhouseCoopers, Planning Institute of Management and Economics Kazakhstan (lector), financial consulting company in Central Asia Kazakhstan (corporate finance director), Trade House KazMunayGas Kazakhstan (Head department of economic analysis and budget), The Rompetrol Group NV (Deputy Director Finance), The Netherlands NV KazMunayGas (CFO).

In currently the position of Mrs. Dykanbayeva is Advisor to Chief Financial Officer.

The Administration Board evaluated the independence of its non-executive members under the criteria provided in Art. 138 ^ 2 of Law no. 31/1990 - Commercial Company Law, republished and updated and in the Provision 4 Section A (Responsibilities) of the New Code of Corporate Governance of Bucharest Stock Exchange.

Currently, none of the directors does not meet the independence requirements of the aforementioned provision.

In 2017 a number of 9 meetings of the Administration Board were held, the administrators' participation in these meetings being as follows: Orynassarov Yerzhan - 9 meetings, Bauyrzhan Nugumanov - 9 meetings, Adrian - Ion Stănescu - 9 meetings, Vadim Poletaev - 0 meetings, Aizhan Dykanbayeva - 9 meetings. Eugeniu-Moby Henke - 2 meetings.

All the Administration Board's meetings were presided over by the President. Topics and projects relevant to the Company's business were brought into discussion. Decisions were adopted, taking into account the legal provisions, the regulations, the articles of incorporation and internal incident procedures. The decisions were taken by the "in favour of" vote expressed by the majority of those present, according to the Articles of Incorporation. From the analysis of the manner in which they have been met, it resulted that all decisions taken have been achieved.

For the tax year of 2017, in accordance with the law, directors' remuneration was approved by the Ordinary General Meeting of Shareholders on April 27, 2017.

Information on the remuneration costs of directors' and managers' with mandate is given in the annual financial statements.

The company has a financial auditor who worked in accordance with applicable laws and contracts concluded in this regard.

Since 2008, the financial auditor has been "Ernst & Young Assurance Services SRL". The financial auditor has audited the annual financial statements.

Currently, the company does not have an audit committee.

At the Society, in 2017 did not exist Audit Committee. Considering that the organization at KMG International Group level also implies the existence of operational support functions with various responsibilities, the creation of consulting committees (such as audit, appointment, remuneration committees etc) at entity level was not necessary. The relation between the company and the functions at KMG International Group level is regulated by a service agreement.

Constitution of the Audit Committee is underway.

6.2. Executive Leadership

In 2017, the company's executive management is provided by the following directors:

- Mr. Adrian-Ion STĂNESCU - General Manager for the period 01.01.2017 - 31.12.2017
- Mrs. Valerica DUMITRU - Finance Director for the period 01.01.2017 - 31.12.2017
- Mr. Gheorghe DUMITRU - Production Director for the period 01.01.2017 - 31.12.2017

Duration of the mandate for the General Manager, and Finance Director ending on 27.04.2018, once with the mandate of the current Board of Directors.

6.3. Shareholders' rights

ROMPETROL WELL SERVICES S.A. ensures fair treatment of all shareholders, including minority and foreign shareholders, in accordance with the law and the Articles of Incorporation of the Company. The company uses all its best efforts to facilitate shareholders' participation in the works of the General Meeting of Shareholders (GMS). Shareholders of ROMPETROL WELL SERVICES have the opportunity to participate in the GMS directly, through a representative based on special power of attorney or can vote by mail (by sending the vote form by mail of any delivery form or by e-mail with electronic signature incorporated under Law no. 455/2001 on electronic signature).

According to Article 11 of the Articles of Incorporation of the Company, in conjunction with the applicable laws, the **Ordinary General Meeting** shall meet at least once a year within the mandatory deadline required by law, and has the following main tasks:

- a) discuss, approve or modify annual financial statements based on reports submitted by the Board of Directors and the financial auditor, and to determine the dividends;
- b) elect and dismiss directors of the company;
- c) appoint and fix the minimum duration of the financial audit agreements and revoke the financial auditor;
- d) fix for every current year the remuneration due to directors;
- e) to decide on management directors;
- f) review the work of the Board and Directors and to decide the prosecution of directors for the damage to the company, designating the person responsible to exercise it;
- g) to determine the income and expenditure budget and, where appropriate, the working program, for the following tax year;
- h) decide pledging, leasing or closing of one or more units of the company;
- i) approve the maximum limits of remuneration of persons occupying / exercising management positions when required by applicable law;

The Extraordinary General Meeting has the following duties:

- a) changing the legal form of the company;
- b) relocating the company;
- c) changing the object of the company;
- d) the establishment or closure of subsidiaries: branches, agencies, offices or other such units without legal personality, unless otherwise provided by the Articles of Incorporation;
- e) prolongation of company duration;
- f) increase of registered capital;
- g) reduction of registered capital or replenishment by issuing new shares;
- h) merger with another companies or division of the company;
- i) anticipated dissolution of the company;
- j) conversion of shares from one category to another;
- k) conversion of a category of bonds into another category or in shares;
- l) issue of bonds;
- m) approves the adoption / conclusion of legal documents on behalf of the company whose object is worth more than USD 10 million;
- n) any other amendment to the Articles of Incorporation or any other decision for which approval is requested from the Extraordinary General Meeting.

The Extraordinary General Meeting designates the Board of Directors with the exercise of powers provided in letters b) and c) of the above line.

The Extraordinary General Meeting may delegate the Board of Directors with the capital increase in accordance with the provisions of Art. 236 of Law no. 297/2004 on the capital market.

Conducting of the General Meeting of Shareholders

The General Meeting of Shareholders is convened by the directors whenever need be, by publication of an announcement in the Official Gazette of Romania, Part IV, and in one of widespread local or national newspapers in the locality where the company has its registered office. The summons will

include: location, date and time of the meeting, with an explicit agenda of all matters that will be subject to debates of the Assembly and any other terms provided for by the capital market. When the agenda includes proposals to amend the Articles of Incorporation, the call will include the full text of the proposals.

When the agenda includes the election of directors, the call will contain the mention that the list with the names, domicile and professional qualifications of the persons proposed for the position of administrator is available to shareholders and can be accessed and completed by them.

The General Meeting may meet at the Company headquarters or in other place determined in the convening notice by directors. Shareholders may also be represented in the General Meeting by persons who do not have the capacity of shareholder of the Company.

The General Meeting is chaired by Chairman of the Board of Directors or by a person appointed by him, who designates, among the members of the General Meeting of Shareholders or one of the shareholders of the company, one to three secretaries, plus a technical secretary among the employees. They will draw the attendance list of shareholders, by checking the following:

- identity documents of people who come to the General Meeting as shareholders or their authorized proxies;
- special power of attorney submitted by the shareholders' proxies. It will be considered that the power of attorney is valid only for the General Meeting of Shareholders for which it was requested;
- forms to vote by mail.

The secretary of the meeting shall also verify the fulfillment of the legal requirements on the quorum present for the validity of General Meetings.

If the Ordinary or Extraordinary General Meeting cannot work due to failure of the legal requirements on attendance, the meeting that will meet at a second convocation may deliberate on the points on the agenda of the first meeting, regardless of the quorum, taking decisions through the majority of expressed vote.

If the meeting cannot be held due to lack of quorum, the meeting held on a second call can deliberate on the items on the Agenda of the first meeting, regardless of the quorum present, passing the resolutions with the majority of the votes expressed.

After submitting the documents in the agenda, the issues debated by shareholders are voted on by the Chairman of the Meeting.

The General Meeting decisions are taken by open vote, except for the cases when the General Meeting decides that voting should be secret or the law requires a secret ballot.

Each share entitles to one vote in the General Meeting. The person representing more shareholders based on special powers of attorney expresses the votes of persons represented by the aggregation of the number of votes "for", "against" and "abstention" without offsetting them (e.g. "on the x point of the agenda I represent "x" votes "for", "b" votes "against" and "c" abstentions "). Votes so cast are validated or, where appropriate, invalidated, based on the third copy of special powers of attorney by the secretary of the General Meeting. The votes included in the special power of attorney are exercised only in the manner desired by the shareholder.

The Secretary or Secretaries of the meeting, based on the vote freely expressed by shareholders, will prepare the minutes of the General Meeting.

Decisions adopted by the General Meetings of Shareholders in 2017:

The Ordinary General Meeting of Shareholders of S.C. ROMPETROL WELL SERVICES S.A. dated **April 27, 2017** decided the following:

- Approves the annual financial statements for the tax year 2016, based on the Report of administrators and the Report of financial auditor of the Company.

- Approves the coverage of the accounting loss of the year 2016, amounting to 5,820,561 lei from reserves constituted from undistributed profit of previous years
- Approves to discharge of liability the Company's administrators for their activity carried out during the financial year 2016.
- Approves the extension of the mandate of the financial auditor "Ernst & Young Assurance Services SRL", headquartered in Bucharest, sector 1, 15-17 Ion Mihalache Blvd., Bucharest Tower Center Building, 21st floor, registered with the Trade Registry under no. J40/5964/1999, having sole registration code 11909783, member of the Chamber of Financial Auditors of Romania, the agreement concluded with the foregoing company having a 1(one)-year term, starting with 30.04.2017.
S.C. Ernst & Young Assurance Services S.R.L. is duly represented by Mrs. Cora Anamaria, as administrator.
- Approves the income and expenditure budget for 2017. Approves the budget to the investment activity for the year 2017 amounting to 880.000 USD.
- Approves the amount of the monthly allowance due to the members of the Company's Board of Directors for the financial year 2017 to the level of the one established for 2016.
- Approves to empower the General Manager of the Company, Mr. Adrian-Ion Stănescu, to execute the resolutions following to be adopted and to carry-out all due formalities for the fulfillment thereof, the said proxy being entitled to sub-appoint third parties to this effect.
- Approves May 23, 2017 as *Registration Date*, according to art. 238 (1) of the Law no. 297/2004 regarding the capital market, as amended and supplemented.
- Approves May 22, 2017 as the "*ex-date*", in compliance with the provisions of art. 2, letter f) from the Regulation RNSC no. 6/2009 regarding the exercising of certain rights of the shareholders within the general meetings of companies.

Shareholders' rights to dividends

If the General Meeting of Shareholders approves the distribution of dividends from the net profit of the company, are entitled to receive dividends all shareholders registered in the register of shareholders on the record date approved by the General Meeting approving also the value of dividends and the time they are paid to shareholders.

6.4. Transparency, communication, financial reporting

S.C. Rompetrol Well Services attaches great importance to transparency in communication. Considering that the confidence of the public is essential to the company, the company transforms its communication policy into an explicit and mutual commitment between the company and its interlocutors. The fulfilment of reporting obligations and transparency of communication are ways to win the confidence of investors.

The company aims to ensure a continuous and periodic reporting in an objective and honest manner, covering all important aspects of company business, financial status, applied accounting policies, recorded performances.

During 2017 there have been prepared reports and press releases about financial results, summons and decisions of GMS, regular reporting (monthly, quarterly, annual), distributing dividends, etc. The information being subject to mandatory reporting - current and periodic reports - was also presented on the Company's website, www.rompetrol.com in the section Rompetrol Well Services/Relații cu Investitorii/Prezentări

In order to ensure equal access to information for investors, the posting on the Company's website of reports and press releases addressed to the market participants is made after being posted on the market operator, which is the BSE.

In accordance with the law, the accounting and financial statements of Rompetrol Well Services and the ones related to operations are audited by Ernst & Young Assurance Services SRL, an independent financial auditor appointed by the General Meeting of Shareholders of April 27, 2017 for a period of 1 year.

Contact Investor Relations

Annual reports, quarterly and half-yearly, is available to shareholders upon request. Requests may also be made electronically via e-mail at: investor.relations.rws@rompetrol.com and office.rws@rompetrol.com.

Internal control and risk management systems in relation to financial reporting procedures

The company has continuously adapted the internal control mechanism as a set of procedures and working methods with the scope of preventing acts contrary to the economic interests of the Company and to the regulated framework of the activity, and with the scope of identifying the deficiencies and of establishing the necessary measures to reestablish the regulated framework of the activity. This targets mainly the relationships, phenomena and the financial processes aimed at ensuring the proper functioning of economic activity. Also, aspects of opportunity, necessity and economicity of the company's operations are analyzed. As concerning the financial reporting procedures, the company has developed internal reporting procedures and is also compliant to the external reporting procedures. The procedures are periodically reviewed by the functioning departments of the company. The financial reporting systems are based on the existing legal principles, rules and regulations.

6.5. Social responsibility

Rompetrol Well Services S.A. actively supports all programs of social responsibility of the Group **KazMunayGaz International (KMG)**.

Community

The strength and evolution of KMG International do not rely on technology but on its people, who make the Group's development possible. Therefore, our CSR initiatives are based on the same values as those of our people.

KMG International views social responsibility as voluntary contribution to the development of the society, correlated with the core values, the objectives, the activities, the international laws and the resources of the Group.

As a revered corporate citizen and worldwide trustworthy partner, we contribute to the development of the countries and communities where we operate by creating jobs, employing local workforce and using local suppliers.

However, our commitment surpasses the economic aspects and implications of our actions. The commitment to CSR provides a guiding framework for all KMG International management decisions and we focus particularly on harnessing industry best practice by encouraging Group and community participation in corporate citizenship projects focused on raising the standards in the areas of business success, environment, health and safety, responsibility towards the community, culture, education and leadership.

Key ways in which we contribute to communities where we operate include paying local taxes, employment, the use and development of local services and suppliers, investment in local infrastructure and social programs, including social investment.

We firmly believe that by strategically investing in local communities we can also positively influence our long-term economic performance. Healthy, vibrant communities drive demand for our services and play an important role in the development of an educated workforce and a robust, sustainable supply chain. We work with stakeholders in all our areas of operations to address challenges and advance the quality of life in the communities.

Community engagement

Our involvement is based on community engagement and consultation, so as to identify the projects which can deliver the greatest value to local communities. We support those initiatives that help improve local economic conditions as it is our belief that economic development leads to the empowerment of local communities.

As part of our ongoing business process, we engage with our community stakeholders either on a project-by-project basis or on a company basis through philanthropic and community programs and initiatives. On a project-by-project basis, we proactively engage local communities, government and municipalities to address project-related social, economic or environmental concerns. This type of community engagement is directed by project management and carried out jointly with our clients and partners. On a company basis, we establish relationships with community stakeholders to proactively identify needs that align with KMG International's strategic focus areas.

Community and corporate partnerships

Over the years, Rompetrol Well Services has developed solid partnerships with representatives of both the academic environment and civil society, which resulted in the implementation of complex sustainable projects and programs.

Rompetrol Well Services has developed partnerships with key academic institutions in the oil & gas sector (oil & engineering departments within the University of Oil and Gas of Ploiești), offering its support to maintain the academic tradition of Romania in this field. The company developed an internship program for talented students in this field, with more than 1,500 students attending the program during the latest 15 years, out of which more than 400 became employees of the companies within KMG International group.

The program approaches two directions: firstly, to promote the company's culture and development opportunities and secondly, the actual Internship program.

7. Appendices

a) articles of association of company, if they have been modified during the reporting year;

Articles of association of the Company was amended during the year 2017 by the Board of Directors decision of 28.04.2017. By Board of Directors Decision was supplemented of the Company's secondary object of activity with the following secondary object 4675 - Wholesale of chemical products.

b) major contracts concluded by the commercial society during the reporting year;

ROMPETROL WELL SERVICES S.A. Ploiești, as **provider-supplier**, has developed its activity based on contracts, whose object was services delivery related to oil and gas extraction.

In terms of **services contracts** concluded with various internal beneficiaries, the situation at the end of 2017 is as follows:

CLIENT	Contract value (lei) 2017	Income (lei) 2017
OMV PETROM S.A. BUCURESTI	(*)	19,929,651
S.N.G.N. ROMGAZ S.A. MEDIAS	(*)	11.831,005
FORAJ SONDE VIDELE SA	(*)	998,162
EXPERT PETROLEUM SOLUTIONS SRL	(*)	949,984
MAZARINE ENERGY ROMANIA SRL	(*)	636,166
NIS PETROL SRL	(*)	530,695
FORAJ SONDE CRAIOVA	(*)	510,069
AMROMCO ENERGY SRL	(*)	496,563
Other clients	(*)	3,257,207

(*) There were contracts in execution in 2017 without total value specifications.

c) resignation/dismissal acts, if there were such situations among the members of the administrative department, executive management, auditors;

On 30.04.2018, Mr. Vadim Poletaev renunciation to the mandate of director of Rompetrol Well Services SA.

d) list of company's subsidiaries and societies under its control;

Rompetrol Well Services S.A. has no subsidiaries or societies under its control.

e) list of persons affiliated to the company¹

Rompetrol Well Services S.A. is part of the Group: KMG International².

The group (KMG International) is registered to A.S.F. and at 31.12.2017 consisted of the following companies:

- KMG International N.V.³
- Oilfield Exploration Business Solutions S.A.
- Rompetrol Downstream S.R.L.
- Rompetrol Rafinare S.A
- Palplast S.A.
- Rompetrol Logistics S.R.L.
- Rominserv S.R.L.
- Rom Oil S.A.
- Global Security Sistem S.A.
- Uzina Termoelectrică Midia S.A.
- Rompetrol Petrochemicals S.R.L.
- Rompetrol Quality Control S.R.L.
- Rompetrol Financial Group S.R.L.
- Rompetrol Gas S.R.L.
- Midia Marine Terminal S.R.L.
- KMG Rompetrol S.R.L.
- Byron Shipping S.R.L.
- EPPLN SAS (Entrepot Petrolier de Port La Nouvelle)
- Rominserv Valves Ialfo S.R.L.
- Byron Shipping LTD
- Rompetrol Moldova S.A.
- Rompetrol Georgia LTD
- Rompetrol France SAS
- Dyneff SAS
- Dyneff Espagne SL
- DYNEFF Trading SL⁴
- Dyneff Gas Stations Network SL (DYNEFF CATALOGNE SLU)
- DPPLN SAS (Depot Petrolier de Port-la Nouvelle)
- Rompetrol Ukraine LTD
- AGAT LTD.
- KazMunayGas-Engineering LLP⁵
- TRG PETROL TICARET ANONIM ŞİRKETİ
- Rompetrol Bulgaria AD
- KazMunayGaz Trading A.G.
- Rompetrol Energy S.A.
- Rompetrol Albania Downstream Sh.A - liquidation proceedings
- Rompetrol Albania Wholesale Sh.A - liquidation proceedings
- Rompetrol Albania ShA - liquidation proceedings
- Rompetrol Distribution Albania Sh.A. - liquidation proceedings
- KMG Rompetrol Services Center SRL⁶
- KazMunayGas Engineering B.V.
- KazMunayGas Trading SingaporePTE. LTD

¹At this point they were listed all the companies within the Group: KMG International.

²Until March 2014, under the name The Rompetrol Group

³Until March 2014, under the name The Rompetrol Group N.V.

⁴Until 2014, under the name BIONEFF SL

⁵With the old name Rominserv Kazakhstan LLC

⁶With the old name ROMPETROL EXPLORATION & PRODUCTION SRL

- Oman J.V.⁷
- Rompetrol Drilling S.R.L.
- KMG ROMPETROL DEVELOPMENT S.R.L.
- Bio Advanced Energy SAS – cu sediul în Montpellier, Franța⁸
- Bio Advanced Energy Prod SAS – cu sediul în Labarthe Inard, Franța⁹
- Global Security Systems – Fire Services SRL¹⁰
- SFR SA
- DP FOS SA
- Dyneff Retail SAS
- Boissonnade Combustibles SAS
- Combustibles de Cerdagne SAS

**CHAIRMAN OF THE ADMINISTRATION BOARD,
Mr. Yerzhan ORYNBASSAROV**



**GENERAL MANAGER,
Mr. Timur ZHETPISBAYEV**



**FINANCE MANAGER,
Mrs. Valerica DUMITRU**



⁷ With the old name Benon Rompetrol

⁸ Established in January 11, 2016

⁹ Established in March 14, 2016

APPENDIX 1

STRUCTURE OF TURNOVER

Line of Business	2015		2016		2017	
	Actual (RON)	%	Actual (RON)	%	Actual (RON)	%
1	2	3	4	5	6	7
Cementing-Pumping Services	33,846,474	67.7%	19,525,563	62.8%	26,102,648	65.3%
Stimulation Services	8,881,709	17.8%	8,670,803	27.9%	7,820,854	19.6%
Nitrogen Services	139,733	0.3%	100,074	0.3%	1,991,771	5.0%
Tubular Running Services	1,910,788	3.8%	1,228,915	4.0%	1,635,565	4.1%
Equipment Rental	2,046,919	4.1%	922,418	3.0%	926,321	2.3%
Sand Control Services	69101.03	0.1%	35,275	0.1%	148,913	0.4%
Slickline Services	984,388	2.0%	512,455	1.6%	22,282	0.1%
Other Services	2,095,914	4.2%	110,607	0.4%	1,348,714	3.4%
TOTAL - TURNOVER	49,975,025	100%	31,106,109	100%	39,997,068	100%

**Status of compliance of the new BSE Governance Corporate Code
as of December 31st, 2017**

Governance Corporate Code	Compliance	Not compliance or partial compliance	Reason for the non-compliance
<p>A.1. All companies should have internal regulation of the Board which includes terms of reference/responsibilities for Board and key management functions of the company, applying, among others, the General Principles of Section A.</p>		Partial compliance	The terms of reference / Board's responsibilities and key functions of the company management are also included in the company's Articles of Association. This requirement will be analyzed in the Board meetings in 2018.
<p>A.2. Provisions for the management of conflict of interest should be included in Board regulation. In any event, members of the Board should notify the Board of any conflicts of interest which have arisen or may arise, and should refrain from taking part in the discussion (including by not being present where this does not render the meeting nonquorate) and from voting on the adoption of a resolution on the issue which gives rise to such conflict of interest.</p>		Partial compliance	The Articles of Association do not contain any provisions concerning the management of conflicts of interest. However, the recommendation of the Corporate Governance Code is complied with.
<p>A.3. The Board of Directors should have at least five members.</p>	YES		
<p>A.4. The majority of the members of the Board should be non-executive. Not less than two non-executive members of the Board of Directors should be independent, in the case of Premium Tier Companies. Each member of the Board should submit a declaration that he/she is independent at the moment of his/her nomination for election or re-election as well as when any change in his/her status arises, by demonstrating the ground on which he/she is considered independent in character and judgment.</p>		Partial compliance	Most of the Board members are non-executive directors. Currently, there are no independent directors. This requirement will be analyzed at Board level.
<p>A.5. A Board member's other relatively permanent professional</p>	YES		

commitments and engagements, including executive and nonexecutive Board positions in companies and not-for-profit institutions, should be disclosed to shareholders and to potential investors before appointment and during his/her mandate.				
A.6. Any member of the Board should submit to the Board, information on any relationship with a shareholder who holds directly or indirectly, shares representing more than 5% of all voting rights.	NOT			The requirement will be implemented.
A.7. The company should appoint a Board secretary responsible for supporting the work of the Board.	Partial compliance			Support - legal department
A.8. The corporate governance statement should inform on whether an evaluation of the Board has taken place under the leadership of the chairman or the nomination committee and, if it has, summarize key action points and changes resulting from it. The company should have a policy/guidance regarding the evaluation of the Board containing the purpose, criteria and frequency of the evaluation process.	NOT			The company will develop a policy / guidance concerning the Board's evaluation and including the purpose, criteria and frequency of the evaluation process.
A.9. The corporate governance statement should contain information on the number of meetings of the Board and the committees during the past year, attendance by directors (in person and in absentia) and a report of the Board and committees on their activities.		YES		
A.10. The corporate governance statement should contain information on the precise number of the independent members of the Board of Directors.		YES		
A.11. The Board of Premium Tier companies should set up a nomination committee formed of nonexecutives, which will lead the process for Board appointments and make recommendations to the Board. The majority of the members of the nomination committee should be independent.	N/A			The company is included in the Standard Category.
B.1. The Board should set up an audit committee, and at least one member should be an independent nonexecutive. In the case of Premium Tier companies, the audit committee should be composed of at least three members and the majority of the audit	NOT			Formation of the Audit Committee is underway. The organization at KMG International Group level also implies the existence of

committee should be independent.				operational support functions with various responsibilities. The relation between the company and the functions at KMG International Group level is regulated by a service agreement
B.2. The audit committee should be chaired by an independent nonexecutive member.			NOT	See the explanation at B.1.
B.3. Among its responsibilities, the audit committee should undertake an annual assessment of the system of internal control.			NOT	See the explanation at B.1.
B.4. The assessment should consider the effectiveness and scope of the internal audit function, the adequacy of risk management and internal control reports to the audit committee of the Board, management's responsiveness and effectiveness in dealing with identified internal control failings or weaknesses and their submission of relevant reports to the Board.			NOT	See the explanation at B.1.
B.5. The audit committee should review conflicts of interests in transactions of the company and its subsidiaries with related parties.			NOT	See the explanation at B.1.
B.6. The audit committee should evaluate the efficiency of the internal control system and risk management system.			NOT	See the explanation at B.1.
B.7. The audit committee should monitor the application of statutory and generally accepted standards of internal auditing. The audit committee should receive and evaluate the reports of the internal audit team.			NOT	See the explanation at B.1.
B.8. Whenever the Code mentions reviews or analysis to be exercised by the Audit Committee, these should be followed by periodical (at least annual), or ad-hoc reports to be submitted to the Board afterwards.			NOT	See the explanation at B.1.
B.9. No shareholder may be given undue preference over other shareholders with regard to transactions and agreements made by the company with shareholders and their related parties.	YES			
B.10. The Board should adopt a policy ensuring that any transaction of the company with any of the companies with which			NOT	This requirement will be analyzed by the Board in 2018.

<p>it has close relations, that is equal to or more than 5% of the net assets of the company (as stated in the latest financial report), should be approved by the Board following an obligatory opinion of the audit committee.</p>				
<p>B.1.1. The internal audits should be carried out by a separate structural division (internal audit department) within the company or by retaining an independent third-party entity.</p>	YES		<p>The internal auditor reports directly to the CEO, Board of directors and specific departments of KMG International Group</p>	
<p>B.1.2. To ensure the fulfillment of the core functions of the internal audit department, it should report functionally to the Board via the audit committee. For administrative purposes and in the scope related to the obligations of the management to monitor and mitigate risks, it should report directly to the chief executive officer.</p>		Partial compliance	<p>The requirement will be implemented.</p>	
<p>C.1. The company should publish a remuneration policy on its website and include in its annual report a remuneration statement on the implementation of this policy during the annual period under review. Any essential change of the remuneration policy should be published on the corporate website in a timely fashion.</p>		NOT		
<p>D.1. The company should have an Investor Relations function - indicated, by person (s) responsible or an organizational unit, to the general public. In addition to information required by legal provisions, the company should include on its corporate website a dedicated Investor Relations section, both in Romanian and English, with all relevant information of interest for investors, including:</p>	YES			
<ul style="list-style-type: none"> • D.1.1. Principal corporate regulations: the articles of association, general shareholders' meeting procedures; 	YES			
<ul style="list-style-type: none"> • D.1.2. Professional CVs of the members of its governing bodies, a Board member's other professional commitments, including executive and nonexecutive Board positions in companies and not-for-profit institutions; 		Partial Compliance	<p>The recommendation is not implemented as concerns other professional commitments of the Board's members, including executive and non-executive positions in the boards of administration of other companies or non-profit institution. It will be implemented.</p>	
<ul style="list-style-type: none"> • D.1.3. Current reports and periodic reports (quarterly, semi-annual and annual reports); 	YES			

<ul style="list-style-type: none"> • D.1.4. Information related to general meetings of shareholders; 	YES		
<ul style="list-style-type: none"> • D.1.5. Information on corporate events; 	YES		
<ul style="list-style-type: none"> • D.1.6. The name and contact data of a person who should be able to provide knowledgeable information on request; 	YES		
<ul style="list-style-type: none"> • D.1.7. Corporate presentations (e.g. IR presentations, quarterly results presentations, etc.), financial statements (quarterly, semiannual, annual), auditor reports and annual reports. 	YES		
D.2. A company should have an annual cash distribution or dividend policy. The annual cash distribution or dividend policy principles should be published on the corporate website.		NOT	The requirement will be implemented.
D.3. A company should have adopted a policy with respect to forecasts, whether they are distributed or not. The forecast policy should be published on the corporate website.		NOT	The requirement will be implemented.
D.4. The rules of general meetings of shareholders should not restrict the participation of shareholders in general meetings and the exercising of their rights. Amendments of the rules should take effect, at the earliest, as of the next general meeting of shareholders.	YES		
D.5. The external auditors should attend the shareholders' meetings when their reports are presented there.	YES		
D.6. The Board should present to the annual general meeting of shareholders a brief assessment of the internal controls and significant risk management system, as well as opinions on issues subject to resolution at the general meeting.	YES		
D.7. Any professional, consultant, expert or financial analyst may participate in the shareholders' meeting upon prior invitation from the Chairman of the Board. Accredited journalists may also participate in the general meeting of shareholders, unless the Chairman of the Board decides otherwise.	YES		
D.8. The quarterly and semi-annual financial reports should include information in both Romanian and English regarding the key drivers influencing the change in sales, operating profit, net	YES		

<p>profit and other relevant financial indicators, both on quarter-on-quarter and year-on-year terms.</p>			
<p>D.9. A company should organize at least two meetings /conference calls with analysts and investors each year. The information presented on these occasions should be published in the IR section of the company website at the time of the meetings/conference calls.</p>		<p>Partial Compliance</p>	<p>The regular reports prepared by the company to disclose its financial items are complete, highly transparent and relevant in terms of information necessary for making investment decisions. The organization of such events will be established depending on the requests from investors.</p>
<p>D.10. If a company supports various forms of artistic and cultural expression, sport activities, educational or scientific activities, and considers the resulting impact on the innovativeness and competitiveness of the company part of its business mission and development strategy, it should publish the policy guiding its activity in this area.</p>	<p>YES</p>		

CHAIRMAN OF THE ADMINISTRATION BOARD,

Mr. Yerzhan ORYNBASSAROV



GENERAL MANAGER,

Mr. Timur ZHETPISBAYEV



**ACT CONSTITUTIV
AL SOCIETĂȚII COMERCIALE ROMPETROL WELL SERVICES S.A.**

**CAPITOLUL I
Acționarii, Forma juridică, Denumirea, Sediul**

Articolul 1. Acționarii

1.1. Acționarii societății sunt:

A. Acționarii semnificativi:

- Societatea KazMunayGas Internațional NV, deținând 73,011% din capitalul social;

B. Acționarii deținători fiecare în parte a mai puțin de 10% din capitalul social.

Articolul 2. Denumirea

2.1. Denumirea societății este "Rompetro Well Services" și va fi întotdeauna urmată de inițialele "S.A.", sau de cuvintele "societate pe acțiuni", precum și de mențiunea „Companie a Grupului KazMunayGas”.

2.2. În orice act, scrisoare sau publicație emanând de la societate, trebuie să se menționeze denumirea societății, forma juridică, sediul, numărul de înmatriculare în registrul comerțului, codul fiscal, capitalul social, din care cel efectiv vărsat, precum și mențiunea „membru al Grupului KazMunayGas”.

Articolul 3. Forma juridică

3.1. Societatea comercială "Rompetro Well Services" este o societate ale cărei acțiuni sunt cotate pe o piață reglementată, persoană juridică română constituită ca o societate pe acțiuni și funcționează în conformitate cu prevederile prezentului act constitutiv și ale legii române.

Articolul 4. Sediul societății

4.1. Sediul societății este în Ploiești, str. Clopoței nr. 2 bis, județul Prahova, România.

4.2. Societatea poate înființa sedii secundare – sucursale, puncte de lucru, birouri, reprezentanțe sau alte asemenea unități fără personalitate juridică, în țară sau în străinătate, pe baza hotărârii adunării generale extraordinare a societății.

**CAPITOLUL II
Obiectul de activitate**

Articolul 5. Obiectul de activitate

5.1. Domeniul de activitate îl constituie "Activități de servicii anexe extracției petrolului brut și gazelor naturale" – cod CAEN 091, iar obiectul principal de activitate este reprezentat de "Activități de servicii anexe extracției petrolului brut și gazelor naturale" – cod CAEN 0910.

5.2. Obiectul principal de activitate al societății se completează cu următoarele obiecte de activitate secundare:

- 0610 - Extracția petrolului brut;
- 0620 - Extracția gazelor naturale;
- 1039 - Prelucrarea și conservarea fructelor și legumelor n.c.a.;
- 1107 - Producția de băuturi răcoritoare nealcoolice; producția de ape minerale și alte ape îmbuteliate;
- 2011 - Fabricarea gazelor industriale;
- 2013 - Fabricarea altor produse chimice anorganice, de bază;
- 2059 - Fabricarea altor produse chimice n.c.a.;
- 2332 - Fabricarea cărămizilor, țiglelor și altor produse pentru construcții, din argilă arsă;
- 2361 - Fabricarea produselor din beton pentru construcții;
- 2363 - Fabricarea betonului;
- 2433 - Producția de profile obținute la rece;
- 2511 - Fabricarea de construcții metalice și părți componente ale structurilor metalice;
- 2512 - Fabricarea de uși și ferestre din metal;
- 2571 - Fabricarea produselor de tăiat;
- 2599 - Fabricarea altor articole din metal n.c.a.;
- 2611 - Fabricarea subsansamblurilor electronice(module);
- 2740 - Fabricarea de echipamente electrice de iluminat;
- 2811 - Fabricarea de motoare și turbine (cu excepția celor pentru avioane, autovehicule și motocicletele);
- 2892 - Fabricarea utilajelor pentru extracție și construcții;
- 2931 - Fabricarea de echipamente electrice și electronice pentru autovehicule și pentru motoare de autovehicule;
- 2932 - Fabricarea altor plese și accesorii pentru autovehicule și pentru motoare de autovehicule;
- 3299 - Fabricarea altor produse manufacturiere n.c.a.;
- 3311 - Repararea articolelor fabricate din metal;
- 3312 - Repararea mașinilor;
- 3319 - Repararea altor echipamente;
- 3320 - Instalarea mașinilor și echipamentelor industriale;
- 3530 - Furnizarea de abur și aer condiționat;
- 4110 - Dezvoltare (promovare) imobiliară;
- 4120 - Lucrări de construcții a clădirilor rezidențiale și nerezidențiale;
- 4211 - Lucrări de construcții a drumurilor și autostrăzilor;
- 4212 - Lucrări de construcții a căilor ferate de suprafață și subterane;
- 4213 - Construcția de poduri și tuneluri;
- 4221 - Lucrări de construcții a proiectelor utilitare pentru fluide;
- 4222 - Lucrări de construcții a proiectelor pentru electricitate și telecomunicații;
- 4299 - Lucrări de construcții a altor proiecte ingineresti n.c.a.;
- 4313 - Lucrări de foraj și sondaj pentru construcții;
- 4321 - Lucrări de instalații electrice;
- 4329 - Alte lucrări de instalații pentru construcții;
- 4332 - Lucrări de tâmplărie și dulgherie;
- 4391 - Lucrări de învelitori, șarpante și terase la construcții;
- 4399 - Alte lucrări speciale de construcții n.c.a.;
- 4520 - Întreținerea și repararea autovehiculelor;
- 4531 - Comerț cu ridicata de plese și accesorii pentru autovehicule;
- 4532 - Comerț cu amănuntul de piese și accesorii pentru autovehicule;
- 4612 - Intermedieri în comerțul cu combustibili, minereuri, metale și produse chimice pentru industrie;
- 4614 - Intermedieri în comerțul cu mașini, echipamente industriale, nave și avioane;

- 4619 - Intermedieri în comerțul cu produse diverse;
- 4631 - Comerț cu ridicata al fructelor și legumelor;
- 4635 - Comerț cu ridicata al produselor din tutun;
- 4636 - Comerț cu ridicata al zahărului, ciocolatei și produselor zaharoase;
- 4637 - Comerț cu ridicata cu cafea, ceai, cacao și condimente;
- 4638 - Comerț cu ridicata, specializat, al altor alimente, inclusiv pește, crustacee și moluște;
- 4639 - Comerț cu ridicata, nespecializat, de produse alimentare, băuturi și tutun;
- 4643 - Comerț cu ridicata al aparatelor electrice de uz gospodăresc, al aparatelor de radio și televizoarelor;
- 4647 - Comerț cu ridicata al mobilei, covoarelor și a articolelor de iluminat;
- 4652 - Comerț cu ridicata de componente și echipamente electronice și de telecomunicații;
- 4663 - Comerț cu ridicata al mașinilor pentru industria minieră și construcții;
- 4669 - Comerț cu ridicata al altor mașini și echipamente;
- 4671 - Comerț cu ridicata al combustibililor solizi, lichizi și gazoși și al produselor derivate;
- 4675 - Comerț cu ridicata al produselor chimice;
- 4690 - Comerț cu ridicata nespecializat;
- 4711 - Comerț cu amănuntul în magazine nespecializate, cu vânzare predominantă de produse alimentare, băuturi și tutun;
- 4719 - Comerț cu amănuntul în magazine nespecializate, cu vânzare predominantă de produse nealimentare;
- 4730 - Comerț cu amănuntul al carburanților pentru autovehicule în magazine specializate;
- 4741 - Comerț cu amănuntul al calculatoarelor, unităților periferice și software-ului în magazine specializate;
- 4742 - Comerț cu amănuntul al echipamentului pentru telecomunicații în magazine specializate;
- 4753 - Comerț cu amănuntul al covoarelor, carpetelor, tapetelor și a altor acoperitoare de podea, în magazine specializate;
- 4759 - Comerț cu amănuntul al mobilei, al articolelor de iluminat și al articolelor de uz casnic n.c.a., în magazine specializate;
- 4764 - Comerț cu amănuntul al echipamentelor sportive, în magazine specializate;
- 4765 - Comerț cu amănuntul al jocurilor și jucăriilor, în magazine specializate;
- 4776 - Comerț cu amănuntul al florilor, plantelor și semințelor, comerț cu amănuntul al animalelor de companie și a hranei pentru acestea, în magazine specializate;
- 4777 - Comerț cu amănuntul al ceasurilor și bijuteriilor, în magazine specializate;
- 4778 - Comerțul cu amănuntul al altor bunuri noi, în magazine specializate;
- 4939 - Alte transporturi terestre de călători n.c.a.
- 4941 - Transporturi rutiere de mărfuri;
- 4942 - Servicii de mutare;
- 5210 - Depozitări;
- 5221 - Activități de servicii anexe pentru transporturi terestre;
- 5222 - Activități de servicii anexe transportului pe apă;
- 5224 - Manipulări;
- 5229 - Alte activități anexe transporturilor;
- 5920 - Activități de realizare a înregistrărilor audio și activități de editare muzicală;
- 6399 - Alte activități de servicii informaționale n.c.a.;
- 6492 - Alte activități de creditare - cu mențiunea ca aceasta activitate va fi derulată exclusiv în cadrul operațiunilor desfășurate între Societate și societățile afiliate membre ale Grupului Rompetrol;
- 6612 - Activități de intermediere a tranzacțiilor financiare;
- 6619 - Activități auxiliare intermediierilor financiare, exclusiv activități de asigurări și fonduri de pensii;
- 6810 - Cumpărarea și vânzarea de bunuri imobiliare proprii;
- 6820 - Închirierea și subînchirierea bunurilor imobiliare proprii sau închiriate;
- 6832 - Administrarea imobilelor pe bază de comision sau contract;
- 7111 - Activități de arhitectură;
- 7112 - Activități de inginerie și consultanță tehnică legate de acestea;
- 7120 - Activități de testări și analize tehnice;

- 7211 - Cercetare-dezvoltare în biotehnologie;
- 7219 - Cercetare-dezvoltare în alte științe naturale și inginerie;
- 7220 - Cercetare-dezvoltare în științe sociale și umaniste;
- 7410 - Activități de design specializat;
- 7430 - Activități de traducere scrisă și orală(interpreți);
- 7490 - Alte activități profesionale, științifice și tehnice n.c.a.;
- 7739 - Activități de închiriere și leasing cu alte mașini, echipamente și bunuri tangibile n.c.a.
- 7740 - Leasing cu bunuri intangibile (exclusiv financiare);
- 7810 - Activități ale agențiilor de plasare a forței de muncă;
- 7820 - Activități de contractare, pe baze temporare, a personalului;
- 7830 - Servicii de furnizare și management a forței de muncă;
- 7911 - Activități ale agențiilor turistice;
- 7912 - Activități ale tur-operatorilor;
- 7990 - Alte servicii de rezervare și asistență turistică;
- 8110 - Activități de servicii suport combinate;
- 8211 - Activități combinate de secretariat;
- 8219 - Activități de fotocopiere, de pregătire a documentelor și alte activități specializate de secretariat;
- 8230 - Activități de organizare a expozițiilor, târgurilor și congreselor;
- 8291 - Activități ale agențiilor de colectare și a birourilor (oficiilor) de raportare a creditului;
- 8299 - Alte activități de servicii suport pentru întreprinderi n.c.a.;
- 8551 - Învățământ în domeniul sportiv și recreațional;
- 9609 - Alte activități de servicii n.c.a.;

CAPITOLUL III **Capitalul social. Acțiunile**

Articolul 6. Capitalul social

- 6.1. Capitalul social al societății Integral subscris și vărsat este de 27.819.090 lei.
- 6.2. Capitalul social este reprezentat de 278.190.900 acțiuni nominative, emise în formă dematerializată, integral acoperite, fiecare acțiune având o valoare nominală de 0,1 lei.
- Capitalul social este repartizat pe acționari astfel:
- KazMunayGas Internațional N.V. deține 20.311.015 lei corespunzător unui număr de 203.110.150 acțiuni x 0,10 lei- în procent de 73,011 %.
 - alți acționari ce dețin 7.508.075 lei corespunzător unui număr de 75.080.750 acțiuni x 0,10 lei- în procent de 26,989 %.

Articolul 7. Acțiunile

- 7.1. Fiecare acțiune deținută conferă acționarilor dreptul la un vot în adunarea generală a acționarilor, dreptul de a alege și de a fi ales în organele de conducere ale societății, dreptul de a participa la împărțirea beneficilor și a activului social la dizolvarea societății, precum și alte drepturi stabilite de lege.
- 7.2. Consiliul de administrație va contracta cu o societate de registru independent privat ținerea registrului acționarilor în sistem computerizat și efectuarea înregistrărilor și a altor operațiuni legate de acest registru.
- 7.3. Acțiunile sunt nominative, indivizibile cu privire la societate, aceasta recunoscând doar un proprietar pentru fiecare acțiune și sunt dematerializate.

Articolul 8. Cesiunea acțiunilor

8.1. Dreptul de proprietate și orice alte atribute ale acestuia asupra acțiunilor se transmit potrivit prevederilor legislației pieței de capital.

Articolul 9. Drepturile și obligațiile care decurg din deținerea de acțiuni

9.1. Fiecare acțiune plătită în condițiile prevăzute de actul constitutiv sau de hotărârea/decizia statutară de majorare a capitalului social dă dreptul la un vot în adunarea generală a acționarilor și în luarea deciziilor privind activitatea societății în conformitate cu prevederile prezentului act constitutiv și ale legilor române.

9.2. Deținerea de acțiuni implică adeziunea de drept la prezentul act constitutiv.

9.3. Drepturile și obligațiile deținătorilor de acțiuni urmează acțiunile și în cazul trecerii lor în proprietatea altor persoane.

9.4. Pe durata societății, creditorii personali ai acționarilor pot să își exercite drepturile lor numai asupra părții din beneficiile convenite acționarilor după situațiile financiare, iar după lichidarea societății, asupra părții ce li s-ar cuveni prin lichidare. Creditorii personali ai acționarilor pot totuși primi, în timpul duratei societății, părțile ce s-ar cuveni acționarilor prin lichidare sau pot sechestra și vinde acțiunile debitorilor lor.

Art. 10. Alte instrumente financiare

10.1 Societatea poate să emită alte instrumente financiare (obligațiuni) în condițiile legii.

CAPITOLUL IV Adunarea Generală

Articolul 11 Atribuții

11.1. Societatea este condusă de adunarea generală a acționarilor care poate fi ordinară și extraordinară.

11.2. Adunarea generală ordinară se întrunește cel puțin o dată pe an, în termenul imperativ prevăzut de lege, și are următoarele atribuții principale:

- a) să discute, să aprobe sau să modifice situațiile financiare anuale, pe baza rapoartelor prezentate de consiliul de administrație și auditorul financiar, și să fixeze dividendul;
- b) să aleagă și să revoce administratorii societății;
- c) să numească și să fixeze durata minimă a contractului de audit financiar, precum și să revoce auditorul financiar;
- d) să fixeze pentru fiecare exercițiu în curs remunerația convenită administratorilor;
- e) să se pronunțe asupra gestiunii administratorilor;
- f) să analizeze activitatea consiliului de administrație și să decidă urmărirea administratorilor pentru daunele pricinuite societății, desemnând și persoana însărcinată să o exercite;
- g) să stabilească bugetul de venituri și cheltuieli și, după caz, programul de activitate, pe exercițiul financiar următor;
- h) să hotărască gajarea, închirierea sau desființarea uneia sau a mai multor unități ale societății;
- i) aprobă limitele maxime ale remunerației persoanelor care ocupă/exercită funcții de conducere atunci când legea prevede acest lucru;

11.3. Adunarea generală extraordinară are următoarele atribuții:

- a) schimbarea formei juridice a societății;
- b) mutarea sedlului societății;
- c) schimbarea obiectului de activitate al societății;
- d) înființarea sau desființarea unor sedii secundare: sucursale, agenții, reprezentanțe sau alte asemenea unități fără personalitate juridică, dacă prin actul constitutiv nu se prevede altfel;

- e) prelungirea duratei societății;
- f) majorarea capitalului social;
- g) reducerea capitalului social sau reîntregirea lui prin emisiune de noi acțiuni;
- h) fuziunea cu alte societăți sau divizarea societății;
- i) dizolvarea anticipată a societății;
- j) conversia acțiunilor dintr-o categorie în cealaltă;
- k) conversia unei categorii de obligațiuni în altă categorie sau în acțiuni;
- l) emisiunea de obligațiuni;
- m) aprobă adoptarea /închelarea în numele societății a actelor juridice al căror obiect are o valoare mai mare de 10.000.000 USD;
- n) oricare altă modificare a actului constitutiv sau oricare altă hotărâre pentru care este cerută aprobarea adunării generale extraordinare.

Adunarea generală extraordinară delegă consiliului de administrație exercițiul atribuțiilor prevăzute la literele b) și c) ale alineatului de mai sus.

11.4. Adunarea generală extraordinară poate delega consiliului de administrație majorarea capitalului social în conformitate cu dispozițiile art. 236 din legea nr. 297/2004 privind piața de capital.

Articolul 12. Convocare

12.1. Adunarea generală a acționarilor se convoacă de către administratori ori de câte ori va fi nevoie, prin publicarea unui anunț în Monitorul Oficial al României, Partea a IV-a, și într-unul din ziarele locale sau naționale de largă răspândire în localitatea unde se află sediul societății.

12.2. Convocarea va cuprinde: locul, data și ora ținerii adunării, ordinea de zi cu menționarea explicită a tuturor problemelor care vor face obiectul dezbaterilor adunării și orice alte mențiuni prevăzute de legislația specifică pieței de capital.

12.3. Când în ordinea de zi figurează propunerile pentru modificarea actului constitutiv, convocarea va trebui să cuprindă textul integral al propunerilor.

12.4. Când în ordinea de zi este înscrisă alegerea administratorilor, convocarea va trebui să includă mențiunea că lista cu privire la numele, localitatea de domiciliu și calificarea profesională a persoanelor propuse pentru funcția de administrator se află la dispoziția acționarilor, putând fi consultată și completată de către aceștia.

12.5. În înștiințarea pentru prima adunare generală se vor putea fixa ziua și ora pentru cea de-a doua adunare, pentru situația în care cea dintâi nu s-ar putea ține. Dacă ziua fixată pentru a doua adunare generală nu este menționată în înștiințare, ea se va putea convoca în termen de minimum 8 zile.

Articolul 13. Organizare

13.1. Pentru validitatea deliberărilor adunării generale ordinare este necesară prezența acționarilor care să dețină cel puțin o pătrime din numărul total de drepturi de vot. Hotărârile adunării generale ordinare se iau cu majoritatea voturilor exprimate.

Dacă adunarea generală ordinară nu poate lucra din cauza neîndeplinirii condițiilor prevăzute la alin. (1), adunarea ce se va întruni la o a doua convocare poate să delibereze asupra punctelor de pe ordinea de zi a celei dintâi adunări, indiferent de cvorumul întrunit, luând hotărâri cu majoritatea voturilor exprimate.

Pentru validitatea deliberărilor adunării generale extraordinare este necesară la prima convocare prezența acționarilor deținând cel puțin o pătrime din numărul total de drepturi de vot, iar la convocările următoare, prezența acționarilor reprezentând cel puțin o cincime din numărul total de drepturi de vot.

Hotărârile sunt luate cu majoritatea voturilor deținute de acționarii prezenți sau reprezentați. Decizia de modificare a obiectului principal de activitate al societății, de reducere sau majorare a capitalului social, de schimbare a formei juridice, de fuziune, divizare sau de dizolvare a societății se ia cu o majoritate de cel puțin două treimi din drepturile de vot deținute de acționarii prezenți sau reprezentați.

13.2. În cazul majorărilor de capital social prin aport în numerar, ridicarea dreptului de preferință a acționarilor de a subscrie noile acțiuni trebuie să fie hotărâtă în adunarea generală extraordinară a acționarilor. Hotărârea va fi luată în prezența acționarilor reprezentând 3/4 din capitalul social subscris, cu votul acționarilor care detin cel puțin 2/3 din drepturile de vot.

Majorările de capital social prin aport în natură trebuie să fie aprobate de adunarea generală extraordinară a acționarilor la care participă acționari reprezentând cel puțin 3/4 din capitalul social subscris, și cu votul acționarilor care să reprezinte cel puțin 2/3 din drepturile de vot. Aporturile în natură pot consta numai în bunuri performante necesare realizării obiectului de activitate al societății emitente."

13.3. Adunarea generală este prezidată de președintele consiliului de administrație sau de o persoană numită de acesta, care desemnează, dintre membrii adunării generale sau dintre acționarii societății, unul până la trei secretari, plus un secretar tehnic dintre salariați. Aceștia vor verifica lista de prezență și vor întocmi procesul-verbal al ședinței adunării generale.

13.4. Procura specială este valabilă doar pentru AGA pentru care a fost solicitată. Voturile înscrise în cadrul procurii speciale sunt exercitate numai în maniera transmisă de acționar.

13.5. Persoana care reprezintă mai mulți acționari pe bază de procuri speciale exprimă voturile persoanelor reprezentate prin totalizarea numărului de voturi "pentru", "împotrivă" și "abținere" fără a le compensa (de ex. la punctul x din ordinea de zi reprezintă "a" voturi "pentru", "b" voturi "împotrivă" și "c" "abțineri"). Voturile astfel exprimate sunt validate pe baza exemplarului trei al procurilor speciale, de către secretariatul adunării generale.

13.6. Hotărârile adunării generale se iau prin vot deschis, în afară de cazurile în care adunarea generală decide că votul să fie secret sau legea impune votul secret.

13.7. Hotărârile adunării generale sunt obligatorii pentru toți acționarii societății, chiar și pentru cei care nu au luat parte la adunare sau au votat contra.

13.8. Adunarea generală se poate întruni la sediul societății sau în alte locuri stabilite de administratori prin convocator.

13.9. Acționarii pot fi reprezentați în adunarea generală și prin persoane care nu au calitatea de acționar al societății, în baza unei împuterniciri speciale sau generale.

13.10. În cuprinsul prezentului articol, mențiunile cu privire la acționarii prezenți vor fi considerate a se referi atât la acționarii prezenți personal cât și la cei reprezentați.

CAPITOLUL V **Administrația societății** *(Varianta sistemului unitar)*

Consiliul de administrație

Articolul 14. Organizare

14.1. Activitatea societății este condusă de un consiliu de administrație compus din 5 membri, numiți de adunarea generală ordinară, care pot fi și acționari ai societății, persoane fizice sau juridice, de cetățenie, respectiv naționalitate, română sau străină. Administratorii desemnează dintre ei pe președintele consiliului de administrație. Atunci când o persoană juridică este aleasă administrator, drepturile și obligațiile administratorului, respectiv ale societății se stabilesc printr-un contract de administrare, în care se va stipula că persoana juridică este obligată să-și desemneze un reprezentant permanent persoană fizică.

14.2. Durata mandatului este de 4 ani, cu excepția cazului în care adunarea generală ordinară stabilește o altă durată a mandatului. La expirarea mandatului, oricare membru poate fi reales de adunarea generală.

14.3. Consiliul de administrație se întrunește cel puțin o dată la trei luni și ori de câte ori este nevoie.

14.4. Convocarea consiliului de administrație va cuprinde locul și data la care se va ține ședința și ordinea de zi.

14.5. Ședințele consiliului de administrație se țin cu prezența a cel puțin jumătate din numărul membrilor, deciziile fiind valabile dacă sunt adoptate cu votul majorității membrilor prezenți. În caz

de paritate a voturilor, președintele are vot decisiv. Prin prezență se înțelege atât prezența fizică, cât și prezența intelectuală, pe calea teleconferinței, pe calea videoconferinței, precum și prin corespondență trimisă prin poștă sau curier sau prin fax cu numele în clar și semnătura; atât prezența directă în persoană, cât și reprezentarea de către alt membru al consiliului.

Un membru prezent poate reprezenta doar un singur membru absent.

Cu ocazia fiecărei ședințe a consiliului de administrație se va întocmi un proces-verbal care va cuprinde numele participanților, ordinea deliberărilor, deciziile luate, numărul de voturi întrunite și opiniile separate, semnat de către președintele de ședință și de către cel puțin un alt administrator. Se acceptă drept proces-verbal de ședință valabil semnat cumulul tuturor copiilor având același conținut, semnate individual conform alineatului precedent.

14.6. În caz de vacanță (renunțarea administratorului, incapacitate legală, incapacitate fizică pe o perioadă mai mare de 45 de zile, moartea, etc.) a unuia dintre administratori, ceilalți administratori, deliberând în prezența a două treimi și cu majoritate absolută, procedează la numirea unui administrator provizoriu până la întrunirea adunării generale ordinare, care va numi noul administrator.

14.7. În exercitarea atribuțiilor sale în relațiile cu societatea, consiliul de administrație este obligat să respecte limitele impuse de lege, de prezentul act constitutiv, precum și de hotărârile adunării generale a acționarilor. Administratorii vor acționa în numele societății cu diligența și grija cerute unor oameni de afaceri obișnuți. Pentru evitarea dubiilor, consiliul de administrație poate face toate operațiunile cerute pentru aducerea la îndeplinire a obiectului de activitate al societății, în afară de restricțiile prevăzute în prezentul act constitutiv și/sau în hotărârile adunării generale a acționarilor.

14.8. Administratorii sunt solidari răspunzători față de societate pentru stricta îndeplinire a îndatoririlor pe care legea, actul constitutiv le impun, inclusiv pentru pagubele cauzate societății în urma acțiunilor administratorilor care depășesc limitele puterilor conferite acestora de actul constitutiv și/sau de lege indiferent dacă terții cunoșteau sau nu limitele puterilor conferite acestora.

Articolul 15. Atribuții

15.1. Consiliul de administrație are următoarele atribuții principale:

- a) stabilește direcțiile principale de activitate și de dezvoltare ale societății;
- b) stabilește sistemul contabil și de control financiar și aprobă planificarea financiară;
- c) numire, revocare, respectiv încheiere și încetare a contractelor directorilor Societății;
- d) aprobă structura organizatorică a societății și politica societății în ceea ce privește remunerația angajaților societății;
- e) supraveghează activitatea directorilor;
- f) pregătește raportul anual, organizează adunarea generală și implementează hotărârile acesteia;
- g) desemnează și/sau revocă persoanele care acționează în calitate de reprezentanți ai societății în relațiile cu băncile, cu drept de primă semnătură, respectiv cu drept de semnătură secundă; regulile de semnătură conjunctă se vor aplica în mod corespunzător pentru efectuarea oricărei plăți făcute pentru și în numele societății;
- h) aprobă condițiile de contractare a oricărui tipuri de împrumuturi de la o bancă și/sau instituție financiară, precum și de la orice altă persoană juridică;
- i) aprobă situațiile financiare intermediare ale societății, întocmite potrivit legii;
- j) aprobă strategia de marketing și planul de investiții al societății, precum și bugetul anual (cheltuieli de investiții și cheltuieli operaționale), la propunerea comună formulată de directorul general și directorul economic;
- k) cu excepția actelor juridice pentru adoptarea/încheierea cărora este necesară, potrivit dispozițiilor imperative ale legii, aprobarea adunării generale a acționarilor, aprobă adoptarea/încheierea în numele societății a actelor juridice al căror obiect are o valoare cuprinsă între 500.001 – 10.000.000 USD; aprobarea este necesară dacă este vorba de o singură tranzacție comercială efectuată prin unul și/sau mai multe contracte separate dacă valoarea cumulată a acestor contracte depășește suma respectivă;
- l) introduce cererea pentru deschiderea procedurii insolvenței societății, potrivit legii nr. 85/2006 privind procedura insolvenței;

Aceste atribuții nu pot fi delegate directorilor societății.

15.2. Consiliul de administrație are și următoarele atribuții delegate de adunarea generală extraordinară în condițiile prevăzute de art. 114 din legea nr. 31/1990, republicată:

- a) decide cu privire la mutarea sediului societății;
 - b) decide cu privire la schimbarea obiectului de activitate al societății (cu excepția domeniului principal și activității principale a societății);
 - c) decide cu privire la majorarea capitalului social prin emisiune de noi acțiuni, conform legii.
- 15.3. Consiliul de administrație își exercită atribuțiile prin adoptarea de decizii.

Articolul 16. Obligația de neconcurență

16.1. Prin prezentul act constitutiv se interzice administratorilor societății ca, pe toată durata mandatului să îndeplinească mandatul de administrator și în alte societăți comerciale având același obiect de activitate, sau să facă același fel de comerț sau altul concurent pe cont propriu sau pe contul altei persoane fizice sau juridice, cu excepția situațiilor în care astfel de mandate/funcții/pozii ar fi exercitate/ocupate în cadrul unor societăți membre ale Grupului KazMunayGas.

CAPITOLUL VI Directorii societății

Articolul 17. Delegarea conducerii

17.1. Singurele funcții cărora li se delegă conducerea societății în temeiul dispozițiilor art. 143 din legea nr. 31/1990 privind societățile comerciale sunt cele de director general și director economic. Orice altă funcție de director în cadrul societății (director resurse umane, director comercial, director administrativ, director IT etc), indiferent de denumirea acesteia, nu implică și conducerea societății,

Articolul 18. Organizare și funcționare

18.1. Directorului general al societății i se subordonează direct celelalte structuri organizatorice ale Societății și este la rândul său subordonat direct consiliului de administrație.

18.2. În cazul în care societatea se angajează în acte cu caracter patrimonial, reprezentarea societății este delegată, în conformitate cu dispozițiile art. 143 din legea nr. 31/1990 privind societățile comerciale, către directorul general și directorul economic, până la concurența sumei de 500.000 USD.

18.3. Pentru actele cu caracter nepatrimonial, reprezentarea societății este delegată directorului general.

18.4. În cazul în care societatea se angajează în acte cu caracter patrimonial, directorul economic și directorul general pot da procuri de reprezentare.

18.5. În raporturile cu directorii, societatea este reprezentată de către consiliul de administrație.

18.6. Directorul general este responsabil cu luarea tuturor măsurilor aferente conducerii societății, în limitele obiectului de activitate al societății și cu respectarea competențelor exclusive rezervate de lege sau de prezentul act constitutiv consiliului de administrație și adunării generale a acționarilor.

18.7. În executarea obligațiilor sale, directorul general emite ordine de serviciu, obligatorii pentru toți angajații societății.

18.8. Durata mandatului directorilor nu poate depăși durata mandatului administratorilor care i-au înputernicit.

18.9. Membrii consiliului de administrație își vor exercita mandatul cu prudența și diligența unui bun administrator. Administratorul respectă această obligație dacă în momentul luării unei decizii de afaceri el este în mod rezonabil îndreptățit să considere că acționează în interesul societății și pe baza unor informații adecvate.

CAPITOLUL VII **Controlul societății**

Articolul 19. Auditorul intern și auditorul financiar

- 19.1. Societatea este supusă auditului financiar.
19.2. Auditul intern va fi organizat potrivit normelor elaborate de Camera Auditorilor Financiari din România.
19.3. Auditorul financiar al societății este ales de către adunarea generală ordinară a acționarilor. Mandatul acestuia este de 4 ani cu excepția cazului în care adunarea generală a acționarilor hotărăște o altă durată.

CAPITOLUL VIII **Funcționarea societății**

Articolul 20. Activitatea societății

- 20.1. Activitatea societății se desfășoară pe parcursul anului fiscal care începe la data de 1 ianuarie și se sfârșește la data de 31 decembrie a fiecărui an.
20.2. Adunarea generală stabilește, în condițiile legii, modul de amortizare a fondurilor fixe.
20.3. Societatea va ține evidența contabilă în condițiile prevăzute de legislația română în vigoare.

Articolul 21. Calculul și repartizarea profitului

- 21.1. Profitul societății se stabilește pe baza situațiilor financiare aprobate de adunarea generală a acționarilor. Profitul impozabil se stabilește în condițiile legii.
21.2. În profitul societății se pot constitui fonduri destinate modernizării, cercetării și dezvoltării de produse noi, investițiilor, reparațiilor precum și pentru alte destinații stabilite de adunarea generală a acționarilor.
21.3. Din beneficiile societății se va prelua în fiecare an cel puțin 5% pentru formarea fondului de rezervă, până când acesta va atinge minimum a cincea parte din capitalul social.
21.4. Plata dividendelor se va face în termenul stabilit de adunarea generală a acționarilor, care nu va fi mai mare de 6 luni de la data adunării generale a acționarilor de stabilire a dividendelor.
21.5. În cazul înregistrării de pierderi, adunarea generală a acționarilor va analiza cauzele și va hotărî în consecință.
21.6. Suportarea pierderilor de către acționari se va face proporțional cu aportul la capital și în limita capitalului subscris.

CAPITOLUL IX **Durata, dizolvarea și lichidarea societății**

Articolul 22. Durata societății

- 22.1. Societatea este constituită pe o durată nelimitată.
22.2. Durata societății poate fi modificată pe baza hotărârii adunării generale extraordinare a acționarilor.

Articolul 23. Dizolvarea

23.1. Următoarele situații duc la dizolvarea societății:

- a) trecerea timpului stabilit pentru durata societății, în cazul în care adunarea generală va limita această durată;
- b) imposibilitatea realizării obiectului de activitate al societății;
- c) declararea nulității societății;
- d) falimentul societății;
- e) în cazul și condițiile prevăzute la art. 153²⁴ al legii nr. 31/1990 modificată;
- f) în cazul și în condițiile prevăzute de art. 10 alin. (3) al legii nr. 31/1990 modificată;
- g) pe baza hotărârii adunării generale a acționarilor luată cu majoritatea cerută pentru modificarea actului constitutiv.

23.2. Dizolvarea societății va fi înscrisă în registrul comerțului și publicată în Monitorul Oficial al României.

Articolul 24. Lichidarea

24.1. Dizolvarea societății are ca efect deschiderea procedurii lichidării, cu excepția situațiilor în care are loc divizarea ori fuziunea.

24.2. Lichidarea societății și repartizarea patrimoniului social se fac în condițiile și cu respectarea procedurii prevăzute de legea societăților comerciale.

CAPITOLUL X **Litigii. Dispoziții finale**

Articolul 25 Litigii

25.1. Orice neînțelegere născută din executarea prezentului act constitutiv, între acționari sau între aceștia și societate, va fi soluționată de Curtea de Arbitraj Comercial Internațional de pe lângă Camera de Comerț și Industrie a României potrivit regulilor de procedură ale Curții.

Articolul 26. Dispoziții finale

26.1. Prevederile prezentului act constitutiv se completează cu dispozițiile legale în vigoare aplicabile societăților comerciale.

Membru al Consiliului de Administrație
Director General

DI. Adrian-Ion Stănescu



INCHEIERE DE DATA CERTA

Subsemnata Chitu Adina Elena , avocat definitiv in cadrul Baroului Prahova, cu sediul profesional in Ploiesti, str. Stefan cel Mare, nr.44, bl.K7, et.3, ap.9, jud.Prahova, in conformitate cu prevederile art. 3 alin.1 lit. c din Legea nr. 51/1995 atest data, identitatea partilor si continutul prezentului act.

Acest act a fost semnat in fata mea astazi 28.04.2017, la Ploiesti, sub nr. 45 din aceeasi data.

Avocat Chitu Adina Elena





AFFIDAVIT

The undersigned, **Yerzhan Orynbassarov**, in capacity of Chairman of the Board, **Timur Zhetpisbayev**, in capacity of General Manager and **Valerica Dumitru** in capacity of Finance Manager, in consideration of the provision of art. 63 of Law no.24/2017 regarding issuers of financial instruments an market operations and art. 112¹ of the National Securities Commission Regulation no. 1/2006 regarding issuers and securities related operations,

hereby declare that, to the best of our knowledge, the annual financial accounting statements on December 31, 2017 prepared in compliance with the applicable accounting standards offer an accurate and true image of the assets, liabilities, financial standing, profit and loss account of the Company and, the Report of the Board of Directors comprise a correct analysis of the Company's development and performance, as well as a description of the main risks and uncertainties specific to the performed activity.

Chairman of the Board of Directors,

Yerzhan ORYNBASSAROV

General Manager

Timur ZHETPISBAYEV

Finance Manager,

Valerica DUMITRU