



To: SHAREHOLDERS OF ROMPETROL WELL SERVICES S.A.

Ref.: GENERAL EXTRAORDINARY MEETING as of January 28th/29th, 2021 — item 5 on the agenda concerning the approval of the policy of distribution of the company's profit and dividend in accordance with the proposals of the company's shareholders.

Date: 05.01.2021

The undersigned **KMG International N.V.**, a public limited liability company (*naamloze vennootschap*) incorporated under the laws of The Netherlands, having its registered office (*statutaire zetel*) at Amsterdam, The Netherlands, and its office address at Strawinskyalaan 807, Tower A-8, 1077 XX Amsterdam, The Netherlands, and registered with the Commercial Register of the Chamber of Commerce and Industry for Amsterdam (*Handelsregister Kamer van Koophandel en Fabrieken voor Amsterdam*) under number 24297754,

In our capacity of shareholder holding 73.0111% of the share capital of Rompetrol Well Services S.A. (hereinafter referred to as the "**Company**"), having its registered seat located in Ploiesti, 2Bis Clopotei St, Administrative Facility, Prahova County, registered with the Trade Registry under no. J29/110/1991, sole registration code 1346607,

Whereas in the meeting of the Board of Directors from December 18, 2020 Rompetrol Well Services decided to convene the Extraordinary General Meeting of Shareholders ("**EGMS**"), and approved the inclusion in the agenda of the EGMS of January 28/29, 2021 the approval of the policy of distribution of the company's profit and dividend in accordance with the proposals of the company's shareholders.

Shareholders of Rompetrol Well Services SA may submit proposal for the policy of distribution of the company's profit and dividend.

KMG International NV proposes, therefore, that the company's net profit to be distributed as dividends, as follows:

1. The policy provides a differentiated approach in determining the volume of dividends in respect of the Company, depending on:
 - 1.1 The nature and profitability of the commercial activity of the Company and its share capital needs;
 - 1.2 The expected own equity requirements for performance of the activity plans and the investment projects.
2. The actual dividend volume shall take into account own equity financing needs for:
 - 2.1 Financing of capital investments in existing assets;
 - 2.2 Financing of investment projects in respect of the part which requires the allocation of own funds according to the agreed structure of project financing;

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2.3 Debt reimbursement;

2.4 Other relevant factors that influence the company's cash flows.

3. The Board of Directors drafts proposals for the amount of dividends actually distributed for the reporting period.

4. The dividends distribution rate, subject to the other provisions of this Policy, is set at a minimum of 30% as long as there is sufficient cash availability computed as following:

Cash balance N + Cash Pooling net balance N + Cash from operations N+1 + Cash from Investing N+1 + Finance cost paid N+1 + Mandatory loan repayments N+1

Where N is represented by the year for which the distribution is made while N+1 is represented by the next year. For N+1 computation is prepared based on the budget.

5. The Dividends are distributed to the Company's shareholders *pro rata* with their shareholdings in the Company.

6. The final decision shall be taken by the appropriate corporate bodies of the Company.

7. Amount of dividends shall take into consideration the recommendations of the Board of Directors.

Please find the KMG INTERNATIONAL NV proposal for the Rompetrol Well Services SA policy of distribution of the company's profit and dividend.

KMG International N.V.

DocuSigned by:

Beimbet Shayakhmetov

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CHIEF EXECUTIVE OFFICER

BEIMBET SHAYAKHMETOV

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DIVIDEND POLICY
ROMPETROL WELL SERVICES
PROPOSED BY SHAREHOLDER KMG INTERNATIONAL NV

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Summary

Chapter 1. Preamble	3
Chapter 2. Definitions	3
Chapter 3. Decision on disbursement of dividend	4
Chapter 4. Dividend calculation	4
Chapter 5. List of persons with the right to receive dividends	5
Chapter 6. Disbursement of dividend	5
Chapter 7 Final provisions	5

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Chapter 1. Preamble

1.1 In order to comply with the requirements of BSE Code of Corporate Governance, Rompetrol Well Services S.A. decided to adopt a Dividend Policy.

1.2 This policy sets guidelines for calculation, declaration and payment of cash dividends for the Company (herein referred as *dividend*).

1.3 Dividend per share is the portion of net profit of the Company which is calculated and disbursed to shareholders for each share, depending on the income of the Company.

1.4 The dividend policy represents the intention of the Board of Directors upon its approval and may be reviewed in the future.

1.5 A company's policy on the net profit distribution refers to its options to distribute the net profit to shareholders, to reinvest it for supporting own projects or to split it on both purposes.

1.6 Consequently, each year there may be deviations from this Policy, depending on the current situation as regards, for example, the capital necessary for investments, other specific legal requirements, etc.

1.7 This Policy is supplemented by the provisions of the Articles of Incorporation and by: (i) Law 31/1990, (ii) Law 24/2017, (iii) FSA Regulation 5/2018, (iv) Order of the Public Finance Ministry 881/2012, (v) Order of the Public Finance Ministry 2844/2016.

Chapter 2. Definitions

For the purposes of this Dividend Policy, the terms and expressions below shall have the following meaning:

- a) "**Articles of Incorporation**" – Rompetrol Well Services Articles of Incorporation
- b) "**GMS**" – General Meeting of Shareholders
- c) "**BSE**" – Bucharest Stock Exchange
- d) "**Law 24/2017**" – Law on issuers of financial instruments and market operations;
- e) "**Law 31/1990**" – Law on trade companies, as subsequently amended and supplemented;
- f) "**Order of the Public Finance Ministry 2844/2016**" – Order no. 2844/2016 on approving Accounting regulations according to the International Financial Reporting Standards;
- g) "**Order of the Public Finance Ministry 881/2012**" – Order 881/2012 regarding the implementation of the International Financial reporting Standards by trading companies whose securities are traded on a regulated market, as subsequently amended and supplemented;
- h) "**the Company's website**" – www.petros.ro;
- i) "**legal provision/regulation**" – any field related legal rules provided in a law published in the Official Gazette of Romania – Part I;
- j) "**FSA Regulation 5/2018**" – Regulation on issuers of financial instruments and market operations;
- k) "**Rompetrol Well Services**" or "**the Company**" – Rompetrol Well Services SA.

Chapter 3. Decision on disbursement of dividend

3.1 Decision on declaration and disbursement of dividends shall be made by Annual Ordinary General Meeting of Shareholders upon recommendation of the Board of Directors.

3.2 The policy provides a differentiated approach in determining the volume of dividends in respect of the Company, depending on:

- 3.2.1 The nature and profitability of the commercial activity of the Company and its share capital needs;

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6.2 The Board of Directors shall ensure disbursement of declared dividends to shareholders. Starting with 2017, the disbursement of dividends has been centralized and is coordinated by the Central Depository. The Company may also change the present policy should there be any changes in the way the Central Depository coordinates this procedure.

6.3 Rompetrol Well Services complies with the Romanian laws and applies a withholding tax on dividends. Non-resident shareholders who would like to benefit from the Double Taxation Convention between Romania and their country of residence have to submit Rompetrol Well Services until the payment date, the fiscal residence certificate valid for the year the dividend is paid.

6.4 The Company publishes information on the payment of dividends and on other distributions made to shareholders (gross dividend, payment date, registration date, ex date, dividend payment methods) on the Company's website, in compliance with the effective laws.

Chapter 7. Final Provisions

7.1 This Policy has been approved by Rompetrol Well Services Ordinary General Meeting of Shareholders by Resolution no. _____ as of January 28, 2021.

7.2 The Dividend Policy may be reviewed and/or updated whenever necessary, by complying with the applicable laws or in case of binding laws or regulations on the dividend policy of trading companies.

Chairman of the Board of Directors

Yedil Utekov

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**THE DRAFT OF THE SHAREHOLDERS' RESOLUTION FOR THE ITEM 5
PROPOSED ON THE AGENDA OF THE EXTRAORDINARY GENERAL
SHAREHOLDERS MEETING OF ROMPETROL WELL SERVICES SA**

Resolution no. 1

It is approved the policy of distribution of the company's profit and dividend in accordance with the proposals of the company's shareholders, as follows:

1. The policy provides a differentiated approach in determining the volume of dividends in respect of the Company, depending on:
 - 1.1 The nature and profitability of the commercial activity of the Company and its share capital needs;
 - 1.2 The expected own equity requirements for performance of the activity plans and the investment projects.
2. The actual dividend volume shall take into account own equity financing needs for:
 - 2.1 Financing of capital investments in existing assets;
 - 2.2 Financing of investment projects in respect of the part which requires the allocation of own funds according to the agreed structure of project financing;
 - 2.3 Debt reimbursement;
 - 2.4 Other relevant factors that influence the company's cash flows.
3. The Board of Directors drafts proposals for the amount of dividends actually distributed for the reporting period.
4. The dividends distribution rate, subject to the other provisions of this Policy, is set at a minimum of 30% as long as there is sufficient cash availability computed as following:
Cash balance N + Cash Pooling net balance N + Cash from operations N+1 + Cash from Investing N+1 + Finance cost paid N+1 + Mandatory loan repayments N+1
Where N is represented by the year for which the distribution is made while N+1 is represented by the next year. For N+1 computation is prepared based on the budget.
5. The Dividends are distributed to the Company's shareholders *pro rata* with their shareholdings in the Company.
6. The final decision shall be taken by the appropriate corporate bodies of the Company.
7. Amount of dividends shall take into consideration the recommendations of the Board of Directors.

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BEIMBET SHAYAKHMETOV**

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