

DIVIDEND POLICY
ROMPETROL WELL SERVICES
UPDATED ACCORDING
TO THE EGMS DECISION NO. 1/28.01.2021

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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;

3.2.2 The expected own equity requirements for performance of the activity plans and the investment projects.

3.3 The actual dividend volume shall take into account own equity financing needs for:

3.3.1 Financing of capital investments in existing assets;

3.3.2 Financing of investment projects in respect of the part which requires the allocation of own funds according to the agreed structure of project financing;

3.3.3 Debt reimbursement;

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

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

3.5 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.

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

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

3.8 Amount of dividends shall be identified when decision is made to declare and disburse dividends.

3.9 Decision of the GMS on declaration and disbursement of dividends shall reflect the following:

3.9.1 Amount of dividend per share;

3.9.2 The registration date and corresponding ex-date, which identifies the shareholders entitled to dividends ;

3.9.3 The disbursement date for dividend;

3.9.4 Any other legal requirements as mentioned by the applicable legal provisions.

Chapter 4. Dividend calculation

4.1 Dividends are distributed and disbursed from Company's net profit, in proportion to amount of shares owned by shareholders.

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

4.3 Amount of dividend payable per one share is identified by dividing total amount of dividends to the total number of shares issued by the Company.

4.4 Applicable tax regulations will be respected.

Chapter 5. List of persons with the right to receive dividends

5.1 List of persons possessing the right to receive dividends is developed based on Company's shareholders register issued by the Central Depository as at the registration date according to the decision taken by the GMS.

Chapter 6. Disbursement of dividend

6.1 Declared dividends shall be disbursed within 15 working days from the registration date, no later than 6 month from the date of the GMS in which the disbursement of cash dividends was approved.

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 Extraordinary General Meeting of Shareholders by Resolution no. 1 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