

List of questions asked by the shareholders of Rompetrol Well Services SA regarding the Ordinary and Extraordinary General Meetings of Shareholders, which will be held on January 28, 2021, as well as the answers provided:

Question 1 under the item 1 on the OGMS agenda:

Do the members of the Board of Directors consider that there have been reasonable investment projects in the last 5 years, in which these reserves can be invested?

Answer:

The Company was considering expanding its activities mainly in the markets in the MENA Region (Middle East and North Africa). This expansion required significant investments in operational infrastructure. The project began in 2013 when the Company started its operations in northern Iraq, but the emergence of armed conflicts throughout the Region led to a temporary withdrawal. None the less, the Company maintains its intention to open operational bases in the Region.

Question 1 under the item 2 on the OGMS agenda:

Did Mr. Timur Zhetpisybayev approve the so-called cash pooling contract with KMG Rompetrol SRL and the transfers to this Company owned by the majority shareholder or did he oppose and request the recording of his opinion in the Board of Directors meeting minutes?

Answer:

The Company's participation in the cash pool was approved by the Board of Directors at the meeting on 01.07.2014. Mr. Timur Zhetpisybayev was a member of the Board of Directors from 24.04.2018 to 09.09.2020.

Question 2 under the item 2 on the OGMS agenda:

Regarding the so-called cash pooling contract with KMG Rompetrol SRL and the transfers to this Company owned by the majority shareholder, did Mr. Timur Zhetpisybayev notify these transactions to the internal auditor and the external auditor?

Answer:

All the contracts concluded by the Company with the affiliated parties, with an estimated value of more than €50,000 were the object of the Reports under Art. 82 of Law no. 24/2017. These reports are audited.

S.C. Rompetrol Well Services S.A.

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Question 1 under the item 3 on the OGMS agenda:

Did Mr. Saduokhas Meraliyev approve the so-called cash pooling contract with KMG Rompetrol SRL and the transfers to this Company owned by the majority shareholder or did he oppose and request the recording of his opinion in the Board of Directors meeting minutes?

Answer:

The Company's participation in the cash pool was approved by the Board of Directors at the meeting on 01.07.2014. Mr. Saduokhas Meraliyev was a member of the Board of Directors from 24.04.2018 to 01.10.2020.

Question 2 under the item 3 on the OGMS agenda:

Regarding the so-called cash pooling contract with KMG Rompetrol SRL and the transfers to this Company owned by the majority shareholder, did Mr. Saduokhas Meraliyev notify these transactions to the internal auditor and the external auditor?

Answer:

All the contracts concluded by the Company with the affiliated parties, with an estimated value of more than €50,000 were the object of the Reports under Art. 82 of Law no. 24/2017. These reports are audited.

Question 1 under the item 1 on the EGMS agenda:

According to the request of the shareholder KJK BALKAN HOLDING Sarl, it appears that it is necessary to present individual transactions with the affiliated companies and not the aggregate ones. Why doesn't the Company want to present the list of individual transactions with the affiliated companies?

Answer:

Information on transactions with affiliated companies was made public on the day of the conclusion of these transactions through reports submitted according to the provisions of Art. 82 of Law No. 24/2017. Moreover, these transactions were audited. A complete list of transactions concluded or performed by Rompetrol Well Services SA with affiliated parties during 01.01.2017-15.11.2020 is attached to Report No. 1 of the Board of Directors on item No. 1 of the EGMS.

Question 2 under the item 1 on the EGMS agenda:

In the annual and quarterly financial statements, the accounts receivable from Oilfield Exploration Business Solutions SA is listed on the balance sheet, which was provisioned for non-collection

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from the amount of RON 29.08 million to the amount of RON 4.77 million. Can you confirm that this debt right still exists up to the amount of RON 29.08 million, but is it guaranteed by the majority shareholder only up to the amount of RON 4.77 million?

Answer:

In the financial statements published by the Company, respectively in note 13 Trade receivables and other receivables, both the existing receivables and applied value adjustments are detailed on separate line items. In the case of the affiliated party Oilfield Exploration Business Solutions SA, we confirm the existence of accounts receivable as of September 30, 2020, in the amount of RON 34.70 million and a value adjustment in the amount of RON 29.93 million.

Question 1 under the item 2 on the EGMS agenda:

Can the Board of Directors provide a complete report on transfer prices, so that shareholders can ensure that the Company does not violate the legal provisions regarding the transfer of profit to the entities owned by the majority shareholder, in order to avoid fulfilling its tax obligations?

Answer:

The obligation to prepare a transfer pricing file according to the legal provisions in force is a tax liability. As a result, the Company is obliged to submit it only to the tax authority. The staff of the fiscal body is bound by professional secrecy about all information that was acquired in the course of their duties related to the verification of transfer pricing. Thus, the transfer pricing file is protected by tax secrecy and cannot be disclosed to the public.

Question 2 under the item 2 on the EGMS agenda:

Can the Board of Directors confirm to the shareholders that this so-called cash pooling agreement does not violate the following provisions of the law? Namely: Law 31/1990, Law 85/2014 and other provisions regarding seizures, Law 227/2015 regarding the transfer of prices, Law 24/2007, NBR Regulation no. 4/2014 and the annexes, amended by the NBR Regulation no. 6/2015, NAFA Order no. 442/2016.

Answer:

In the process of implementing the cash pooling structure, in addition to the issue of transfer pricing and the impact of other specific tax regulations, such as corporate income tax provisions, the Company took into account the rules on indebtedness, withholding tax, tax value added and reporting obligations.

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