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KazMunayGas
Group
Member

**ROMPETROL RAFINARE S.A.
ANNUAL REPORT OF THE BOARD OF DIRECTORS for the financial year 2013
Audited Financial Statements**

ANNUAL REPORT 2013

OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR 2013

The Company ROMPETROL RAFINARE S.A.

Registered office: 215 Năvodari Blvd.,
Administrative Pavilion,
Năvodari, Constanța
county

Telephone/Facsimile No.: +(40) 241 506100
+(40) 241 506930

**Tax Identification Number at the Trade Register Office by the Law
Court of Constanța:** 1860712

Registered with the Trade Register under No.: J13/534/1991

**The shares of S.C. Rompetrol Rafinare S.A. are traded in the IInd
Category of the BUCHAREST STOCK EXCHANGE**

Subscribed and paid-in share capital: 4,410,920,572.60 lei

**The main characteristics of the securities issued by S.C. Rompetrol
Rafinare S.A.:**

- **Dematerialized nominal common shares, the record of which
is held by the Depozitarul Central S.A. Bucharest**
 - **Total number of shares:** 44,109,205,726
 - **Nominal value:** 0.10 lei
 - **Symbol of shares at the Bucharest Stock Exchange:** RRC



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MAJOR PERFORMANCE IN 2013, IN AN UNFAVOURABLE GLOBAL ECONOMIC ENVIRONMENT:

The operational and financial results have been influenced by the international developments of the quotations for crude oil and fuels, as also by a series of internal macroeconomic factors, as well as the depreciation of the domestic currency as opposed to the USD and the Euro. On the background of the unfavourable context, the Company has still managed to achieve major performances of which we mention:

- Rompetrol Rafinare company is the first company in Romania which holds a refinery with Integrated Environmental Authorization, after the end of the transition period (31.12.2012);
- The first refinery in Romania with a Mild Hydro Cracking plant in operation;
- Maximum Flow Rate of 14 thousand tons/day to be processed in the second part of the year 2013, in accordance with modernisation works carried out;
- 12.74 thousand tonnes/ operation day at the level of 2013, the largest quantity in the history of the Petromidia Refinery;
- As a confirmation of the completion of the investment package "Package 2010", there has been obtained an interest rate of 46% for diesel fuel, this being the largest in the history of the Petromidia Refinery;
- The energy efficiency index of the Petromidia Refinery reached the level of 103, the best energy performance recorded so far;
- The quality of fuel from the Petromidia Refinery represented the most important factor for the consolidation of the market share on internal and regional level;
- The alignment to the national and European environmental requirements with regard to the emissions of sulphur oxides and nitrogen into the atmosphere, as well as the storage of hazardous waste.

The most important investment projects completed in 2013 in Rompetrol Rafinare were:

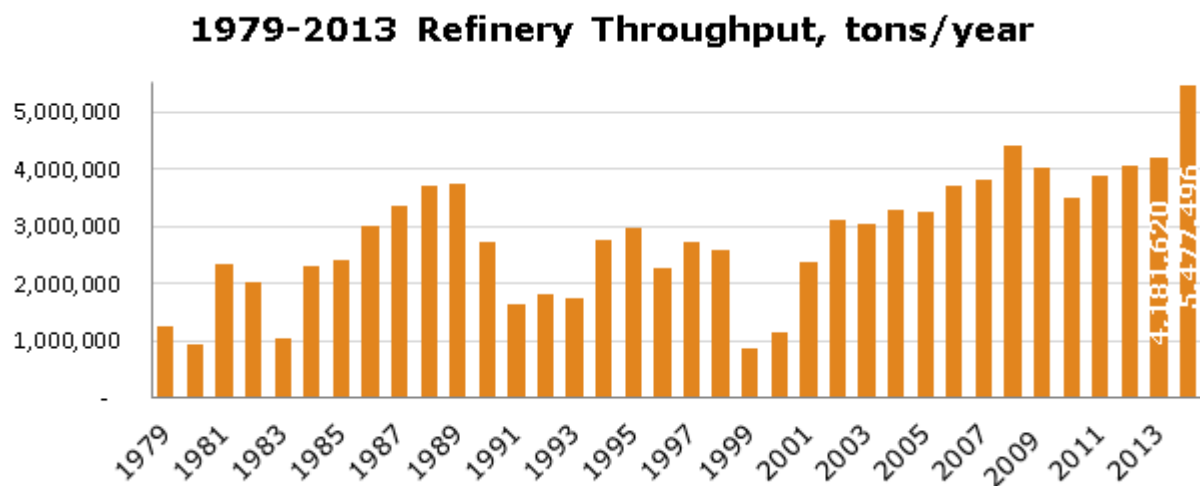
- ✓ Upgrading of the Coke Plant;
- ✓ Installing burners for the reduction of emissions of nitrogen oxides ("Low NOx") on the ovens of the Petromidia Refinery;
- ✓ Segregation loading of fuel oil at the automatic platform;
- ✓ Other projects, in particular in the tanks and logistics fleet area.



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By putting into service the new plants, as well as through the modernizations carried out, Rompetrol Rafinare only produces Euro 5 fuels and only processes sulphurous oil, on the background of an increase in the processing capacity of the raw material to 5 million tonnes/year, confirming the completion of the investment package.

The development of the amount of 1979 (the year when the first plant of the Petromidia Refinery - Atmospheric Distillation and Vacuum has been put into operation) and until 2013 is being presented in the graph below:





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1. THE ANALYSIS OF THE ACTIVITY OF THE COMPANY

In the international global context, Rompetrol Rafinare has adapted its strategy based on the new economic situations.

So, the company has reached its objectives of performance by: making all activities efficient, cost control and reduction and readapting the business plans for the next years.

1.1. a) The description of the basic activity of ROMPETROL RAFINARE S.A.

Rompetrol Rafinare, a member company of the Rompetrol Group, operates the Petromidia refinery located in Navodari, Constanta county, as well as the Vega Refinery in Ploiesti, Prahova county.

In accordance with the provisions of the Articles of Incorporation of the Company Rompetrol Rafinare S.A. (Hereinafter "The Company"), the main object of activity is "manufacturing of the products obtained from the processing of crude oil " (CAEN code 192), and the main object of activity is represented by the "manufacturing of the products obtained from the processing of crude oil" (code CAEN 1920). Other secondary objects of activity are being detailed in the Articles of Incorporation of the Company.

Rompetrol Rafinare holds the quality as authorized warehousekeeper, in accordance with the applicable tax legislation. The Refineries Petromidia and Vega are authorized as production tax warehouses being manufacturers of energetic products, observing the tax rules governing the production of energetic products.

Rompetrol Rafinare also holds Integrated Environmental Authorizations, issued by the competent environmental authorities in accordance with the legislation regarding the environment, for the 2 operated refineries.

In 2013 Rompetrol Rafinare continued the upward trend of its activity, supported by the continuation and completion of the investments started in the previous years for the alignment with the European standards relating to the quality of the produced fuel.

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I) The Production Activity in the Year 2013

Rompetrol Rafinare - work point Năvodari (Petromidia Refinery)

The production schedule of the ROMPETROL RAFINARE for the year 2013 has been designed with a total processing of 4,571,787 tonnes, of which 4,261,763 tonnes of crude oil and 310,024 tonnes other raw materials.

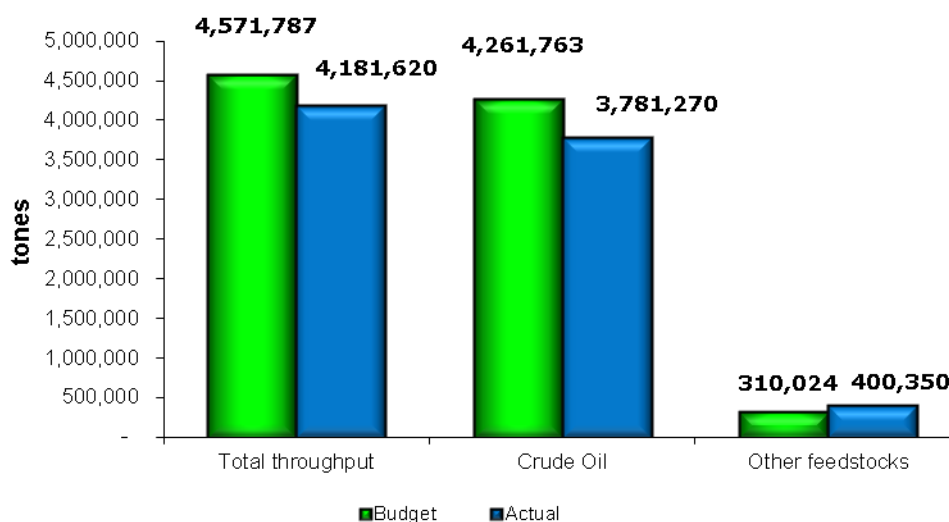
This schedule has been the basis for the preparation of the income and expenditure budget for the year 2013.

Processing carried out in the year 2013 is of 4,181,620 tonnes, out of which 3,781,270 tonnes of crude oil and 400,350 tonnes other raw materials.

This processing represents 91.47 % of the program set up for the budget of the year 2013.

		Tones
2013	Budget	Actual
Total throughput	4,571,787	4,181,620
Crude Oil	4,261,763	3,781,270
Other feedstocks	310,024	400,350

2013, Actual vs Budget Processing



The harsh environmental conditions (extremely low temperatures) recorded in the winter season have affected the production activity of both refineries (Petromidia and Vega) causing an average daily processing lower than the one budgeted.



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The situation of the processing, on quarters, is mentioned in the table below:

	QUART. I	QUART. II	QUART. III	QUART. IV	2013
Budget, tons	836,406	1,004,224	1,379,500	1,351,657	4,571,787
Achieved, tons	632,587	1,044,441	1,186,163	1,318,429	4,181,620
Achieved/Budget (%)	75.63	104.00	85.98	97.54	91.47

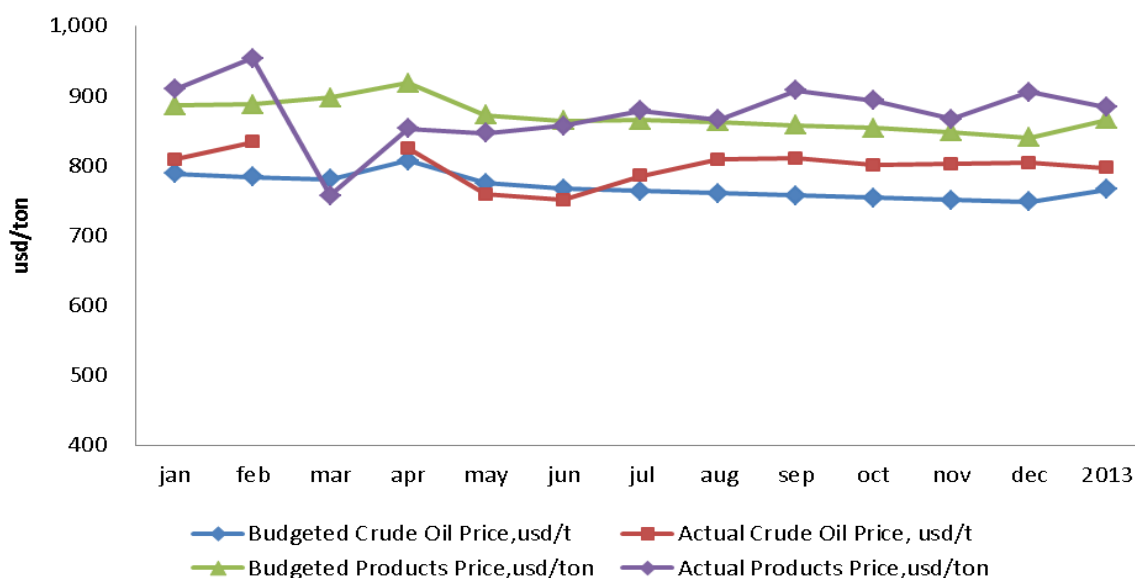
The action of attracting other raw materials in the processing process has also fallen within the same strategy of ensuring a continuous operation and at a load of the plants as good as possible.

From an operational point of view, the Petromidia Refinery, has reached and operated at its full capacity of 14,000 tonnes per day in 2013, recording record performances such as: the efficiency of diesel fuel of 46% and the efficiency of fuels (gasoline, diesel fuel, jet fuel, LPG fuel) of 75.2 %, which are the best in the history of the refinery.

Petromidia has achieved nearly 2 million tonnes of diesel fuel in 2013, the highest level reached by the refinery, from putting it into service in 1979. The reduction of the operating costs, in parallel with the increase of the mechanical and operational availability have allowed an improvement in the Energy Efficiency Index, which was located at 103 points, the best yearly level obtained by the refinery so far.

The improvement of the operational results, but also the fact that the Petromidia Refinery has achieved historical records in 2013 were supported by the completion in 2012 of the vast program of modernisation and increase of the processing capacity to 5 million tons per year. The operation of the refinery facilities shall be carried out in accordance with the highest standards of performance, while ensuring the fulfilment of the commitments entered into relating to the environment protection.

Crude Oil and Products Price, 2013 monthly evolution





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The structure of the physical production as compared to the budget, in 2013, is as follows:

Year 2012	Budget [tons]	Achieved [tons]
Finite products	4,436,494	4,063,277
Gasoline	1,240,242	1,190,470
Diesel fuels	2,089,762	1,915,345
Heavy fuel oil	109,299	86,990
Propylene	104,826	105,885
Coke	210,237	209,035
Sulphur	54,939	38,352
Other products	627,188	517,201
Total consumption :	135,293	126,635
from which: Technological consumption	44,661	42,057

White products obtained, %	Budget	Achieved
Reported to total obtained	85.03	85.58
Reported to finite products	87.62	88.08

From the comparison budget – carried out, the concern is noted regarding the obtaining of petroleum products in accordance with the market requirements.

The emphasis was set on preparing gasoline and diesel fuels which meet the quality standards required on the foreign (Euro 5 products) and internal market (Bio products).

In 2013, a purchase price for the crude oil of 765.53 USD/ton was budgeted, and in the end there has been used an average price of 796.48 USD/ton.

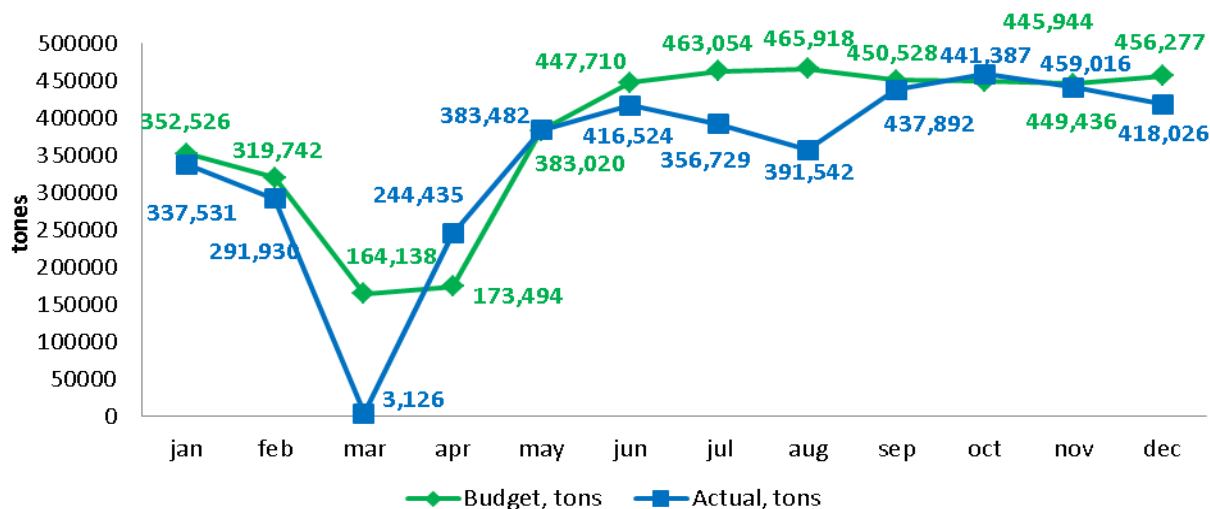
The average value of the finite products has been budgeted for the year 2013 at 865.35 USD/ton and there has been achieved an average price of 882.90 USD/ton.

As seen, the evolution of the oil market has registered an increase by 4.04 % compared to what has been estimated in the budget and the price of the petroleum products has followed the same increasing trend towards the budget, but at a slower rate, the growth being of 2.03 %.



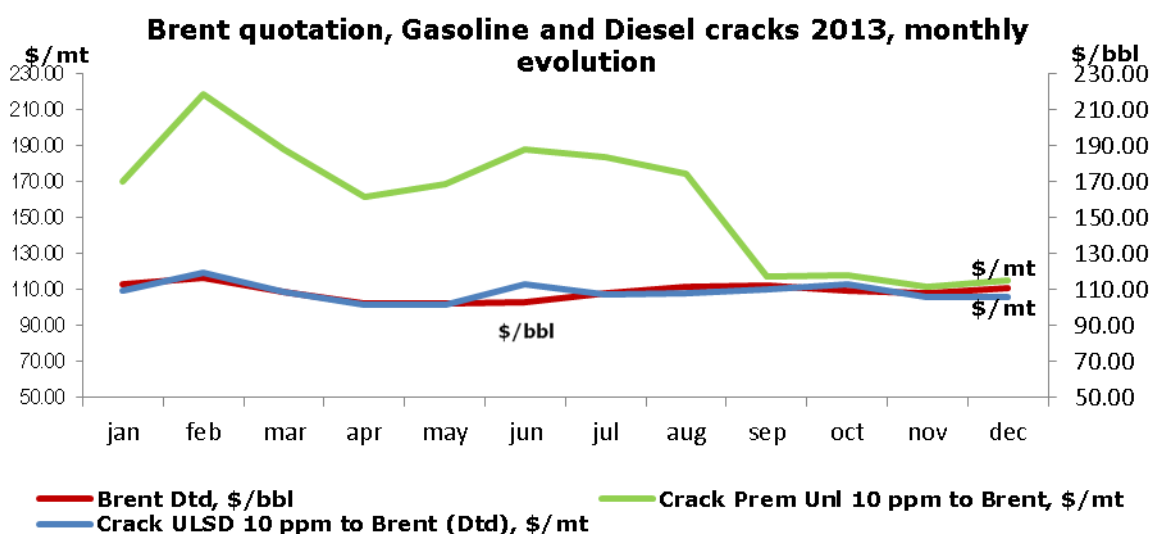
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2013 Monthly processing evolution versus Budget



During the year 2013 the crack (the difference between the quotation for crude oil and petroleum products) for gasoline has surpassed the crack for diesel fuel in an average of approx. 50 USD/ton; the highest excess has been registered during February: 99 USD/ton. However, during the period from September to December, the difference between the Cracks of the two products has recorded low values, with an average of only approx. 7 USD/ton.

Source: Platts



In the year 2013 the energy consumption (GJ/t) reported by the tonne has known a decrease of 8.4% as compared to the last year 2012 due to the improvement of the energetic efficiency as well as operational concentration to enhance energetic performance.

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The cost of energy per tonne has been less in 2013 than in the year 2012, by 0.9 USD/ton, this being determined in particular by the decrease in steam consumption.

The quantitative structure of the supplies is summarised in the following table:

PETROLEUM PRODUCTS	TOTAL SUPPLIES	DELIVERIES					
		INTERNAL *		EXPORT		Raw materials to VEGA	
		tonnes	%	tonnes	%	tonnes	%
Gasoline	1,050,398	270,059	25.71	780,339	74.29	0	0.00
Refined	126,920		0.00		0.00	126,920	100.00
Petroleum	112,960	89,490	79.22	20,369	18.03	3,101	2.75
Auto-Diesel Fuel	1,905,620	1,262,993	66.28	642,627	33.72		0.00
Heavy fuel oil	96,262	7,801	8.10	19,787	20.56	68,675	71.34
Propylene	105,885	105,885	100.00		0.00		0.00
Liquefied Petroleum Gas	218,862	218,862	100.00		0.00		0.00
Petroleum coke	207,978	153,149	73.64	54,830	26.36		0.00
Petroleum Sulphur	36,832	64	0.17	36,768	99.83		0.00
Other Products	84,102	39,038	46.42	10,666	12.68	34,398	40.90
TOTAL	3,945,820	2,147,340	54.42	1,565,387	39.67	233,093	5.91

* The quantities delivered for internal consumption include petroleum products sold on the domestic market; the deliveries to Vega are being included under the heading "Raw materials".

Rompetrol Rafinare – work point Vega Refinery

The production schedule of ROMPETROL RAFINARE, work point Vega Refinery for the year 2013 has been designed with a total processing of 319,344 tonnes, of which 317,663 tonnes raw materials of Petromidia Refinery and 1,681 tonnes raw materials purchased from outside the Rompetrol Group.

This schedule has been the basis for the preparation of the income and expenditure budget for the year 2013.

The processing carried out in the year 2013 is of 240,553 tonnes, out of which 238,694 tonnes from the Petromidia Refinery and 1,859 tonnes non-group.

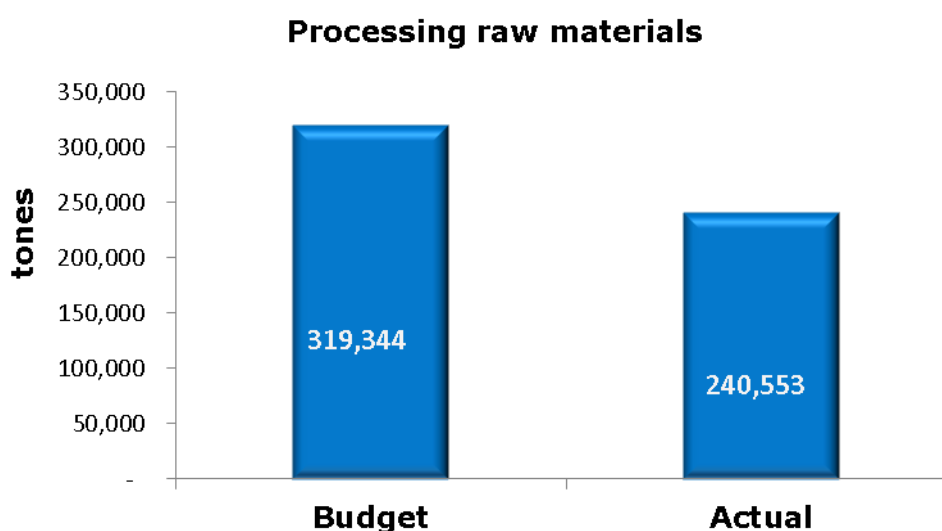
This processing represents 75.3 % of the program set up for the budget of the year 2013.



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2013	Budgeted	Achieved
TOTAL FEEDSTOCK	319,344	240,553
-Petromidia Refinery	317,663	238,694
- Non Group	1,681	1,859

tonnes



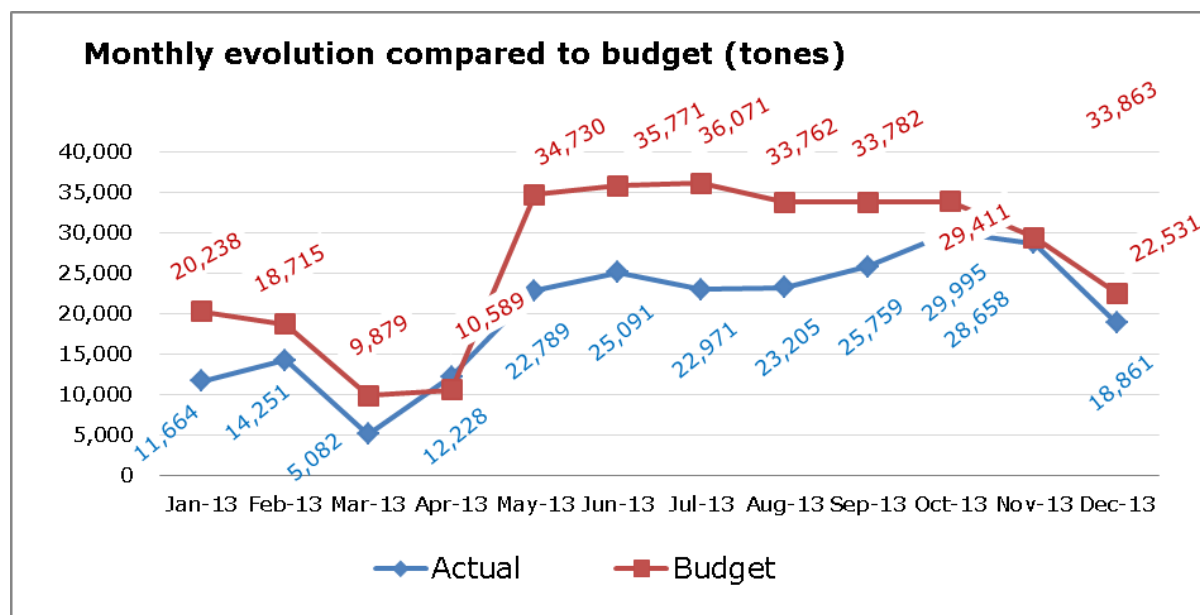
The situation of the processing, on quarters, is mentioned in the table below:

Throughput	Quart. I	Quart. II	Quart. III	Quart. IV	TOTAL 2013
Achieved, tons	30,996	60,108	71,935	77,515	240,553
Budget, tons	48,833	81,091	103,616	85,805	319,344
Achieved/Budget (%)	63.5%	74.1%	69.4%	90.3%	75.3%

In 2013 there has been processed approximately 25% less than the budgeted amount, the average monthly value being of 20,046 tonnes as compared to 26,612 tonnes budgeted, due to adapting to the requirements of the market.



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The structure of the physical production as compared to the budget, in 2013, is as follows:

YEAR 2013	Budget [tone]	Achieved [tone]
Produse finite	313,998	244,223
Gasoline & Solvents	139,587	108,659
n-Hexan	66,106	51,021
White spirit & Petroleum	28,707	4,773
Gasoil & Heating Oils	3,681	2,998
Light liquid fuel	4,462	5,407
Fuel oil	14,051	25,230
Bitumen	57,381	46,135
Other products	25	0

White products obtained, %	Budget	Achieved
Reported to total product	73.4	68.4
Reported to commercial products	74.7	67.3

From the comparison budget – carried out, the concern is noted regarding the obtaining of petroleum products in accordance with the market requirements.

In 2013, the energy consumption reported by the tonne has registered an increase by 8% as compared to 2012.



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The quantitative structure of the supplies is summarised in the following table:

PRODUCT	TOTAL DELIVERIES [tonnes]	INTERNAL		EXPORT	
		[tonnes]	%	[tonnes]	%
Products delivered	254.570	119.131	46,80	135.439	53,20
Gasoline + solvents	114,641	33,051	28.83	81,591	71.17
N-Hexane	53,344	2,967	5.56	50,377	94.44
White Spirit	6,155	5,238	85.09	918	14.91
Diesel fuel	4,315	4,315	100.00	-	-
Light oil fuel type III	5,067	4,745	93.66	321	6.34
Heavy fuel oil	24,787	23,749	95.81	1,038	4.19
Bitumen	46,261	45,066	97.42	1,194	2.58

II) Investment activity

The investment activity in the year 2013 has been focussed, in accordance with the program, on the following:

- The increase of the processing capacity of the refinery and the generation of fuels, with the specification in line with the European standards as also an increase of the white products efficiency;
- The alignment with the requirements of the European Union, the environmental standards in force, and in particular with the aim of reducing emissions.

The investments made in the year 2013, both for the Petromidia Refinery as well as for the Vega Refinery totalled 55,207,404 USD.

The main projects completed during the year 2013 in the Petromidia Refinery:

The modernisation of the Delayed Coke Unit

The Project objectives have been:

- ✓ Carrying out a closed quick drainage system to take over the functions of the existing open drainage system.
The existing quick drainage system was over passed from a technical point of view, indicating product losses, this way not respecting the regulations regarding the environmental protection.
The new quick closed drainage system with full vapour recovery shall ensure the compliance with the legal regulations relating to the environment protection (water, air, soil).
- ✓ The implementation of a new decoking system for the furnace by using air and steam simultaneously and controlled in order to avoid thermal shocks in the tubes and reducing the time required for the decoking of the reaction furnace.

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The improvement of the operation of the coke drums / fractionation column system and the automation of the coke cutting system.

The upgraded plant was put into service in May 2013 and the performance test was carried out in October 2013. As a result of the performance test, all the parameters have been achieved in accordance with the design of the licensor. The plant is currently under normal operating conditions.

Installing "Low NOx" burners on the refinery furnaces

For the purpose of compliance with the action program set out in the Integrated Environment Authorisation of the Rompetrol Rafinare S.A. which lays down the emission limit of nitrogen oxides at 150 mg/Nmc, there have been replaced the existing burners of the refinery furnaces with new burners as to ensure the reduction of the emissions of nitrogen oxides into the atmosphere.

The project was completed in May 2013 and the performance tests have been carried out in June 2013. As a result of the performance tests, it was confirmed that the nitrogen emissions at the furnaces comply with the environmental regulations. Also, the new burners have allowed the maximisation of the combustion efficiency in all furnaces by increased permissibility for adjusting the air/fuel mixture, which has led to the decrease of the global consumption of fuel gas.

Fuel Oil segregation at the Railcar loading Point

Through Railcar Loading Point is being delivered Euro 5 diesel fuel, respectively crude oil.

At first, the loading of products shall be carried out through the same pipe collector and loading arm, with the risk of contaminating the diesel fuel.

By implementation of the project regarding the segregation of the loading facilities of the two products, there have been eliminated the situations in which the depreciation of the products loaded at the Railcar Loading point.

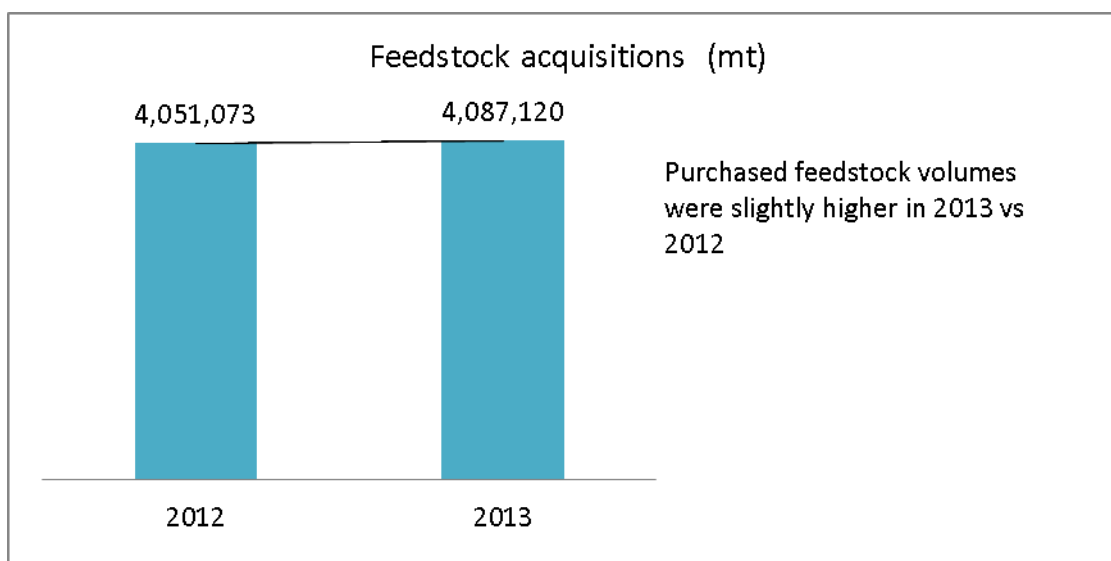
The investment activity in 2013 at the Rompetrol Rafinare - workpoint Vega Refinery has been focussed on the increase of the energy efficiency, the enhancement of the operating safety, the reduction of maintenance costs and increase of the reliability of the plant, with the effect of improvement of efficiency and product quality obtained in the process of fractioning splitting up crude oil.

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Petromidia refinery had completed successfully the scheduled program for upgrading technology works on the industrial equipment according to new processing capacity of the refinery (5 million tons / year), during March-April 2013. The works aimed to increase safety in the operation of facilities , compliance with relevant legal provisions ISCIR (State Inspection for Control of Boilers , Pressure Vessels and Hoisting Equipment), and the development of environmental projects , according to national and European legislation .

The total amount of technological works performed reached over USD 55 million and after the completion of the revision over 1.200 pipes, 371 plant and 545 safety valves on Petromidia platform were recertified.

The revision carried out during revision led to ensure the functioning refinery project parameters, thus ensuring at least 95 % mechanical availability.

III) Commercial Activity**Rompetrol Rafinare – Work point Năvodari (Petromidia Refinery)****1. Supply of Raw Materials**

In 2013 the purchases of crude oil were carried out exclusively by the trading company of the group, Kazmunaygas Trading AG.

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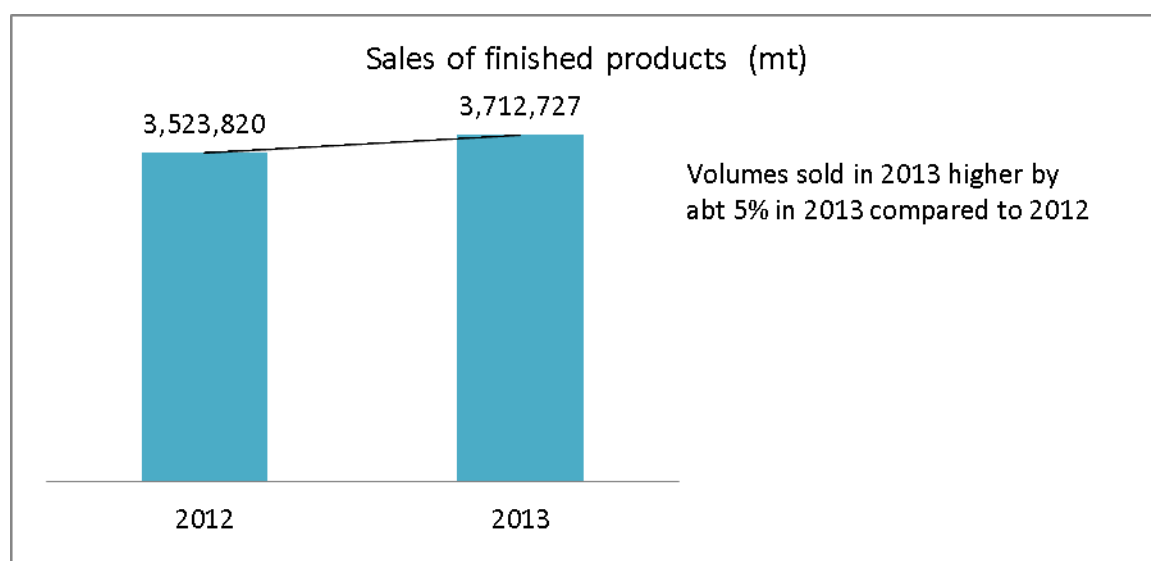
Compared to the previous year, the volume of raw materials from external sources has increased (4,016,178 tonnes in 2013 to 3,985,374 tonnes in 2012). The purchase value though has dropped in 2013 compared to 2012 by approximately 3 %, under the conditions in which the quotations for crude oil have dropped in the same percentage (in 2012 the average quotation for Brent was of approx. 111.67 USD/bbl compared with approx. 108.82 USD/bbl in 2013).

The volume of purchases of raw materials in the country has increased in 2013 compared to 2012 by approximately 8 %. Added to these, there are also the quantities of light naphtha type A and naphtha gasoline from Vega in a total amount of approx. 31.698 tonnes.

The suppliers of raw materials in the country have been:

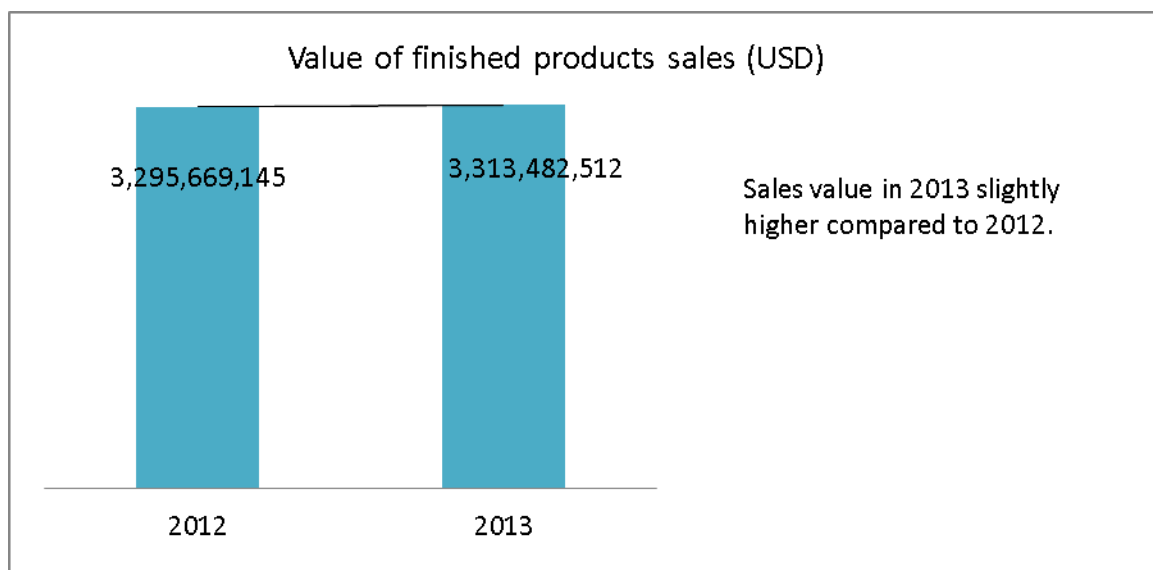
- | | |
|--|---------------------|
| • Rompetrol Petrochemicals | - propane pyrolysis |
| • Kronospan Sebes/Mitsubitshi | - methanol |
| • Marex/Bio Fuel Energy | - bioethanol |
| • Energy Bio Chemicals | - MTBE |
| • Expur/Prio Biocombustibil/Astra Bioplant | - biodiesel |

2. Sales Activity

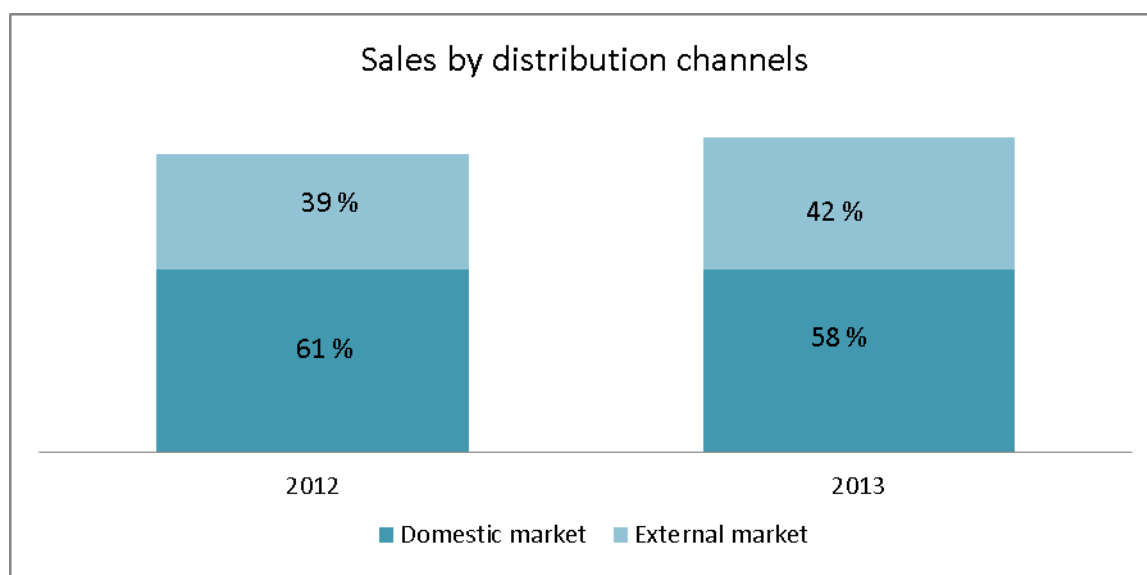




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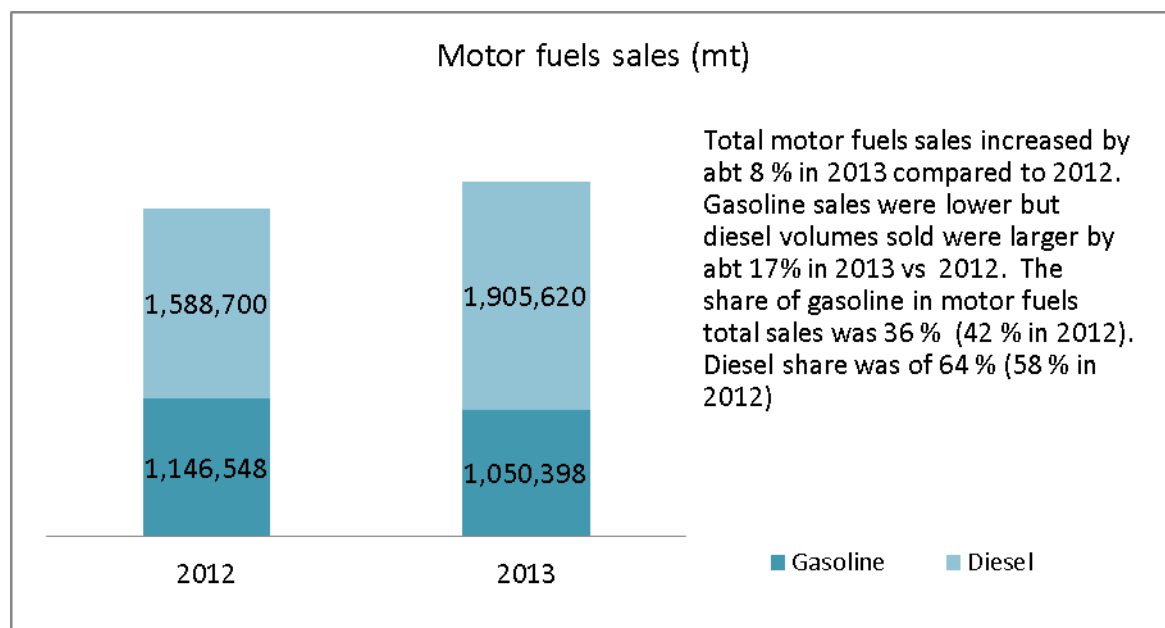


The structure of sales on distribution markets





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Rompetrol Rafinare – work point Vega Refinery

The quantitative structure of the deliveries of petroleum products in 2013 is summarised in the following table:

Products Group	Total deliveries 2013		Internal		External	
	[tonnes]	% of the total sales	[tonnes]	% of the total sales	[tonnes]	% of the total sales
Other gasoline	88,859	34.90	31,971	26.84	56,887	42.00
Bitumen	46,261	18.17	45,066	37.83	1,194	0.88
Heating fuels	9,384	3.69	9,063	7.61	321	0.24
Hexane	53,344	20.95	2,967	2.49	50,377	37.20
Heavy fuel oil	24,787	9.74	23,749	19.94	1,038	0.77
Oil and white spirit	6,155	2.42	5,238	4.40	918	0.68
Ecological solvents	25,783	10.13	1,079	0.91	24,703	18.24
Total	254,573	100.00	119,134	100.00	135,439	100.00

The main distribution markets abroad have been:

- Turkey, Russia, Belgium, the United Emirates, Moldavia for naphtha gasoline;
- India, Hungary, Turkey, Russia, Ukraine, Bulgaria for hexane;
- Germany, Bulgaria, Poland, Moldova, the Czech Republic for ecological solvents;
- Bulgaria and Moldova for white spirit;
- Bulgaria for crude oil.

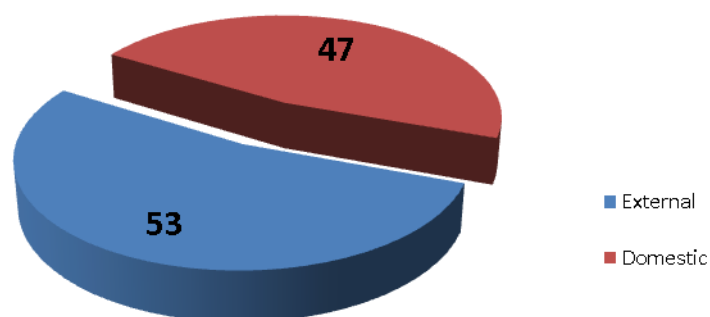


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Distribution market

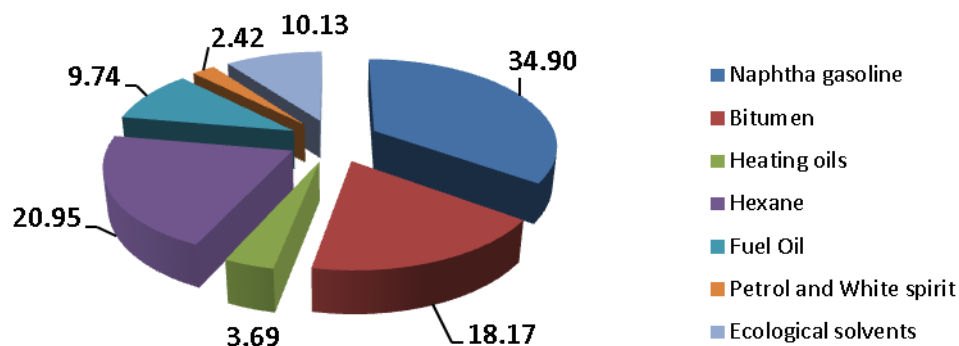
The sales in 2013 totalled a quantity of 254,573 tonnes. Within the external distribution channel, there were sold around 135 thousand tonnes and within the internal distribution channel there were sold around 119 thousand tons. The share of finished products sales on distribution markets is shown in the graphic below:

Sales on distribution channels [%]



The white products sales (naphtha gasoline, Ecological solvents, hexane and white spirit) represents approximately 68% of the total sales of 2013.

Sales on products [%]





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IV) Activity regarding quality, health, work safety and environment protection (QHSE)

Through QHSE specific activities it has been followed to achieve the objectives set for the year 2013. All these have materialised by **maintaining** the integrated management system quality-environment-health and occupational safety, as confirmed by **the surveillance audit**, carried out by Germanischer Lloyd Industrial Service representatives (June 2013).

The major activities carried out in 2013 (detailing of the environmental and safety activities are to be found in the relevant chapters of this report):

- System documents have been maintained/developed/revised/reviewed (procedures / work instructions / regulations, etc).
- There were performed internal audits, safety audits, inspections in accordance with the planning, in order to identify both weak points and improvement opportunities.
- There have been drawn up specific statistics and reports, with various frequencies (weekly/monthly/quarterly/half-yearly/annual/upon request), in order to meet as well internal requirements as also and legislative requirements and the requirements of other interested parties.
- Has been monitored internal customers satisfaction. According the evaluation, the objective referring to "the maintenance of the customer satisfaction indicators, of at least 90 % " has been reached.
- RAR certification of RRC fuels and Vega additives has been maintained.
- Have been continued both programs according to environmental strategy and project to raise Petromidia and Vega employees safety awareness
- There have been taken actions for personnel recognition and motivation:
 - "Drager" safety caravan -presentation of safety equipment
 - PSI contest, between plants, that has aimed the testing of the proficiency and the using mode of the PSI tools
 - The most active member of the safety subcommittees
 - The recognition of subcommittee leaders efforts
 - The awarding of the most active internal trainers
 - "Be pro-active" awards - «The employee of the year»
- There were organized and our employees join in CSR projects
 - Day of open doors for the children of employees



rompetrol

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Group
Member

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- Environment day - clean-up of Corbu Beach and contest "the cleanest plant"
- Participation through the team of volunteers in the environment national campaign "Let's do it Romania!"



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STATUS
OF THE MAIN ECONOMIC-FINANCIAL INDICATORS
AND OTHER INFORMATIVE DATA, ON DECEMBER 31ST,
2013, AS COMPARED WITH THE INCOME AND
EXPENDITURE BUDGET APPROVED IN THE GENERAL
MEETING OF THE SHAREHOLDERS OF THE COMPANY
2013

Crt. No.	INDICATOR'S NAME	LEI	
		OMFP No. 1286/2012	
		Carried out 2013	BVC 2013
1	Crude oil processed and other raw materials (tonnes)	4,181,620	4,571,787
2	Net turnover	11,748,666,980	12,946,133,372
3	Total Revenues, of which:	11,823,977,539	12,904,871,105
	from operation	11,626,863,591	12,903,474,159
	Financial	197,113,948	1,396,946
4	Total expenditure, of which:	12,048,003,538	13,079,851,768
	from operation	11,845,347,485	12,994,144,795
	Financial	202,656,053	85,706,973
5	Net result, of which:	(224,025,999)	(174,980,664)
	from operation	(218,483,894)	(90,670,636)
	Financial	(5,542,105)	(84,310,028)
6	Income Tax	-	-
7	Total Result	(224,025,999)	(174,980,664)
8	Receivables	1,158,413,303	-
9	Stocks	1,044,086,279	-
10	Own capitals	2,419,266,586	-
11	Total debts	4,788,054,234	-
12	Average number of employees	977	980

From the data shown in the table, by comparing the results recorded on December 31st, 2013 with those approved by the income and expenditures budget (BVC), the following result:

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1. In 2013, Rompetrol Rafinare processed a quantity of crude oil and other raw materials of 4,181,620 tonnes, 390,167 tonnes (cca. 8,5%) less than that provided for in the income and expenditure budget, because of the market conditions and of the severe weather conditions (in particular in the first 2 months of the year) which have imposed a reduced processing.

There has been ensured a continuous charging of the plants through the total quantity (crude oil and other raw materials), at a monthly average of approximately 348,468 tonnes. There have not been registered any stops of the facilities for reasons of discontinuity in the supply of crude oil.

2. The turnover, recorded on December 31st, 2013 is 9.3% less than that provided for in the budget.
3. The total revenues recorded by the Company at the end of the year 2013 are 8.4% less than those provided for in the approved budget, following to processing a smaller quantity than that approved in the budget.
4. The total expenditure, at the end of the year 2013, is smaller than those laid down in the approved budget by approximately 8 %. Significant overruns are being registered within the financial costs. The value budgeted under the Chapter "Financial Expenses", exceeded by 116,949,080 lei, is due to the following two main factors:
 - a) Interests of 32,563,114 lei;
 - b) Exchange rate differences (unfavourable) of 91,551,769 lei.
5. Regarding the total result, it records a negative value of 224,025,999 lei, the loss being both from the operating activity of 218,483,894 lei as well as from the financial activity of 5,542,105 lei. The total result (as well the operating as well the financial result) has been strongly influenced by the distortions in the international developments of the crude oil quotations as opposed to those of fuels, as well as a number of internal macro economical factors (depreciation of the national currency).

Thus, the evolution of the purchase price of the crude oil, has registered an increase of 4.04 % from what it has been estimated in the budget, while the selling price of the petroleum products has reached an increase of only 2.03% as compared to the planned values.

6. The total amount paid during the year 2013 to the state budget and to the local budgets was of 4,805,485 thousand lei.



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b) Date on which the Company has been established.

Complexul Petrochimic Midia Năvodari (The Petrochemical Complex Midia Navodari) (the first name of the Company ROMPETROL RAFINARE S.A.) has been designed during 1975 - 1977, on the basis of the Romanian refining technologies and on the basis of foreign licenses.

1991 has meant the transformation of the Combinatul Petrochimic Midia into a joint stock company. The assets of the former Company have hereby been totally retrieved. The new company, bearing the name of PETROMIDIA S.A., has been established by Government Resolution No. 1176/1990, issued under the provisions of the Law No. 15/1990 on the reorganization of the economic units of the state as autonomous organizations and companies.

In February 2001, following the withdrawal from the Company of the State Ownership Fund as a result of the sale of all actions, The Rompetrol Group N.V. (formerly The Rompetrol Group B.V.), from the Netherlands, has become the main shareholder of the company.

In the year 2001 the name of the Company changed from **"S.C. PETROMIDIA S.A."** to **"S.C. ROMPETROL RAFINARE-COMPLEXUL PETROMIDIA S.A."**, and in 2003 the Company changed its name to **"ROMPETROL RAFINARE S.A."**.

The company is registered with the Trade Register Office Constanta under No. J13/534/1991, and has the Tax identification Number 1860712.

With regard to the legal provisions in force, in the General Extraordinary Meeting of the Shareholders of September 17th, 2007 it was decided upon gaining the full ownership of the facilities and equipment within the Vega Refinery, located in Ploiesti, 146 Văleni Str., Prahova county.

While gaining the ownership right and about while taking back possession of the land and of all the assets of the perimeter of the Vega Refinery, the Company has set up an own work point in Ploiești and obtained as of December 1st, 2007, the quality of authorized production warehousekeeper for energetic products and for the Vega Ploiești Refinery, encompassing the processing of mineral residue.

In this way, with effect on the same date of December 1st, 2007, the Company also operated the Vega Ploiești Refinery, as a second tax warehouse of production, together with the tax warehouse for production of the Petromidia Refinery.

By Resolution No. 6/2013, adopted by the General Extraordinary Meeting of the Shareholders on August 16th, 2013, there was approved the acquisition by the company, through purchase, of the property right regarding the assets consisting of intangible assets, tangible assets, fixed assets (buildings and

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constructions, technological equipment, measurement equipment and devices, office equipment, IT equipment, means of transportation, other tangible assets), investments in progress and stocks, which are affected or are connected to the main petrochemical activity, which are owned by Rompetrol Rafinare S.R.L. registered with the Trade Register Office under No. J13/2681/2002 with Tax identification Number 15077797), in accordance with the Assessment Report drawn up for this purpose by PricewaterhouseCoopers Management Consultants S.R.L.

The assessment report has been approved within the same Resolution of the General Extraordinary Meeting of the Shareholders;

By the Resolution No. 131/23.12.2013, the Commission for the approval of operators of products subject to harmonized excise duty within the Ministry of Public Finance has decided:

- Revoking the tax warehouse authorization for Rompetrol Petrochemicals (cessation of the production activity of the warehousekeeper as of 01.01.2014);
- Capitalization of all stocks of excisable products (raw materials and finished goods) under suspension of excise duty, towards the Rompetrol Rafinare warehouse;
- Approval regarding the extension of the Rompetrol Rafinare authorization and the location owned by Rompetrol Petrochemicals (taking over the production activity as tax warehouse), with effect from 01.01.2014.

Through the integration of the activity of the 2 companies (Romp Petrol Rafinare and Rompetrol Petrochemicals) it has been carried out in the first place the simplification of the deliveries of raw materials/finite products between the technological facilities which presently belong to the same entity.

Secondly, the total costs of the whole complex (consisting of the two factories) will be highlighted, the opportunities and constraints shall be identified in real-time, the optimizing of the whole technological process shall be followed, the planning process shall also be carried out integrated and the management of the energy resources shall be improved with positive consequences regarding the cost reduction.

The integration of the activities carried out within the two Companies represents a continuation of the strategy of the Rompetrol Group to concentrate in a single entity the production activity and the separation of the non-core activities.



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c) Significant mergers or reorganizations of the Company, its subsidiaries or controlled Companies, during the course of the financial year.

During 2013, the Company did not participate in any merger.

Based on the Resolution No. 6/2013 adopted by the General Extraordinary Meeting of the Shareholders, on August 16th, 2013, with effect from January 1st, 2014, all contracts concluded by Rompetrol Petrochemicals S.R.L. with third natural and legal persons, for main activities referring to petrochemistry, including, but not limited to the following:

- a) the transfer of the personnel involved in the petrochemistry activities, in accordance with the applicable labour law;
- b) commercial supply contracts and marketing of products, with the relating guarantees;
- c) Credit Contracts with the relating guarantees.

have been taken over by Rompetrol Rafinare.

d) Assets acquisitions and sales.

By Resolution No. 6/2013, adopted by the General Extraordinary Meeting of the Shareholders starting on January 1st, 2014, the main activity petrochemistry has been taken over by Rompetrol Rafinare following the acquisition, through purchase, of the property right regarding the assets consisting of intangible assets, tangible assets, fixed assets (buildings and constructions, technological equipment, measurement equipment and devices, office equipment, IT equipment, means of transportation, other tangible assets), investments in progress and stocks, which are owned by Rompetrol Petrochemicals S.R.L. (company owned totally by Rompetrol Rafinare S.A.)

These assets have been the subject of an Evaluation Report approved within the General Extraordinary Meeting of the Shareholders referred to above.

In the year 2013, the Company has not registered holdings in other companies. During 2013, the company sold to Rompetrol Downstream S.R.L. the property located in Otopeni, Șoseaua București-Ploiești, km 15+285, Ilfov county, consisting of a land plot and the construction built thereon (representing a gas station, consisting of specific constructions and facilities). We do specify that Rompetrol Downstream had previously held the right of use over this objective since 2001, based on the Lease Agreement no. 421/04.06.2001 ("Lessee") entered into with Rompetrol Rafinare S.A. ("Lessor").

**ROMPETROL RAFINARE S.A.
ANNUAL REPORT OF THE BOARD OF DIRECTORS for the financial year 2013
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Rompetrol Rafinare S.A. recorded in 2013 a net turnover of 11,748,666,980 lei and a net loss of 224,025,999 lei.

Rompetrol Rafinare S.A. continued the improvement of the effectiveness of the refining activity as well as the reduction of technological losses and consumption.

There have been carried out investments to modernize the production plants of the refinery, increasing the degree of environment protection, for the purpose of obtaining petroleum products in accordance with the standards of the European Union .

1.1.1. Elements of general assessment

Indicators (lei)	2013
Profit/ (loss)	(224,025,999)
Operating result	(218,483,894)
Net turnover, of which:	11,748,666,980
Export	5,084,048,332
Operating expenses	11,845,347,485
Market share (%)	26.2%
Liquidity (effective amounts in accounts and cash equivalents)	226,547,312

a) Profit

The Company recorded losses as well from the operating activity, as also from the financial activity.

From the operating activity, Rompetrol Rafinare has carried out a loss of 218,483,894 lei, due in particular to the distortional conditions on the market of crude oil and petroleum products, meaning that the trend of increase in the price of products has not complied with the trend of increase in the price of crude oil (crude oil has increased by 4,04 % and petroleum products by 2.03 %).

From the financial activity there has been registered a loss of 5,542,105 lei, 115,707,975 lei less than the one recorded at the end of the year 2012.

In conclusion, the total result recorded by Rompetrol Rafinare S.A. at the end of the year 2013 is of 224,025,999 lei, negative.

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b) Turnover

In 2013, the net turnover of the Company was 11,748,666,980 lei, 9.3% less than the one provisioned in the budget.

c) Export

In 2013, the external sales from the total sales represented 43%, which was higher than the one recorded at the end of the year 2012 (approx. 40%). The total amount carried out in the course of the year 2013 from external sales of finished products was of 1,533,948,428 USD.

We hereby specify that the external market has absorbed 74% of the total production of gasoline and 34% of the total production of diesel fuels.

d) Costs

The operational expenditures in 2013 have amounted 11,845,347,485 lei, from which 11,152,189,807 lei (about 94%) represents expenditures on raw materials, and 346,190,532 lei (about 3 %) represents expenditures on energy. In comparison with the year 2012 there can be seen a decrease in the costs for the raw materials of 382,277,492 lei and a decrease in the costs for the energy of 60,590,092 lei.

e) Market share owned

From the data which we hold, the market share we estimated in the year 2013 reached about 26.2%, and is not influenced by major changes in the structure of the other distributors on the internal market.

f) Liquidity

From the point of view of liquidity, the company has made efforts to maintain the capacity of coverage of the current debts from the current assets. The current liquidity indicator has maintained relatively constant compared to the same period of the year 2012, i.e. 0.51 as compared to 0.58.



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1.1.2. The Assessment of the Technical Level of the Company

The main products produced by S.C. Rompetrol Rafinare S.A in the year 2013:

The Production Nomenclature of Rompetrol Rafinare S.A., work point Petromidia Refinery, includes a wide range of finished products, marketed both on the internal as well as on the external market, grouped into the following categories:

1. Liquid fuels

a) Gasoline

- Efix S 98 Gasoline
- RON 98 Gasoline
- Euro Super 98 Gasoline
- Efix 95 Gasoline
- Europlus Gasoline
- Eurostandard Gasoline
- Natural Gasoline type 92
- Raffinate for chemical use

b) Diesel fuels

- Efix S Diesel 55
- Diesel 55
- Efix Diesel 51
- Euro 5 Diesel
- Slurry

c) Petroleums

- Aviation turbine fuel jet A1

d) Heavy fuel oil

- Heavy fuel oil
- Heavy fuel oil type I
- Carbon Black feedstock

2. Gaseous fuels

a) Liquefied petroleum gas

- LPG
- Auto LPG Fuel
- Propane fuel
- Commercial Propane-Butane

b) Natural gas

- C5-C6 Fraction

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- Combustible refinery gasses
- Propylene/propane-propylene mixture

3. Solid fuels

- Green Petroleum coke/ Petcoke Briquettes
- Petroleum Sulphur

The Production Nomenclature of Rompetrol Rafinare S.A. work point Vega Refinery includes a wide range of finished products grouped into the following categories:

1. Liquid fuels**a) Solvents**

- Ecological solvents
- Normal hexane
- Naphtha Gasoline
- Light naphtha type II
- Light naphtha type A

b) White spirit and petroleum

- White Spirit
- Non-industrial Fuel type P

c) Diesel fuels

- Calor Extra I

e) Fuels

- Light Fuel Oil type 3
- Calor Economic 3

f) Heavy fuel oil**g) Bitumen**

- Roads Bitumen
- Special Bitumen
- Polymer-modified Bitumen

h) Additives



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The Description of the main Services of Rompetrol Rafinare:

In the course of the year 2013, the Company provided the following services:

- Distribution services - energy, utilities and waste water treatment. These services have been carried out by the Thermal-Hydro, electrical and sewage plant sections for the Companies located on the Petromidia platform as well as other companies outside the platform;

Sold utilities: Instrumental air, technical air, nitrogen, liquid nitrogen, oxygen, recirculated water, fire extinction water, drinking water, hot water, returned condensate, waste water treatment, demineralised water, gross water, filtered water, combustible refinery gas, electricity, thermal power, drinking water.

All these utilities are being transported and distributed through the pipe network exploited by the Utilities Plant. The costs of transportation and distribution are embedded in the price of utilities, excepting:

- Electrical energy - the tariffs for the distribution of electrical energy on the two levels of low voltage and medium voltage shall be governed by the Agenția Națională de Reglementare în Domeniul Energiei (the Romanian Regulatory Authority for Energy).
 - Drinking water – the tariff for the distribution of drinking water shall be governed by the Agenția Națională de Reglementare pentru Serviciile Comunitare de Utilități Publice (The National Regulation Authority for the Public Utilities Community Services).
- Technical support services regarding consultancy services for carrying out inspections at the level of the equipment under pressure and the ISCIR authorisation thereof.

a) the main distribution markets for each product or service and methods of distribution:

In the year 2013, the internal market has absorbed approximately. 58% of the total quantity of finished products sold. Approx. 52% of the total sales of automotive fuels have had the domestic consumption as destination. All geographic areas have been covered via the network of gas stations on national level. Of the total amount of automotive fuels marketed on the Romanian market, about. 82% represented sales of diesel fuels.

The external sales have had as destination as well the European Union, as also third countries. The intra-community deliveries have totalled about 21% of the total finished products sold, the difference representing export sales to non-EU markets.

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Detailed on countries and products, the sales have had the following main destinations:

Gasoline - Georgia, Ukraine, Israel, Bulgaria, Turkey, Slovenia, Moldova

Diesel fuels - Turkey, Bulgaria, Moldova, Greece, Georgia, Ukraine, Lebanon

Coke - Turkey, Greece, Ukraine

Sulphur - Egypt

The distribution of the marketed products has been carried out by road and by rail in the case of sales on the internal market. In the case of sales on the external market, the distribution of products has been carried out for the most part via the Midia port but also on road and rail.

b) The share of each category of products or services in the revenue and in the total turnover of the company, for the last 3 years.

Indicators	Value-million lei			% in turnover		
	2011	2012	2013	2011	2012	2013
Net turnover, of which:	10,175	12,323	11,479	100%	100%	100%
Gasoline and diesel fuels	7,761	9,685	9,550	76%	76%	81%
Other petroleum products	1,937	2,179	2,023	19%	19%	17%
Raw materials for petrochemistry	372	337	0	4%	4%	0%
Goods	10	18	8	0.1%	0.1%	0.1%
Utilities	80	88	143	1%	0.8%	1.2%
Services	15	16	24	0%	0.1%	0.2%

The most part of the Rompetrol Rafinare income is represented by the sale of petroleum products, mainly automotive fuel.

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c) The new products taken into account for which a substantial volume of assets shall be used in the future financial year as well as the development stage of these products.

In the year 2014, Rompetrol Rafinare will continue to deliver on the internal market only Euro 5 fuels (maximum sulphur content 10 mg/kg) and with a biofuel content of minimum 4.5 % in volume for gasoline and of minimum 6% in volume for diesel fuel (in accordance with the Government Decision No. 1121/2013 amending and completing the Government Decision No. 935/2011 and the Government Decision No. 928/2012).

The Euro 5 fuels are:

- Efix S Gasoline 98
- Efix Gasoline 95
- Gasoline RON 98
- Gasoline Euro Plus
- Efix S Diesel 55
- Efix Diesel 51
- Diesel 55
- Euro 5 Diesel

For the year 2014, Rompetrol Rafinare does not plan to increase its portfolio of delivered products.

1.1.3. The Assessment of the Tehnnical-Material Supply Activity

Crude oil supply – the main raw material of Rompetrol Rafinare SA is ensured by firm contracts concluded annually, which provides safety for the optimum operation of the oil refinery. The source of supply for crude oil is external; the main import market is the Kazakhstan market. The volumes of crude oil purchased are being discharged through the own terminal of the Rompetrol Group. The purchase of the other raw materials is being carried out both from Romania, as well as from external sources.

The purchase prices for raw materials from both external and internal markets have followed the international quotations trend of the reference petroleum markets - characterized by dynamism and variation. The level of these prices has been led by the fluctuation and conjuncture on the petroleum markets, the international reference quotations constituting the basis for the calculation of these prices.



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Information with regard to the safety of sources of supply and the prices of the raw materials and to the dimensions of the stocks of raw materials and supplies.

The takeover by KazMunayGaz of Kazakhstan (2007), of the entire package held by the parent company of the Rompetrol Group (Rompetrol Holding N. V.) in the Dutch company The Rompetrol Group N.V., ensures the stability of the supply sources for crude oil required for the proper functioning of the Petromidia Refinery, as well as a financial support from the majority shareholder, for the financing of the investment.

The whole quantity of crude oil for 2013 was contracted with the firm Vector Energy A.G. (as of April 2013 with the new name KazMunayGaz Trading A.G.) - which is the trader of the Rompetrol Group, located in Switzerland and specialised in marketing operations regarding crude oil and petroleum products. This ensures the imports of crude oil and other raw materials and at the same time takes over the petroleum products for sale on external markets. The prices of the raw materials follow the trend of the international quotations regarding crude oils and other raw materials on the international reference markets, the latter constituting the calculation base for the purchase prices of Rompetrol Rafinare. For the year 2014 there are no expected changes in the flow of supply of raw materials and supplies.

On the other hand, at the end of the year 2008 the Rompetrol Group has completed the construction of the Marine Terminal which contains berths for the delivery of petroleum products and the purchase of raw materials, which ensures safety in the acquisition of raw materials and conveyance of petroleum products.

Also, there are contracts concluded with the service providers (S.C. Conpet S.A., Midia Marine Terminal S.R.L), who take care of the loading and unloading of the raw materials and petroleum products in the Constanța and Midia ports.

The chemicals purchased by Rompetrol Rafinare S.A. (for the two oil refineries) in the course of the year 2013 may be grouped as follows :

- catalysts
- additives
- chemical services for water treatment
- other chemicals (inhibitors, process chemicals, etc.)
- reactive
- oils



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1.1.4. The Assessment of the Sales Activity

a) The trend in sales on the internal and/or external market and their estimate on medium and long term.

The sales in 2013 increased as compared to the previous year, in particular on the external markets, as a result of the increase in volumes traded on the already existing regional markets (Georgia, Ukraine, Bulgaria, Turkey, Moldova). The trends regarding the consolidation but also the penetration of the new markets shall be also traced for the year 2014. For the internal market, the strategies aim at increasing the market share by extending the network of gas stations.

b) The description of the competition in the field of activity of the company, the market share of the products and the services of the company and the main competitors

The main **competitors** (who are also producers) on the internal market are:

- OMV Petrom S.A.
- Lukoil Romania S.A.

The main **competitors** on the foreign market are: OMV, Shell, Mol, Agip.

c) The description of any significant dependency of the company towards a single client or group of clients the loss of which would have a negative impact on the income of the company.

From the point of view of the significant dependence towards a single client or group of clients:

KazMunayGas Trading A.G. - holds more than 10% of the company's sales on the external market.

Customers with more than 10% of the company's sales on the internal market: Rompetrol Downstream S. R. L.



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1.1.5. The Assessment of the Aspects regarding the employees/staff of the Company.

a) the number and level of training of the employees of the company as well as the degree of unionising the employees.

On December 31st, 2013 , Rompetrol Rafinare, work point Năvodari (Petromidia Refinery) had a number of 771 employees, of which: 214 - staff with higher education.

On December 31st, 2013, in the work point Vega Refinery , Ploiesti, the company had a number of 215 employees, of which: 32 - staff with higher education.

TOTAL: On December 31st, 2013 , Rompetrol Rafinare S.A. had a total of 986 employees, of which: 246 - staff with higher education.

The degree of unionising the employees was 95.74% (944 employees are members of the Trade Union).

The following trade unions activate in the company: Sindicatul Liber Petrochimistul (466 members), Sindicatul Liber Vega (154 members), Sindicatul Lucrătorilor de pe Platforma Industrială Midia Năvodari (289 members).

Division of employees on age groups:

- Rompetrol Rafinare work point Petromidia

Age Range	Number of employees	Percent of the total number of employees
< 30	65	8.43%
30 - 39	44	5.71%
40 - 49	385	49.94%
50 - 59	274	35.54%
>60	3	0.39%

- Rompetrol Rafinare workp oint Vega

Age Range	Number of employees	Percent of the total number of employees
< 30	2	0.93%
30 - 39	19	8.84%
40 - 49	136	63.26%
50 - 59	57	26.51%
>60	1	0.47%

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Also, in the reported period there have been carried out a series of training programs for employees in the areas following areas: functional competences; general knowledge; foreign languages (Romanian and English) ; legislation; management skills; communication; presentation skills; QHSE certifications; safety; professional knowledge - support functions, etc.

A total number of 351 employees attended the trainings, which totalled 12,895 hours, which means an average of approx. 37 hours training/employee.

Also, in the project **1Life.1Viata (Safety DuPont) 2013** there was a total number of 820 employees who attended the trainings, which totalled 2,082 hours.

The total cost of the training for the year 2013 was 105,070 USD.

b) The description of relations between the manager and the employees as well as any conflicting elements which characterise these relations.

The relations are normal between the management and the employees. There have not taken place any collective contestation actions regarding the company's management. There has been always a dialog between the trade unions and the management.

At the beginning of the year 2013 there was signed a new Collective Labour Agreement at company level.

1.1.6. The Assessment of the Aspects relating to the impact of the main activity of the issuer on the environment

The synthetic description of the impact of the basic activities of the issuer on the environment as well as any existing or planned disputes with regard to the violation of the legislation concerning the protection of the environment.

The Company owns and operates the Petromidia Refinery, located in Năvodari, Constanța County and the Vega Refinery located in Ploiești, Prahova County. Through the nature of the activities carried out (processing of the crude oil), the company has an impact on the environment, and for this reason the management is continuously preoccupied regarding the prevention and control of the impact of the activities carried out. There are being allocated considerable financial resources in order to make investments in this respect.

The environment strategy of Rompetrol Rafinare is based on the compliance with the legislation, through permanent monitoring and regular reporting of the compliance degree and the continuation of the investment programs, for the alignment with the best techniques available in the industry (BAT BREF) and shall be based on the following principles:

- Compliance with legislation and other applicable requirements, the permanent monitoring of the degree of legal compliance;

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- Using the environmental management system in order to integrate performance criteria as well as criteria regarding air, water, soil and natural resources protection;
- The continuation of the investment program in order to comply with the legislation in the field of environment protection ;
- The assessment of the environment performances of the company, the communication with the interested organizations as well as with the local communities, with regard to the continuing improvement of the environmental performances.
- Promoting information and awareness among the employees of the company, with regard to the measures for prevention and reduction of the emissions in the atmosphere, water and soil, including the measures concerning the waste management for the activities carried out and which may have an impact on the environment.
- Participation in voluntary projects and social responsibility projects in the neighbouring communities.

Integrated Environmental Authorization

During 2013, as a result of finalization of the transitional period (end of 2012) granted for Rompetrol Refining – Petromidia and the expiry of the Integrated Authorization for Rompetrol Rafinare - Petromidia Refinery, a new Integrated Environmental Authorization (AIM No. 1/10.05.2013) was emitted, having a validity of 10 years and with no Action Plan, due to the fact that all environment protection measures have been. Also, for Rompetrol Rafinare - workpoint Vega, the revised Integrated Environmental Authorization (AIM No 23/28.11.2013), being valid until 31.12.2014 has been requested and obtained.

The Water Permit

The Water Permit of Rompetrol Rafinare has been renewed by the National Administration Romanian Waters "Apele Române" and the Dobrogea Litoral Water Basin Administration (Administrația Bazinală Ape Dobrogea Litoral) The new authorisation No. 165/05.07.2013 (valid for 1 year) does not contain an action plan. All measures in respect with the protection of the water quality have been accomplished.

The greenhouse gases (CO₂) Permit

New Permits for the Greenhouse Gases have been issued during the year 2013, valid until the end of 2020 (Phase III - 2013-2020), both for Rompetrol Rafinare - Petromidia refinery, as well as for Rompetrol Rafinare – refinery Vega.

During 2013, the allocations for the Phase III have been approved and also the monitoring and reporting Plan of CO₂ emissions for 2014, has been submitted to the Ministry of Environment and Climate Change ("MMSC" - Ministerul Mediului și Schimbărilor Climatice).

During February 2013 the certificates for 2012 have been returned in the European Register of greenhouse gas emissions (EUTL - European Union Transaction Log).

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In December 2013 took place at Petromidia Refinery the audit for the verification of CO₂ quantity emitted during 2013 and also, the audit for verification of the questionnaire for accessing the New Entry Reserve, for Phase III (2013-2020). The request has been validated by accredited auditors and sent to the Ministry of Environment and Climate Change.

The projects initiated in 2012 in Rompetrol Rafinare - Petromidia Refinery, regarding the Emptying of the Sludge in Lagoon No. 3 and Installing the System for the Reduction of Particles in Burned Gases at catalytic cracking plant, have continued during 2013. The project "facle-halde-şenal" Area Clean-up has also been completed during 2013.

Compliance with the REACH Regulation - in accordance with the requirements of the European Chemicals Agency (ECHA)

- update 29 files of petroleum products (Rompetrol is Lead Registrant for 3 petroleum cut) - performed with Concawe support;
- registration of a new petroleum cut from the MHC unit - performed with Concawe support.

1.1.7. The assessment of the research and development activity

The statement of expenditure under the financial year as well as of those which are to be expected for the next financial year for research and development.

Expenditure carried out in the year 2013

Expenditure for studies and technical assistance **212,354** USD

Expenditure planned for the year 2014

Expenditure for studies and technical assistance **384,180** USD

1.1.8. Assessment of the company's risk management activity

The description of the company's exposure to the price risk, credit risk, liquidity and cash flow risk.

The company is exposed to the risk induced by the high volatility of the prices of crude oil and petroleum products, with a direct impact on the gross margin on sales.

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From the point of view of liquidity, on the background of a shortage of liquidity on the market, under the conditions of the persistence of the economic and financial crisis, the company has made efforts to maintain the coverage of current debts from current assets. The current liquidity indicator had a value of 0.51 in 2013.

The description of the objectives and policies of the company regarding the risk management

By the nature of its activity, the company is exposed to some risks:

- commodity price risk arising from the exposure to interest rate, exchange rate EUR - USD, USD - RON fluctuations, the volatility of the selling prices of petroleum products and of the purchase prices of crude oil;

The company's priority objective is to reduce operational costs per tonne of product obtained in order to limit the price risk as a result of the correlation of the product prices obtained with the market prices to a minimum. A high importance in evaluating the price risk result from the evolution of the international quotations for crude oil, which is the main raw material of the refinery.

- the credit risk arising from the possibility that the contractual obligations are not being kept by business partners, customers and suppliers is being monitored at regular intervals, through creditworthiness/solvency assessments of customers and by requiring guarantees on delivery.

- the liquidity risk consists in not having financial resources available in order to fulfill company obligations when they are due. Based on the forecasted cash flow, the management of the company checks daily the liquidity level and ensures the fulfillment of obligations to suppliers, to the state budget, to the local tax authorities etc. according to their maturity. The current and immediate liquidity ratios are monitored permanently.

- the operational risk derives from the possibility that accidents, errors, malfunctions may occur, as well as from the influences of the environment upon the operating and financial results. Rompetrol Rafinare S.A. has continued a broad revamp process on the refinery technology, for the purpose of increasing the production, reducing the technological losses, as well as eliminating the accidental shut-downs in the industrial process.

The Company is also interested in the maintenance and continuous improvement of the integrated quality-environment-health and safety management system, with results on the improvement of the image of the organization, the improvement of the relations with the public authorities, the social-economic community as a

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whole, the limitation of civil and criminal liability, by meeting the legal requirements and regulations concerning quality-environment-safety.

In this respect, Rompetrol Rafinare has all car fuels placed on the market certified and the certification of the Quality, Environment, Occupational Health and Safety Management systems has been maintained during the year 2013.

Romp petrol Rafinare S.A has taken all the appropriate actions to achieve the objectives regarding health and occupational safety and also activities necessary to comply with the legal requirements and regulations.

The Company has continued in 2013 to identify and assess the major hazards resulting from the normal operation and accidental situations, as well as to assess the likelihood and severity thereof. In this respect there have been carried out risk analysis as HAZOP for 2 technological facilities of Rompetrol Rafinare - Vega (dearomatization and bitumen)

Also, it was continued the applying of the Management of Change (MOC) using the Sharepoint platform (application concerning the electronic filling and approval of the initiation Form and of the final report) so that the identification/tracking/communication/review and approval of the changes could be secured before implementation.

"The operation authorization" of the rescue Station has been maintained through the surveillance audit carried out by INCD INSEMEX Petroşani. The operative staff who work within the rescue Station were reauthorized by INSEMEX Petrosani.

For the training of the staff operating on platforms, and on the basis of the scenarios from the Internal Emergency Plan, there are carried out regularly simulation exercises of a major accident in which there are also involved the subcontractors. Also, starting with 2013 there are carried out practical exercises with the staff, having as a subject "the use of extinguishers of all types".

In the same context, there was also a joint exercise with " ISU Dobrogea" at the AFPE installation.

The program "Safety Rompetrol" has been continued. The development and implementation of the management of health and occupational safety to the highest standards and achieving a level of safety comparable to the levels of the most famous companies in the world.

The program is aimed to improve the activity regarding work safety, in order to raise the awareness of workers, including the subcontractors, in respect with adopting a safe behaviour and reducing the risks of injury and/or professional illness specific to all activities on the platforms Petromidia and Vega.

The objective for the year 2013 represented consolidating level 3 Dupont on the platforms Petromidia and Vega.

After the analysis of the effectiveness of the management system of SSM by the DuPont consultants, the conclusion was: keeping the level 3, on the DuPont scale from 1 to 5. This level means that the safety systems are very good, have been fully implemented and are effective: any deviation is corrected by the system and is used to improve the system; the work of the safety committees

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and subcommittees can be observed; priorities are set regarding safety. The Organization has safety development projects and the safety performances show a constant improvement.

There have also been evaluated 3 "new" Process Safety Management elements. The results were positive: level 2 for the management of technological communications (MoC) and HAZOP, as well as level 2.5 for the Pre-start up safety review.

1.1.9. Elements of perspective regarding the activity of the company***a) the presentation and analysis of the trends, elements, events or factors of uncertainty which affect or could affect the liquidity of the company as compared to the same period of the previous year.***

The company has been working hard to maintain the ability of coverage of current debts from the current assets, so in 2013 compared with 2012, the current liquidity indicator has fallen slightly from the value 0.58 to 0.51.

The liquidity risk derives from the possibility that the financial sources may not be available in such a way as to meet the obligations of the company in due time. The Company management follows the liquidity level daily, as well as ensuring that its obligations towards suppliers, the state budget, local budgets, etc. are met in accordance with their contingency, with the aid of the expected cash. The coefficients of current and immediate liquidity are monitored at all times.

The knowledge of the effects of these liquidity risks constitutes one of the concerns of the management of the company Rompetrol Rafinare S.A. in conducting the economic-financial activity in a smooth way. Ensuring continuous funding sources also to the planned levels has been made possible by an appropriate credit-granting policy related to identifying the current needs and the needs for investments.

The activity of the company will continue to be influenced by developments in the international situation as far as the market of crude oil and petroleum products is concerned, as well as by a series of internal macroeconomic factors.

In the specific market context of petroleum products, marked by a high volatility of prices, the management of the company has implemented a policy of risk management with the main objective: the mitigation of risk regarding the price of crude oil and petroleum products in the financial statements of the company. In addition, a major concern has also been granted to the policy of risk management regarding the development of the exchange rate and the interest rate.



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b) presentation and analysis of the effects of capital expenses, current or anticipated on the financial situation of the company as compared to the same period last year.

The investment activity in the year 2013 has focused, in accordance with the program, on the following:

- The increase of the processing capacity of the refinery and the generation of fuels, with the specification in line with the European standards as also an increase of the white products efficiency;
- the alignment with the requirements of the European Union, the environmental standards in force, and in particular with the aim of reducing emissions.

The main projects completed in the year 2013, in the Petromidia Refinery

The modernisation of the Delayed Coke Unit

The Project objectives have been:

- ✓ Carrying out a closed quick drainage system to take over the functions of the existing open drainage system.
- ✓ The implementation of a new decoking system for the furnace, using air and steam simultaneously and controlled in order to avoid thermal shocks in the tubes and reducing the time required for the decoking of the reaction furnace 180 H1.

Installing Low NOx burners on the refinery furnaces

For the purpose of compliance with the action program set out in the Integrated Environment Authorisation of the of Rompetrol Rafinare S.A., which lays down the emission limit of nitrogen oxides at 150 mg/Nmc, there have been replaced the existing burners of the refinery furnaces with new burners as to ensure the reduction of the emissions of nitrogen oxides into the atmosphere.

As a result of the performance tests, it was confirmed that the nitrogen at the furnaces comply with the environmental regulations. Also, the new burners have allowed the maximisation of the combustion efficiency in all furnaces, by increased permissivity for adjusting the air/fuel mixture, which has led to the decrease of the global consumption of fuel gas.

Fuel Oil segregation at the Railcar loading Point

Through Railcar Loading Point is being delivered Euro 5 diesel fuel, respectively crude oil.

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At first, the loading of products shall be carried out through the same pipe collector and loading arm, with the risk of contaminating the diesel fuel.

By implementation of the project regarding the segregation of the loading facilities of the two products, there have been eliminated the situations in which the depreciation of the products loaded at the Railcar Loading point.

c) The presentation and analysis of the events, transactions economic changes which significantly affect the income from the main activity.

Turnover, recorded on 31.12.2013 is 1,197,466,392 lei less than that provided for in the budget. This is essentially due to processing a smaller quantity of raw materials than planned in the budget.

Although the prices for the sale of petroleum products have had an increasing trend, they have not aligned to the purchase price of the crude oil thus causing an operational loss of 218,483,894 lei.

In 2013, the degree of use of the refining capacity as opposed to the one planned was of 86.18%.



2. TANGIBLE ASSETS OF THE COMPANY

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

The company ROMPETROL RAFINARE S.A. is located about 20 km North of the Constanța County, between the Black Sea and the lake Năvodari (Tașaul), on a plot of land partly recovered from the sea and from the lake, in the vicinity of the port Midia and the Poarta Albă – Midia channel.

The Petromidia Refinery is the only profiled unit in Romania located at the Black Sea, and thus having a competitive advantage due to the immediate access to the sea and river transport routes, namely:

- Strategic placement in the Black Sea area, near the Constanța port - one of the biggest in the region;
 - Direct access to the Danube - Black Sea Channel;
 - Direct access to the Midia Port;
 - Near the network of crude oil pipes;
 - Own railway infrastructure system;
 - Logistical facilities (Midia Marine Terminal S.R.L.) which allow for reception and delivery of the liquid products by ships, barges, rail tankers and tank wagons.
-
- Nominal project capacity from 1975: 3.5 million tonnes raw material
 - Capacity used: 4.182 million tonnes in 2013
 - Future capacity starting from the year 2014: 5.477 million tonnes per year
 - Infrastructure:
The Petromidia platform has a surface of 480 hectares where more than 20 companies, with various areas of activity operate.

The supply of crude oil and other raw materials is mainly carried out through the marine terminal located in the vicinity of the Petromidia Refinery, at a distance of about 8 km from shore and through the Midia port. As an alternative, the supply may also be made through the port of Constanța (one of the biggest in the region), through the OIL TERMINAL S.A. pipe, for a distance of approximately 40 km.

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As of December 2007, the VEGA Refinery was transformed into tax warehouse for production of the SC Rompetrol Rafinare SA.

The VEGA Refinery is located on the national road DN 1A, at a distance of approximately 60 km from Bucharest, the capital of Romania, near the European road E 60, with access to both the road and the railway network. The Vega Refinery is located in the northern part of Ploiești city, about 1 km from the Ploiești North railway station, with which it is directly connected. The exploitation of the railways as also the manoeuvre and transport operations shall be carried out by the Romanian railway company Grup Feroviar Român, its owner being the Rompetrol Logistics S.A.

The Vega Refinery is currently exploiting the following facilities: Distillation under vacuum, Bitumen, Hexane, Rectification, Dearomatization Unit, AFP with the auto platforms and railways.

Currently, the raw materials are brought in the refinery in railway reservoirs and are discharged through the railway platforms, specialized by types of raw materials. From the specially prepared platforms, the raw material is pumped through the pipes towards the storage reservoirs of the Blending and expedition area (AFP), where they are taken up by each plant separately.

The Refinery has a fleet of reservoirs of raw material and finished products, auto platforms and the railway platform for the delivery of petroleum products. At the moment, the supplies of petroleum products from the Vega Refinery are made in both railway reservoirs and in tank wagons.

2.2. Description and analysis of the wear and tear degree of the company's properties.

On December 31st, 2013, the accumulated depreciation of the fixed assets, tangible assets (expressed in lei) is as follows:

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Depreciation of tangible assets	Balance on 01.01.2013	Balance on 31.12.2013
Lands-(developments)	18,466,533	19,524,894
Constructions	758,109,073	785,057,924
Technical equipment and machinery	1,009,717,431	1,138,779,735
Other facilities, equipment and furniture	3,227,446	3,980,509
Total	1,789,520,483	1,947,343,062

2.3. Potential problems related to the ownership right regarding the tangible assets of the company.

During 2013 the company did not record any claims relating to the right of ownership regarding the tangible assets.

On September 10th, 2010, ANAF (the Agency for Fiscal Administration) has issued a Resolution on the establishment of distraint upon property on all shares owned by Rompetrol Rafinare in its affiliated companies, as well as upon the tangible and intangible assets of Rompetrol Rafinare, excepting stocks. This measure is still in force and has been appealed in court by the Rompetrol Group. At the date of issue of this report, this distraint upon property does not produce any direct effects on the recurring operations of the Company.

The Rompetrol Group has contested this Resolution and requested the court to cancel the distraint upon property. The main reason invoked is that, that with effect from October 1st, 2010, there is no obligation of the Rompetrol Rafinare towards the Ministry of Finance, regarding the conversion of the bonds into share capital based on the Issuing Convention. On the date of issue of this report, the Rompetrol Group together with the Romanian state, represented by the Office of State Ownership and Privatisation in Industry (OPSPI), as sole administrator, have concluded a memorandum of understanding for closing the dispute relating to the conversion of the Rompetrol Rafinare bonds in shares in favor of the Romanian State, the dispute being suspended at the request of the parties.

In the course of the year 2013, the Rompetrol Group and the Government of Romania, through the Office of State Ownership and Privatisation in Industry (OPSPI), have completed the technical details of a Memorandum of understanding on the provision of a beneficial solution for both parties, with respect to the amicable settlement of the dispute concerning the conversion of the Rompetrol Rafinare bonds in shares in favour of the Romanian State.

The agreement has two major components - redemption by the Rompetrol Group of a substantial package of the shares held by the state in Rompetrol Rafinare (the operator of the Petromidia Năvodari and Vega Ploiești Refineries),



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as well as the setting up of a Kazakh - Romanian investment fund, with an estimated value of about 1 billion USD.

According to the agreement, Rompetrol will pay 200 million USD for taking over 26.6% of the share package; for a period of 3 years, the Romanian state will be a significant shareholder of the company in Năvodari, with 18%.

We mention that, by Government Resolution no. 35/ January 22nd, 2014, this Memorandum has been approved, through which the Ministry of Public Finance has been authorized and appointed to follow all procedural actions necessary for the withdrawal of the claims and the termination of all disputes.

Following the hearing on March 24, 2014 it is confirmed that the court case is closed following the Ministry of Finance renouncing all the court actions that were in progress that are mentioned above.

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3. SECURITIES ISSUED BY THE COMPANY

Whereas, in accordance with the provisions of BVB code, the issuers whose securities are admitted for trading on a regulated market shall be obliged to include the declaration of compliance or failure to comply with the provisions of the Corporate Governance Code (the Comply or Explain Statement), all relevant information concerning the Corporate Governance practices have been included in the Corporate Governance section and in the "Corporate Governance Statement" afferent to the Annual Report 2013.

3.1. The markets in Romania and in other countries on which the securities issued by the company shall be negotiated

With effect from April 07th, 2004 the company's shares are traded on a regulated market operated by the Bucharest Stock Exchange S.A. ("BVB").

The shares of the Rompetrol Rafinare are traded in their entirety at the category II of the BVB. On 31.12.2013, the total number of shares to be issued by the Issuer is 44,109,205,726 , representing a total value of the share capital of 4,410,920,572.6 lei . The Company's shares are common, nominative, issued in dematerialised form, whose record is held by the DEPOZITARUL CENTRAL S.A. Bucharest, authorised by the National Securities Commission through authorization 3564/14.12.2006.

In accordance with the legal provisions under the Articles of Incorporation, each share confers the shareholders the right to vote in the General Assembly of the Shareholders, the right to elect and be elected in the Management Bodies of the Company, the right to participate in the sharing of benefits and assets of the Company at the dissolution of the Company, as well as other rights established by law. The ownership right and any other attributes thereof on the shares shall be transmitted in accordance with the provisions of the legislation of the capital market.

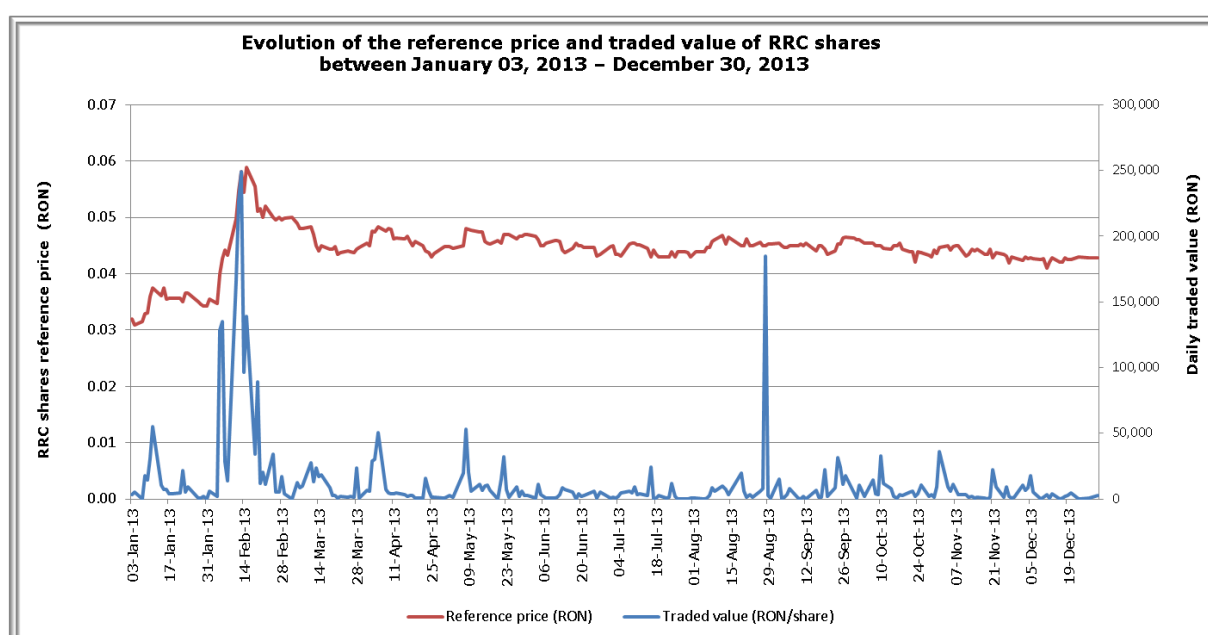
Regarding the shares, transferring them is not restricted, shall be carried out in accordance with the legal provisions applicable and with the provisions of the Articles of Incorporation of the Company.

The symbols of Rompetrol Rafinare shares:	
The Bucharest Stock Exchange	RRC
Bloomberg	RRC RO



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The Rompetrol Rafinare shares	2011	2012	2013
Number of shares	44,109,205,726	44,109,205,726	44,109,205,726
Stock exchange capitalization, mil. lei ¹	1,689.383	1,389.440	1,887.874
Stock exchange capitalization, mil. Euro ²	391.088	313.707	422.920
Maximum price, lei ³	0.0839	0.0429	0.0589
Minimum price, lei ⁴	0.0370	0.0276	0.0309
Price at the end of the year, lei	0.0383	0.0383	0.0421



The weighted average price (PMP - Prețul mediu ponderat) of the RRC shares in the course of the year 2013 = 0.0467403 lei/share; the volume traded during February is 45.25 % of the total volume traded in all the year 2013 (total volume traded in 2013 = 3,133,493.45 lei)

Shareholders of the Rompetrol Rafinare

Throughout the period in question there did not take place any changes likely to affect the value of the share capital of the company.

Calculated on the basis of the price of the share on the last transaction day of the year under consideration, respectively on December 30th, 2013

² Calculated at the euro exchange rate (4.4639) of the last trading session of the year under consideration, respectively December 30th, 2013

³ recorded on February 15th, 2013

⁴ recorded on January 4th, 2013



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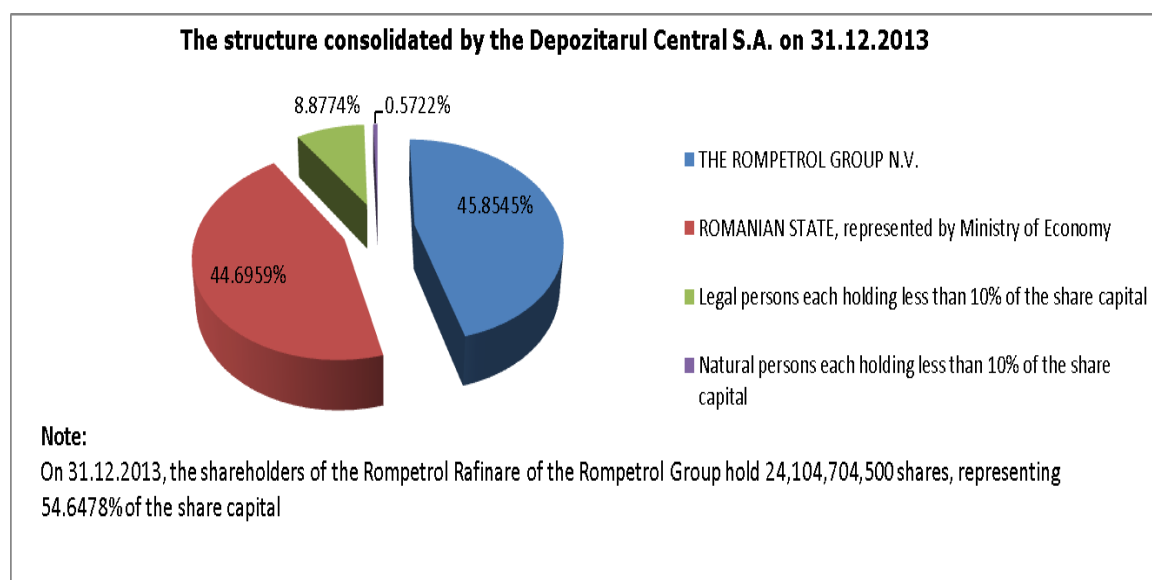
By letter No. 20052 sent by the Depozitarul Central on May 2nd, 2013, the company Rompetrol Rafinare has been informed regarding the updating of the identification data of the significant shareholder the Ministry of Economy, following to the provisions of Article 4. Paragraph 1 of the Government Emergency Ordinance No. 96/2012 on the establishment of reorganisation measures in the central public administration and for the amendment of some regulations. Taking these documents into consideration, by the Resolution of the Board of Directors of the Company, in effect as of May 10th, 2013 the modification and updating of the Articles of Incorporation of the Company, as well as the completion of the formalities for the registration of the amendments stated in the regulations with the Trade Register Office were approved.

Thus, the significant shareholders of the company referred to in the Articles of Incorporation updated on May 15th, 2013 have become:

- 1) **The Rompetrol Group N. V.** owns 20,226,040,126 shares, fully paid, amounting 2,022,604,012.6 RON, representing 45.8545% of the share capital;
- 2) **The Romanian State represented by the Ministry of Economy** holds 19,715,009,053 shares, fully paid, amounting 1,971,500,905.3 RON, representing 44.6959 % of the share capital.

B. Shareholders holding less than 10% of the share capital each, holding together a number of 4,168,156,547 shares, fully paid, amounting 416,815,654.7 RON, representing 9.4496% of the share capital.

According to the Register of Shareholders starting on the consolidation date of December 31st, 2013, the structure of the significant shareholders of the company is shown in the graphic below:





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3.2. Dividends.

On December 31st, 2011, ROMPETROL RAFINARE has registered a loss of 713,259,001* lei.

On December 31st, 2012, ROMPETROL RAFINARE has registered a loss of 297,653,500 lei.

On December 31st, 2012, ROMPETROL RAFINARE has registered a loss of 224,025,999 lei.

Taking into account the above mentioned facts, the company could not grant dividends to the shareholders for the financial years 2011, 2012 and 2013.

Note: * - the financial information for the year 2011 have been retreated in accordance with OMFP No. 1286/2012, art 8. For this reason, the values in this report differ from those presented in the year 2011.

3.3. Own shares

ROMPETROL RAFINARE S.A. held on December 31st, 2013 a number of 6,134,701 own shares with a nominal value of 0.10 lei each, amounting 613,470.10 lei, representing 0.029% of the share capital of the Company.

In 2013, the company did not trade (bought, respectively sold) own shares.

3.4. The number and nominal value of the shares issued by the parent company, owned by subsidiaries.

In 2013, the subsidiaries of society have not held shares issued by Rompetrol Rafinare.



4. THE MANAGEMENT OF THE COMPANY

4.1. Presentation of the company's directors

In 2013, the Board of Directors has changed as follows:

- By Resolution No. 1 of the Board of Directors of December 24th, 2012, the ending of the mandate and of the quality as member of the Board of Directors of the Mr. Arman Kairdenov has been approved starting on 20.12.2012. In accordance with Article 137^{^2} of Law No. 31/1990 and Article 14.6 of the Articles of Incorporation of the Company, through the same Resolution there has been approved the appointment as provisory Managing Director of Mr. Sorin Graure, starting as of December 24th, 2012.

By Resolution No 1/2013 adopted by the Ordinary General Meeting of the Shareholders of March 5th, 2013 the election of Mr. Sorin Graure in the position as full member of the Board of Board the Company, for a mandate which shall expire on April 30th, 2014 (date of expiry of the mandate of office all members of the Board of Directors) has been approved;

- By Resolution No. 5/2013 adopted by the Ordinary General Meeting of the Shareholders of June 18th, 2013 the election of Mr. Gabriel Dumitraşcu in the position as member of the Board of Directors of the Company Rompetrol Rafinare as a result of the revocation of this position of Mr. Dumitru-Remus Vulpescu has been approved.

The Ordinary General Meeting of the Shareholders of June 18th, 2013 has been convoked at the request of the significant shareholder, the Romanian State, represented by the Ministry of Economy - through the Office of State Ownership and Privatisation in Industry.



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a) Listed below, information on the Company Directors, who are in office on 31.12.2013.

Name and first name	Age (years)	Position held in the Managing Board and length of service	Other information (qualifications, professional experience)
Azamat Zhangulov	34	<p>- President of the Board of Directors as of August 6th, 2012 to the present;</p> <p>- elected as Director by Resolution No 5/2012, adopted by the Ordinary General Meeting of the Shareholders of 26.10.2012, for a mandate which will expire on 30.04.2014 (date of expiry of the mandates of all Directors)</p>	<p>Graduated from the Faculty of international Economic Relations in the Management Academy of Kazakhstan.</p> <p>Over 11 years in the crude oil field, of which 9 years he has worked with various companies of the KazMunayGasGroup .</p> <p>He has joined the team of the KazMunayGas Group in April 2003, initially occupying the position as Senior Manager of the Corporate Development Department and Senior Manager of the Resources Department in the National Company "KazMunayGas".</p> <p>In 2007, he was appointed Deputy Director of the Department for Corporate Development. A year later, he accepted a new challenge by taking over the position as Adviser to the CEO within the Trade House KazMunayGas, where his role was to make proposals for the improvement of the operations within the distribution network. Shortly after he was appointed as Director of the Department for Management of the External Projects. In 2009 he became General Manager in the same company.</p> <p>Prior to joining the Rompetrol team, he held the position of Director of the Department for Management of the Foreign Investments in the National Company "KazMunayGas" for a period of two years, being responsible for the management of foreign investment, but also for projects which were led by Rompetrol or international mergers and acquisitions.</p> <p><i>Responsibilities</i> : In the Rompetrol Group he holds the position as Senior Vice - President .</p>



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Alexandru Nicolcioiu	62	<p>Member of the Board of Directors: 23.09.2010 - present;</p> <p>Mandate which will expire on 30.04.2014 (date of expiry of the mandates of all Directors).</p> <p>He has held the position as President of the Board of Directors of Rompetrol Rafinare in the subsequent periods:</p> <ul style="list-style-type: none"> - 30.04.2010 – 22.09.2010; - Provisory appointment from 25.02.2010 until the General Ordinary Meeting from 30.04.2010; - 25.02.2006 – 25.02.2010; - 26.02.2001 – 25.02.2006; - 1990 - 1998 	<p>Graduated from the Faculty of Technology, Chemistry of Petroleum and Natural Gas from the Faculty of Petroleum, Gas, and Geology Bucharest, 1975, engineering diploma;</p> <p>Started working in the company in the year 1975; during 1990 - 1998 held the position as General Manager of the company. He is one of the few employees of the Rompetrol Group which has been with the company for more than 30 years, having an extensive experience in the activities regarding oil and gas.</p> <p>Doctorate at the University of Petroleum and Natural Gas Ploiești - " Strategies regarding engineering and technical/technological risk management in the processing of hydrocarbons"</p> <p><i>Responsibilities</i> : in Rompetrol Group holds the position as Vice President of the Refining division, Petrochemical plants and Industrial Services</p>
Iulian-Marian Butnaru	50	<p>Member of the Board of Directors as of 26.10.2012 up to date</p> <p>Mandate which will expire on 30.04.2014 (date of expiry of the mandate of all Directors)</p>	<p>Graduated from the Academia Tehnică Militară - faculty of telecommunications, 1988. In the year 2004 graduated the Lucian Blaga University - Law Faculty.</p> <p><i>Marks in his career:</i></p> <ul style="list-style-type: none"> - Advisor to the Minister of Economy, Commerce and Business Environment - Deputy Director and Director of the surveillance and customs control division and of the division for the supervision of excise duties and customs operations of the National Customs Authority - totalling about 6 years; - Department Manager within the national company Romtehnica S.A. ; - Director of the department for legislation on excise duties in the Ministry of Public Finance; - Secretary general with the MECMA; - COREPER 2 member - representative of Romania within the European Commission for Customs Cooperation Working Group, which operates within the JAI group, during 2005 - 2008; - Member of the Romanian delegation at the World Bank - 1999, to negotiate a loan regarding facilitating trade and transport in the South Eastern Europe; - Member and head of delegations in work visits in over 18 states.



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Sorin Graure	35	<p>Permanent Member of the Board of Directors as of 05.03.2013 , appointed in this position by the Resolution No. 1 adopted by the Ordinary General Meeting of the Shareholders of March 5th, 2013</p> <p>Mandate which will expire on 30.04.2014 (date of expiry of the mandates of all Directors)</p> <p>For the period 24.12.2012 - 04.03.2013, he held the position as provisory member of the Board of Directors</p>	<ul style="list-style-type: none"> - Graduate of the Faculty for Petroleum Processing Technology and Petrochemistry in the Ovidius University of Constanța. - Possess high qualifications and skills in the field. - At present, General Manager of Rompetrol Rafinare S.A. as of 20.12.2012. - During the period 22.11.2012 to 20.12.2012, he has exercised the attributions conferred to the company's General Manager during the vacation time for the function of General Manager of the company (on account of the termination of the mandate as General Manager of Mr. Arman Kairidenov)
Gabriel Dumitrașcu	49	<p>Member of the Board of Directors as of 18.06.2013 , for a mandate which will expire on 30.04.2014 (date of expiry of the mandates of all Directors)</p>	<ul style="list-style-type: none"> - graduated from the Bucharest Polytechnics University, 1990. During 1996 - 2000 graduated various post - university courses. <i>Marks in his career:</i> <ul style="list-style-type: none"> - General Director General Department of Privatization and Administration of State Ownership in the Department for Energy under the Ministry of Economy - Head of the Office of State Ownership and Privatisation in Industry; - General Manager SC TERMoeLECTRICA SA; - General Manager AVAS; - Vice-president - Executive Director development, marketing and communications S.C. Ardeleana S.A. (management contract) - General Manager and Deputy General Manager, manager of development, relations with the authorities and public communication (management contract) S.C. Roșia Montană Gold Corporation S.A. - General Manager - Ministry of Waters, Forests and Environment Protection; - Director Environmental Protection Agency Bucharest; - Director of the General Secretariat of the Government - SSPR; - Rapporteur the National Confederation of the trade unions in Romania

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b) any agreement, understanding or family connection between the Director in question and another person, due to which the person has been appointed as Director.

As far as the Directors are aware, there was no agreement, understanding or family connection between the Directors and another person that has been appointed as Director.

c) The participation of the Director in the share capital of the Company;

According to the consolidated Register of the Shareholders of the Company as of 31.12.2013 issued by the Depozitarul Central S.A., Mr. Dumitru-Remus Vulpesu (during the analyzed year, holding the position as member of the Board of Directors of the Company until 17.06.2013) holds a number of 8,560 shares issued by Rompetrol Rafinare.

d) the list of persons affiliated to the company;

None of the members of the Company Board of Directors is a person affiliated to the Company, within the meaning of the CNVM Regulation No. 1/2006.

4.2. The members of the company's Executive Management

a) The period for which the person is part of the Executive Management;

In accordance with the provisions of the Articles of Incorporation of the Company, the only positions which may delegate the Management of the Company on the basis of the provisions of Article 43 of the Law 31/1991 regarding Companies are those as General Manager and Chief Executive Officer. Any other position as Manager in the Company (human resources manager, commercial manager, managing director, IT Manager, etc), regardless of its name, does not involve the management of the company.

On 31.12.2013, the two Managers who have been appointed as Managers within the meaning of the above, have been:

Name and first name	Position
Sorin Graure	General Manager
Giani-Iulian Kacic ⁵	Chief Executive Officer

⁵ Appointed as Chief Executive Officer starting with June 1st, 2013, as a result of the expiry of his term of the mandate of Mr. Vasile-Gabriel Manole

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The Members of the executive management shall perform the positions held for a mandate that will expire on 30.04.2014 (together with the administrators who have chosen them in these positions).

b) any agreement, understanding or family connection between that person and another person due to which the person concerned has been appointed as a member of the executive management;

We have no knowledge of cases of agreements, understandings or family connections between the members of the executive management and other persons due to which they have been appointed.

c) The participation of this person in the Company.

None of the two Managers under the table of 4.2. a) hold shares in the Company.

4.3. Any litigations or administrative procedures in which the persons referred to in sections 4.1 and 4.2. have been involved, in the last 5 years

Starting with 22 March 2005 and as of the date of this report, the investigations concerning current and past administrators, officers and external censors of S.C. Rompetrol Rafinare S.A. ("RRC") have been formally developing (despite certain discontinuities occurred from time in the course of the criminal investigation stage). At present, the Prosecutors' General Office attached to the High Court of Cassation and Justice ("PGO") is investigating only one of the current administrators.

The charges apprehended upon the initiation of the investigation were: a) failure to fulfill the investment commitments undertaken under the privatization contract concerning the Parent; b) unlawful statement of excises and other debts to the state budget; c) incorrect maintenance of accounting registries regarding the transactions undertaken at the oil terminal owned by Oil Terminal. These charges concern events taken place during April 2001 – October 2002. The said charges have been split by the prosecutors' office from the initial file (which has been sent to trial following such split) and are subject to a separate file currently open before PGO - DIICOT.

For certain charges under investigation – charges not concerning the Parent directly, that are part of the initial file open by the prosecutors' office, even after the split of the file – the PGO decided to send to trial certain officials of The Rompetrol Group N.V. ("TRG"), the controlling company of S.C. Rompetrol

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Rafinare S.A. Following intensive discussions on several procedural matters, the first competent court, the Bucharest Tribunal, initiated the inquiry on the merits (the factual background) by interviewing the accused persons. Following the hearing of 17 September 2010, the court decided to refer the file to the Constitutional Court for settlement of certain motions raised by the defense.

The Rompetrol Group N.V. and the Parent Company publicly stated and continues to consider, in relation with all charges, that it has provided clear, reasonable and legitimate explanations with respect to all the activities undertaken by the Parent and the related persons.

The Parent finds all charges brought against it as legally ungrounded. The Parent's standing has been confirmed also by the court of law when ruling in favor of the motion submitted by The Rompetrol Group N.V. and S.C. Rompetrol Rafinare S.A. against the sequester that was established in relation with its assets and shares. The respective sequester, established unilaterally by the PGO, has been definitively and irrevocably annulled by the competent court of law.

Furthermore, on 15 December 2005, The Rompetrol Group N.V. submitted a request for arbitration before the International Centre for Settlement of Investment Disputes within the World Bank ("ICSID") of Washington DC against the Government of Romania whereby it requested compensation for the damages incurred. The request for arbitration emphasizes the breach by the Romanian State of The Rompetrol Group N.V.'s rights under the Agreement on Encouragement and Reciprocal Protection of Investments between the Government of the Kingdom of the Netherlands and the Government of Romania, in force as of 1 February 1995 (the "Dutch-Romanian BIT"). In May 2010, the debates on the merits of the dispute were closed (followed by two rounds of post-hearing briefs). On June 6, 2013 ICSID issued a decision in the above mentioned case. ICSID mentioned that the plaintiff's claims are admissible; it rejected the request for damages considering that even the evidences submitted showed a breach of the art. 3 (1) and (5) of the Treaty between Romania and The Netherlands the direct connection between this breach and the damages couldn't be provided. Finally, ICSID mentioned that each party will bear its own legal costs.

On July 18, 2012 the criminal charges against individuals was dismissed on merits. The prosecutor submitted the appeal, pending in front of the Court of Appeal. Based on the grounds submitted in the file and the recent court decision, the management consider that the allegations of PGO are ill founded even the case is still not settled. The prosecutor submitted the appeal against the decision issued by Bucharest Court. The first hearing will be on April 4, 2014



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Member

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4.4. Changing the Articles of Incorporation

The Articles of Incorporation may be amended by resolution of the General Meeting of the Shareholders, in accordance with the provisions of Law no. 31/1990 regarding Companies, in conjunction with the provisions of the Articles of Incorporation. The Articles of Incorporation may also be amended by the Company Board of Directors, based on the delegation of the attributions by the Meeting of the Shareholders in accordance with the provisions of Art. 114 of Law no. 31/1990 regarding Companies.

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5. FINANCIAL STATEMENT

The presentation of an analysis of the current economical - financial statement as compared to the last 3 years, with reference at least to:

a) The balance sheet items: assets representing at least 10 % of the total assets; cash and other cash equivalent; reinvested profits ; total current assets; total current liabilities;

THE SITUATION OF THE MAIN INDICATORS DURING THE PERIOD 31.12.2011 to 31.12.2013

A. BALANCE SHEET INDICATORS

		Lei		Lei		Lei	
	A S S E T	December 2013	%	December 2012	%	December 2011*	%
I.	Non current assets	5,019,533,202	67.4	4,509,761,691	61.2	4,216,020,449	65.1
1	Intangible assets	17,306,367	0.2	6,619,268	0.1	2,271,469	0.0
	Other assets	16,301,385	0.2	6,619,268	0.1	2,240,771	0.0
	Intangible assets in progress	1,004,982	0.0	0	0.0	30,698	0.0
2	Tangible assets	2,996,688,866	40.2	2,497,604,454	33.9	2,208,211,011	34.1
	Land and buildings	1,177,153,796	15.8	847,132,061	11.5	649,097,561	10.0
	Equipment and machinery	1,681,353,757	22.6	1,373,440,444	18.6	600,351,642	9.3
	Other Tangibles	8,191,128	0.1	3,530,634	0.0	3,607,788	0.1
	Tangible fixed assets in progress	129,990,185	1.7	273,501,315	3.7	955,154,020	14.7
3	Financial assets	2,005,537,969	26.9	2,005,537,969	27.2	2,005,537,969	30.9
	Long term investments	926,154	0.0	926,154	0.0	926,154	0.0
	Shares in affiliated entities	2,004,611,815	26.9	2,004,611,815	27.2	2,004,611,815	30.9
II.	Current assets	2,429,046,894	32.6	2,854,454,750	38.7	2,262,371,989	34.9
1	Stocks	1,044,086,279	14.0	1,167,936,143	15.9	871,141,638	13.4
	Raw materials and consumables	609,456,448	8.2	638,634,955	8.7	435,631,836	6.7
	Work in progress	169,720,696	2.3	227,375,019	3.1	222,637,534	3.4
	Finite products and goods	264,909,135	3.6	301,926,169	4.1	212,872,268	3.3
2	Other current assets	1,384,960,615	18.6	1,686,518,607	22.9	1,391,230,351	21.5
	Trade receivables	971,011,418	13.0	1,007,661,796	13.7	1,141,795,520	17.6
	Advances paid	43,642,077	0.6	76,716,078	1.0	41,432,703	0.6
	Other receivables	143,759,808	1.9	166,409,087	2.3	164,939,980	2.5
	Cash at bank and in hand	226,547,312	3.0	435,731,646	5.9	43,062,148	0.7
III.	Accrued expenses/ Prepayments	2,627,977	0.0	2,575,169	0.0	1,555,268	0.0
	Prepayments	2,627,977	0.0	2,575,169	0.0	1,555,268	0.0

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	Total assets	7,451,208,073	100.0	7,366,791,610	100.0	6,479,947,706	100.0
	LIABILITIES						
I.	Own capitals	2,419,266,586	32.5	2,143,733,843	29.1	(217,291,227)	(3.4)
	Share capital:	4,410,920,573	59.2	4,410,920,573	59.9	4,410,920,573	68.1
	Adjustments of the share capital	5,734,750,095	77.0	5,734,750,095	77.8	5,734,750,095	88.5
	Premium related to capital	232,637,107	3.1	232,637,107	3.2	232,637,107	3.6
	Reserves	3,177,546,654	42.6	2,677,987,912	36.4	19,309,342	0.3
	Profit (+) or loss (-) carried forward excepting the result carried forward due to the adoption of IAS 29 for the first time	(5,150,487,741)	(69.1)	(4,852,834,241)	(65.9)	(4,139,575,240)	(63.9)
	Profit (+) or loss (-) carried forward due to the adoption of IAS for the first time	(5,762,074,103)	(77.3)	(5,762,074,103)	(78.2)	(5,762,074,103)	(88.9)
	Profit (+) or loss (-) financial year	(224,025,999)	(3.0)	(297,653,500)	(4.0)	(713,259,001)	(11.0)
II.	PROVISIONS	243,887,253	3.3	266,996,813	3.6	79,265,065	1.2
III.	Debts	4,788,054,234	64.3	4,956,060,954	67.3	6,617,973,868	102.1
	Short term bank loans	43,699	0.0	43,931	0.0	99,534,891	1.5
	Commercial Debts	3,473,889,061	46.6	3,001,403,610	40.7	2,485,215,772	38.4
	Advances collected for orders	17,993,972	0.2	21,451,546	0.3	26,089,949	0.4
	Loans from companies in the group	1,096,068,180	14.7	1,711,276,576	23.2	3,618,454,195	
	Other debts	200,059,322	2.7	221,885,291	3.0	388,679,061	6.0
IV	Deferred Income	0	0.0	0	0.0	0	0.0
	Deferred Income	0	0.0	0	0.0	0	0.0
	Total liabilities	7,451,208,073	100.0	7,366,791,610	100.0	6,479,947,706	100.0

Note: * - the financial information for the year 2011 have been retreated in accordance with OMFP No. 1286/2012, art 8. For this reason, the values in this report differ from those presented in the year 2011.

- i) In the assets, the **tangible assets** - land, buildings, technical installations, fixed assets in progress occupy a considerable part (40.2 %). At the end of the year 2013 these reach the value of 2,996,688,866 lei, 19 % higher than in 2012, respectively 36% higher than the value recorded in 2011 influenced in particular by the following factors:
 - carrying out new investment;
 - depreciation (depreciation of fixed assets).
- ii) In the **financial assets** (26.9%), the equity investments (99.95%) hold the greatest share.



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- iii) **Total stocks**, on 31.12.2013, register the value of 1,044,086,279 lei lower than those at the end of the year 2012, with approximately 11%. They are 20% higher than the stocks on 31.12.2011.

- iv) Regarding the **commercial debts**, these have gone down, as compared to 2012, by 36,650,378 lei and by 170,784,102 lei as compared to 31.12.2011, following the efforts of the management to cash in the amounts for the sales of finished products on the due date.

- v) **Own capital** – has registered 2,419,266,586 lei, 275,532,743 lei higher than the amount recorded on 31.12.201. In the year 2011, the own capital reached the negative level of 217,291,228 lei.
This is essentially due to the growth of the element "Reserves" in the group - increase during 2013 as opposed to 2012 by the amount of 499,558,742 lei, respectively by 3,158,237,312 lei as compared to 2011, as a result of the partial transformations of the short term loan from the Rompetrol Group NV in hybrid long-term loan under specific financial conditions.

- vi) **The total debts** at the end of the year 2013 register a decrease by 3.4 % as compared to 31.12.2012 and by 27.7% as compared to the year 2011. Within these, the significant decrease shall be registered under the chapter "Loans from companies in the Group", in the amount of 615,208,396 lei as compared to 2012, in particular following the partial transformation of the short term loan granted by the Rompetrol Group NV in hybrid long-term loan under specific financial conditions. As compared to year 2011 these have amounted 2,522,386,015 lei.



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b) The profit and loss account: net sales; gross revenue; elements of costs and expenses incurred with a weight of at least 20% in net sales or gross income; provision of risk and for the various expenditures; reference to any sale or shut down of a segment of activity carried out over the last year or which is to be made in the following year; declared and paid dividends;

B. FINANCIAL INDICATORS

			Lei
	2013	2012	2011
THE NET TURNOVER	11,748,666,980	12,323,113,339	10,174,808,952
PRODUCTION SOLD	11,740,795,424	12,305,177,131	10,165,998,550
OPERATING INCOME	11,626,863,591	12,623,179,868	10,355,875,579
FINANCIAL INCOME	197,113,948	1,211,020,116	1,440,414,600
EXTRAORDINARY REVENUES			
TOTAL REVENUES	11,823,977,539	13,834,199,984	11,796,290,179
OPERATING EXPENSES	11,845,347,485	12,799,583,288	10,679,974,712
from which:			
-Raw materials	11,152,189,807	11,534,467,299	9,701,539,199
-Energy	346,190,532	406,780,624	318,990,908
FINANCIAL EXPENSES	202,656,053	1,332,270,196	1,829,574,468
EXTRAORDINARY EXPENSES			
TOTAL EXPENSES	12,048,003,538	14,131,853,484	12,509,549,180
OPERATING RESULT	(218,483,894)	(176,403,420)	(324,099,133)
FINANCIAL RESULT	(5,542,105)	(121,250,080)	(389,159,868)
EXTRAORDINARY RESULT	0	0	0
Income Tax	0	0	0
TOTAL RESULT	(224,025,999)	(297,653,500)	(713,259,001)

Note: * - the financial information for the year 2011 have been retreated in accordance with OMFP No. 1286/2012, art 8. For this reason, the values in this report differ from those presented in the year 2011.

- i. **The turnover** on 31.12.2013 was 4.7% less than the one recorded in 2012 and as compared to 2011, 15.5 % higher;
- ii. On 31.12.2013 , the **total revenues** decreased by 14.6% as compared to 2012 and are being maintained at the same level recorded in the year 2011;



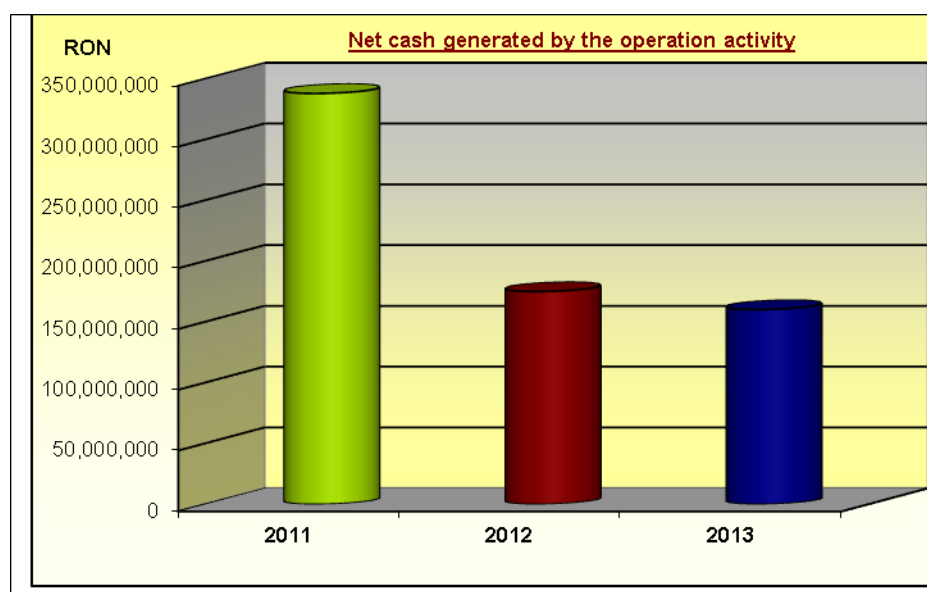
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- iii. **The total expenses** have registered in the period under consideration a decrease as compared to 2012 by approximately 14.8% and as compared to 2011 by 3.7%. As in the case of the revenues, the costs shall be in correlation with the fluctuations of the raw material prices. Their expenditure on acquisition representing approximately 93% from the total costs.
- iv. As for the **total result** on 31.12.2013 , the company registered a loss of 224,025,999 lei, 25% and 69 % lower as compared to that of the years 2012 and 2011.

c) Cash flow: all changes which have taken place at cash level in the main activity, investment and financial activities, the cash at the beginning and at the end of the period

In 2013, the situation of net cash flows reflected the company's effort to effectively harmonize the cash flow needs from operating activities with a balanced financing policy.

The cash flows from operating activities have been influenced both by reducing the trade receivables as well as by the increase in business debts and provisions. At the end of 2013, the Brent crude oil reached 110.28 USD/per barrel, compared with the end of 2012, when it reached 109.99 USD/barrel.

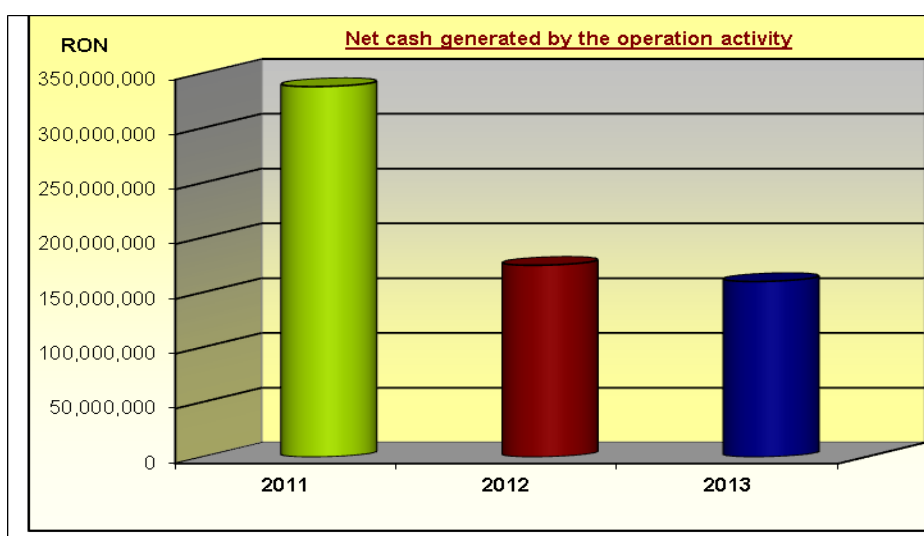


The cash flow from investing activities reflects the concern of the company regarding the alignment to the requirements of the European Union and to the environmental standards in force, in particular with the aim of reducing emissions of nitrogen oxides, sulphur, volatile organic compounds and carbon

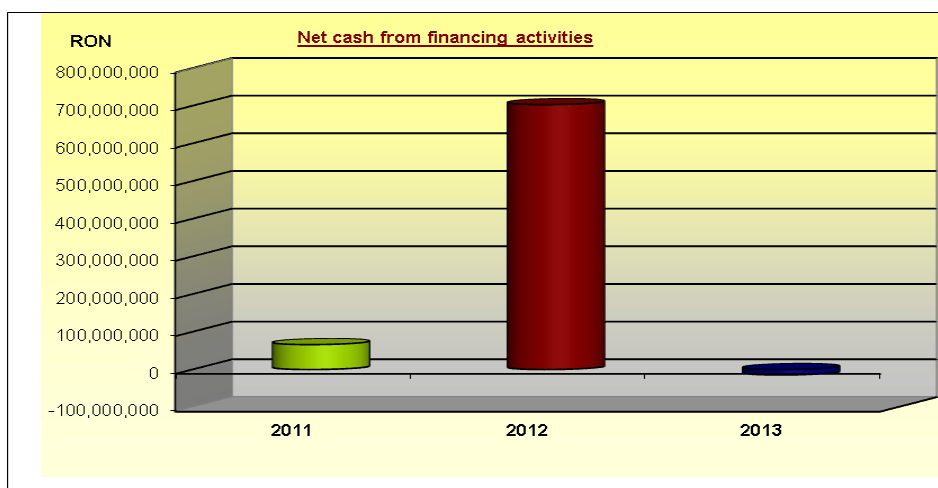


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dioxide and storage of hazardous waste. So. in 2013 Rompetrol Rafinare continued and completed two large investment projects: **Modernisation of the coke installation** - the project consisted in implementing a modern system of quick emptying, which will eliminate the pollution of air and soil, generated by the existing quick emptying system; **reducing the NOx emissions from the refinery furnaces** - the project consisted in replacing the burners of the furnaces in the technological plants with burners which generate a low contents of nitrogen oxides, in accordance with the regulations in force (maximum 150 mg/Nm³ NOx in the burned gases).



The cash flow from financing activities is influenced by the fact that the company has refunded a part of the credit granted by the majority shareholder in order to support both the needs arising from the investment activity, as well as the development of the operating activity of the refinery.



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6. CORPORATE GOVERNANCE

Rompetrol Rafinare is a trade company managed in unitary system, issuer of shares listed on the regulated market operated by Bursa de Valori București S.A. (Bucharest Stock Exchange) ("BVB"). The acceptance for transactions of the Company shares on the secondary market of BVB was decided by the Decision no. 27/25.03.2004 of the Stock Exchange Council regarding the admission for transaction and the starting date of the transaction was April 7th 2004. Prior to this date the Company shares were listed on the regulated market operated by RASDAQ.

The Company shares are transacted at BVB under the market symbol "RRC".

The Corporate Governance report of Rompetrol Rafinare S.A. for the year 2013 is drafted based on the Corporate Governance Code („CGC” or the „Code”) adopted by BVB in 22.01.2009, of Law no. 297/2004 regarding the capital market, as subsequently amended and supplemented, of the regulations and instructions issued by the National Commission of Shares and Bonds („CNVM”) and of the stock exchange regulations.

CGC of BVB includes a few recommendations that are provisions with suppletive character of normative acts in Romania namely: Law no. 31/1990 regarding trade companies, republished, as subsequently amended and supplemented, Law no. 82/1991 of accounting, as subsequently amended and supplemented and Law no. 297 regarding the capital market.

The code has as purpose to guarantee high transparency and visibility conditions for all the shareholders and for all the third parties („stakeholders”). The CGC rules are grouped into XI principles provided in 41 recommendations mentioned in a number of 11 articles. The principles and recommendations of CGC contain provisions referring to the Issuers, directors, auditors, shareholders or other structures of the issuers.

CGC of BVB, in the Romanian and English alternative, is available and can be consulted on the web site of BVB at the address: www.bvb.ro, the section „Companies, subsection "Corporate Governance". At the same address can be consulted the Implementation guide of the Corporate Governance Code and the Declaration „Apply or Explain”.

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6.1. The BVB standards regarding the Corporate Governance

According to the rules of BVB contained in CGC, Rompetrol Rafinare complies partially and self-imposed with certain principles and recommendations of CGC, which results also from the Declaration "Apply or Explain". The Company proposes to improve the implementation manner of the principles and recommendations of CGC of BVB.

According to BVB standards, the Issuers whose financial instruments are transacted on the regulated market operated by BVB, have to transmit each year to BVB, a Declaration of compliance or incompliance with the provisions of CGC attached to the Annual Report. The declaration corresponding to the year 2013 is enclosed with the current report.

6.2. Information on the Board of Directors

According to the Articles of Incorporation updated on May 15th 2013, the Company activity is led by a Board of Directors consisting of 5 members, appointed by the General Ordinary Meeting of Shareholders, who can also be shareholders of the company, natural or legal persons, with Romanian or foreign citizenship respectively nationality.

The directors can be replaced in the following situations:

- a) At the expiry of the 4 years mandate or at another period established by the General Meeting of Shareholders when electing the director(s);
- b) In case of resignation, or recalling by the General Meeting of Shareholders.

Upon the mandate expiration any member of the Board of Directors may be reelected by the General Meeting of Shareholders.

The attributions of the Board of Directors, according to the Articles of Incorporation, are the following:

- a) establishes the main activity and development directions of the company;
- b) establishes the accounting and financial control system and approves the financial planning;
- c) appoints, recalls, respectively concludes and terminates of the contracts of the Company managers;
- d) supervises the managers activity;
- e) prepares the annual report, organizes the general meeting and implements its decisions;
- f) introduces the request for opening the company insolvency procedure, according to Law 85/2006 regarding the insolvency procedure;
- g) except for the legal documents for the adoption / conclusion of which the approval of the General Meeting of Shareholders is necessary, according to the

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imperative provisions of the law, approves the adoption / conclusion in the name of the company of the legal documents whose object exceeds the value of:

- i) USD **50,000,000** in the case of the legal documents having as object the supply of crude oil, respectively the distribution of refined products;
- ii) USD **20,000,000** in the case of the legal documents having another object than the supply of crude oil, respectively the distribution of refined products, the approval of the participation to the development of a company with a contribution exceeding this value, other documents with patrimony content exceeding this value limit;

h) To approve the Company organizational structure.”

These attributions cannot be delegated to the company managers.

The Board of Directors also has the following attributions delegated by the General Extraordinary Meeting of Shareholders in the conditions provided by art. 114 of Law no. 31/1990, republished:

- a) decides regarding the relocation of the company headquarters;
- b) decides regarding the change of the company activity object (except for the main domain and the main activities of the company);
- c) decides regarding the increase of the social capital by issuing new shares, according to the law.

The Board of Directors also meets other attributions, established as of right in their task, by virtue of the applicable normative acts.

Regarding the issuing of shares, the Board of Directors may perform this operation within the share capital increase operations, exercised based on the attributions delegated according to the provisions of Law no. 31/1990 corroborated with the provisions of Law no. 297/2004.

6.3. Information about the members of the Board of Directors of Rompetrol Rafinare on 31.12.2013

Name, year of birth, nationality, the duration of the mandate for each member of the Management Board, responsibilities in the Rompetrol Group, training and professional qualifications.

The present Board of Directors consists as follows:

Azamat Zhangulov

Born in 1980, a Kazakh citizen

Duration of administrator mandate: from 06.08.2012 to 30.04.2014

President of the Board of Directors as of 06.08.2012 , non- executive member.

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Within the Companies member of the Rompetrol Group, he holds the position as Chairman of the Board of Directors of KazMunayGaz Trading (until the end of March 2013 under the name of Vector Energy A.G.) and DYNEFF SAS, sole Administrator of Rompetrol Financial Group S.R.L., member of the Board of Directors of the companies The Rompetrol Group N.V. and Rompetrol Exploration & Production SRL and President of Rompetrol France SAS.

Responsibilities : Within the Rompetrol Group, he holds the position as Senior Vice-President by coordinating the "corporate" positions of the Rompetrol Group.

Preparation and professional qualification: graduate of the Economic Kazakh Academy in international economy, petroleum industry. Over 11 years in the crude oil field, of which 9 years he has worked within various companies of the KazMunayGas Group as Corporate Development Manager.

Alexandru Nicolcioiu

Born in 1951, Romanian citizen.

Duration of administrator mandate: from 30.04.2010 to 30.04.2014

In the present, non- executive member of the Board of Directors.

He has held the position as Chairman of the Board of Directors of Rompetrol Rafinare under the following mandates: 1990 – 1998 and 26.02.2001 – 26.02.2006; 25.02.2006 – 25.02.2010; 26.02.2010 - 22.09.2010

Responsibilities: Within the Rompetrol Group, he holds the position as Vice-President for Refining, Petrochemical and Industrial activities.

Education and professional qualification: Graduated from the Faculty of Technology, Chemistry of Petroleum and Natural Gas from the Faculty of Petroleum, Gas, and Geology Bucharest, 1975; Doctorate at the University of Petroleum and Natural Gas Ploiești - " Strategies regarding engineering and technical/technological risk management in the processing of hydrocarbons". With an activity of 39 years in the company, he has a wide experience in the activities regarding oil and gas. During 1990 - 1998, he held the position as General Manager of the Company.

Sorin Graure

Born in 1978, Romanian citizen.

Duration of administrator mandate: from 24.12.2012 to 30.04.2014

Executive member of the Board of Directors

Responsibilities: Holds the position as General Director at Rompetrol Rafinare S.A.

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Education and professional qualification: Graduate of the Faculty for Petroleum Processing Technology and Petrochemistry in the Ovidius University of Constanța. Over 10 years experience in the Rompetrol Rafinare. His first position in the company has been Head of the Exchange Department, for the units: Coke, gas desulphurisation, Claus stoves and gas recovery; in 2005 he took over the position as engineer for refinery processes. In November 2009 Mr. Graure was promoted to Engineering Manager Processes, being responsible for the coordination of the development plans and investment for Rompetrol Rafinare și Petrochimie and since November 2012 has accepted a new professional challenge by accepting the position as Interim General Manager of Rompetrol Rafinare. Starting as of December 24th, 2012, he is the General Manager of Rompetrol Rafinare.

The two new positions as administrator established by Resolution No 7/2011 adopted by the Extraordinary General Meeting of the Shareholders as of November 29th, 2011, in which there was approved the increase in the numeric component of the Board of Directors from 3 to 5 members, on 31.12.2013 are held by Mr. Iulian-Marian Butnaru and Gabriel Dumitrașcu. Both were elected in these positions on the basis of the proposal of the Romanian State, represented by the Ministry of Economy, Trade and Business Environment (after reorganisation through the Ministry of Economy). Mr. Iulian-Marian Butnaru was elected in the position as member of the Board of Directors by Resolution No. 5/2012 adopted by the General Ordinary Meeting of the Shareholders of October 26th, 2012, and Mr. Gabriel Dumitrașcu by Resolution No. 5/2013 adopted by the General Ordinary Meeting of the Shareholders of June 18th, 2013.

Iulian-Marian Butnaru

Born in 1963, Romanian citizen.

Duration of administrator mandate: from 26.10.2012 to 30.04.2014

Non-executive member of the Board of Directors

Education and professional qualification: Graduated from the Academia Tehnică Militară - faculty of telecommunications, 1988. In the year 2004 graduated the Lucian Blaga University - Law Faculty.

Marks in his career:

- Advisor to the Minister of Economy, Commerce and Business Environment
- Deputy Director and Director of the surveillance and customs control division and of the division for the supervision of excise duties and customs operations of the National Customs Authority - totalling about 6 years;
- Department Manager within the national company Romtehnica S.A. ;
- Director of the department for legislation on excise duties in the Ministry of Public Finance;
- General secretary in the Ministry of Economy, trade and business environment;



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- COREPER 2 member - representative of Romania within the European Commission for Customs Cooperation Working Group, which operates within the JAI group, during 2005 - 2008;
- 1999 - Member of the Romanian delegation at the World Bank, to negotiate a loan regarding facilitating trade and transport in the South Eastern Europe;
- Member and head of delegations in work visits in over 18 states.

Gabriel Dumitrașcu

Born in 1964, Romanian citizen.

Duration of administrator mandate: from 18.06.2013 to 30.04.2014

Non-executive member of the Board of Directors

Education and professional qualification: graduated from the Bucharest Polytechnics University, 1990. During 1996 - 2000 graduated various post - university courses: Colegiul Național de Apărare (domain: National safety and security), JICA – Japan (domain: Managementul of the Environment Protection), Scoala Națională de Științe Politice și Administrație (domain: Business Management and Communication), USAID, World Bank – 4 weeks traineeship Washington (domain: Management)

Marks in his career:

- General Director General Department of Privatization and Administration of State Ownership in the Department for Energy under the Ministry of Economy
- Head of Department the Office of State Ownership and Privatisation in Industry;
- General Manager SC TERMOELECTRICA SA;
- General Manager AVAS;
- Vice-president - Executive Director development, marketing and communications S.C. Ardeleana S.A. (management contract)
- General Manager and Deputy General Manager, manager of development, relations with the authorities and public communication (management contract) S.C. Roșia Montană Gold Corporation S.A.
- General Manager - Ministry of Waters, Forests and Environment Protection;
- Director Environmental Protection Agency Bucharest;
- Director of the General Secretariat of the Government - SSPR;
- Rapporteur the National Confederation of the trade unions in Romania

6.4. This presence of the administrators in the meetings of the Board of Directors

In accordance with the Articles of Incorporation, the Board of Directors shall meet at least once every three months and whenever required. During 2013 the Board of Directors has met within 16 meetings. On the agenda for the meetings of the Board of Directors, there were issues regarding the current activity carried out by the company or its subsidiaries, as for example: for the approval of the



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organizational structure of the company , the Annual Report and the organization of the general meeting, the annual financial results, reports and related materials, semester and quarterly financial results, the general meetings of the shareholders' which took place in the course of the year 2013, the approval/ratification of significant legal acts, taking out of service of fixed assets with the depreciation period expired, appointment of the Economic Manager and of the Managing Directors/permanent representative of the Sole Administrator, in the companies in which Rompetrol Rafinare has holdings, appointing the executive management for the preparation of the plan of integration of the main petrochemical activities, the update of the Articles of Incorporation of the Company as a result of the entry into force of some regulations, other approvals for the carrying out under good conditions of both the activity of the company and its subsidiaries, etc.

Meetings of the Board of Directors have been carried out in the presence of at least 3 administrators of the total number of 5 administrators as provided for by the Articles of Incorporation.

The most meetings took place as conference call / video conferencing.

The decisions of the Board of Directors in 2013 were adopted by unanimous or majority vote of the members present.

The table below outlines the presence in the meetings of the Board of Directors of the administrators, for the year which ended on December 31st, 2013:

Name	Presence
Azamat Zhangulov	16/16/16
Alexandru Nicolcioiu	16/16/16
Sorin Graure	16/16/16
Iulian - Marian Butnaru	15/16/16
Dumitru-Remus Vulpescu	9/ 9/16
Gabriel Dumitraşcu	5/ 7/16

[A] The first figure indicates the number of meetings at which the person in his capacity as administrators has participated, the second figure represents the number of sessions conducted during the mandate from 2013, and the third figure represents the total number of sessions carried out during 2013.

With effect from 24.12.2012 , Mr. Sorin Graure was appointed as interim Managing Director, instead of Arman Kairdenov, according to the Resolution No. 1 of the Board of Directors on December 24th, 2012 . Mr. Sorin Graure was elected member of the Board of Directors by Resolution No. 1/2013, of the Ordinary General Meeting of Shareholders of March 5th, 2013.

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By Resolution No. 5/2013 adopted by the Ordinary General Meeting of the Shareholders of June 18th, 2013, Mr. Gabriel Dumitraşcu was elected in the position as member of the Board of Directors of Rompetrol Rafinare as a result of the revocation from this position of Mr. Dumitru-Remus Vulpescu. The Ordinary General Meeting of the Shareholders of June 18th, 2013 has been convoked at the request of the significant shareholder, the Romanian State, represented by the Ministry of Economy - through the Office of State Ownership and Privatisation in Industry.

6.5. Advisory Committees, non-executive Managing Directors and the independence of the Managing Directors

Considering that the organization within the Rompetrol Group involves the existence of supporting operations positions with various responsibilities, it was not required to set up consultative committees at entity level (audit, nomination, remuneration committees, etc.) The relation between the company and the positions at the level of Rompetrol Group is regulated through service provision contracts.

The remuneration of the members of the Board of Directors and of the directors (executive and non-executive) is presented in Explicatory note no. 21 corresponding to the individual annual financial statement on 31.12.2013.

The criteria for evaluating the independence of the non-executive members of the Board of Directors are stated in Principle VIII, Recommendation 16 of CGC of BVB. Currently, no appointed member of the Board of Directors of Rompetrol Rafinare meets the independence criteria stipulated by the above-mentioned principle and recommendation.

6.6. Information on the General Meeting of Shareholders and the Shareholders' rights

According to article 11 of the Company's updated Articles of Incorporation, corroborated with the applicable legal provisions, the Ordinary General Meeting is summoned at least once a year, as the law requires obligatorily, and includes the following attributions:

- a) to discuss, approve or to modify the annual financial statements, based on the reports presented by the board of directors and by the financial auditor and to establish the dividend;
- b) to appoint and revoke Company administrators;
- c) to appoint and establish the minimal duration for the financial audit contract, and also to revoke the financial auditor;
- d) to establish for each undergoing financial year the remuneration owed to the administrators;
- e) to pass opinion on the administrators' manner of administration;

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- f) to establish the incomes and expenses budget, and, if such is the case, the activity schedule, for the following financial year;
- g) to decide the hypothecation, the lease or the abolishment of one or more units of the Company;
- h) approves the maximum limits of the remuneration of the persons handling/exerting managing positions when the law stipulates such.

The Extraordinary General Meeting has the following attributions:

- a) the change of the Company's legal form;
- b) moving the headquarters of the company;
- c) changing the company's object of activity;
- d) setting up or dissolving secondary offices: branches, agencies, representations or any other such units without legal personality;
- e) the extension of the company duration;
- f) increasing the shared capital;
- g) the reduction of the shared capital or replenishing it by an issue of new shares;
- h) merger with other companies or the division of the company;
- i) the company's anticipated dissolution;
- j) conversion of shares from one category to another;
- k) the conversion of one category of bonds into another one or into shares;
- l) issue of bonds;
- m) any other change of the articles of incorporation or any other resolution for which it is required the extraordinary general meeting consent;

The Extraordinary General Meeting delegates the Board of Directors to exert the attributions stated at letter b) and c) of the paragraph above.

Moreover, the Extraordinary General Meeting may delegate to administrators the increase of the shared capital, according to the provisions of art. 236 of Law 297/2004 on the capital market.

The rights of the shareholders of Rompetrol Rafinare are those conferred by Law no. 31/1990 on commercial associations, Law no. 207/2004 on the capital market, C.N.V.M. regulations and instructions, Stock Code and other regulations currently in force.

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***The General Meeting of the Shareholders of Rompetrol Rafinare SA,
according to its updated Articles of Incorporation:***

The general shareholders' meeting is summoned by the administrators or whenever required, by publishing an announcement in the Romanian Official Journal, part IV, and in widely distributed local or national publications in the locality where the Company is headquartered. The general meetings are summoned by the Board of Directors, and the summoning is done at least 30 days before the date of holding the meeting. The summons of the general meetings is transmitted simultaneously to B.V.B. and A.S.F. and is available for at least 30 days before the date of holding the meeting on the Company's website, at address: www.rompetrol.com, at section Investor Relations.

The general meeting can be summoned at the headquarters of the Company or in other places established by the administrators through the summons. In the general shareholders' meetings have the right to participate and vote only the shareholders registered in the Register of Company Shareholders, held and issued by the Central Depository S.A. Bucharest, on the reference date established through the summons of the general meeting. According to the legal provisions, shareholders can be personally represented (by legal representatives) or by a representative, based on Special delegation, or by mail, based on Vote bulletin by mail, both documents being made available to the shareholders and translated in English. Shareholders can fill in the delegation/vote form by mail either in Romanian, or in English.

Shareholders can also be represented in the general meeting by persons who do not have the quality of Company shareholders, except for the administrators.

The summons of the general meeting includes information on the availability of the forms for special delegations, vote bulletins by mail and deadline to which these documents are to be sent / submitted at the Company headquarter, as well as the e-mail address for sending the mails.

Each shareholder, regardless of the participation to the shared capital, has the right to ask questions referring to the agenda of the general meetings, and the Company can answer the questions asked by the shareholders by posting such answers on the Company website. Questions have to be pertinent, be connected to the agenda and not harm the confidentiality and commercial interests of the Company and be in writing, either by mail or courier services, or by electronic means. Furthermore, in the summons of the general meeting shall be mentioned the deadline until which shareholders can exert the above-mentioned rights.

One or several shareholders representing, individually or jointly, at least 5% of the shared capital has/have the right, in lawful conditions: a) to introduce new items in the agenda of the general meeting, provided that each item is accompanied by a justification or by a draft decision proposed for making by the general meeting and b) to present draft decisions for the items included or proposed to be included in the agenda of the general meetings.

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The summons of the general meeting, the information materials regarding the items on the agenda of the general meeting, the forms for Special delegations, the Forms for Vote bulletins by mail and draft decisions are made available to the Company's shareholders at the headquarters of the Company and can be downloaded from the Company website.

Shareholders can request in writing copies of these documents, by courier or e-mail.

The general meeting is presided by the president of the Board of Directors or by a person appointed by such, who, in turn, appoints from among the members of the general meeting members or the company shareholders, one to three secretaries, plus a technical secretary from among the employees. They will draft the list of presence of shareholders and verify the following:

- identity documents of the persons present at the General Meeting as shareholders or empowered representatives of such;
 - special delegations presented by the delegates of the shareholders;
- Consideration shall be given to the fact that the delegation is only valid for the General Shareholders' Meeting for which it was requested.
- vote form by mail.

The meeting secretary shall also verify the fulfillment of the legal conditions regarding the quorum of presence of shareholders for validating the general meetings.

If the ordinary or extraordinary general meeting cannot take place because the legal conditions of presence are not met, the meeting which will reassemble in a second summoning can deliberate upon the matters of the agenda of the first meeting, regardless of the gathered quorum, passing resolutions with the majority of the expressed votes.

After presenting the materials afferent to the agenda, the shareholders are invited to ask questions and the problems subjected to debate are subject to vote by the meeting president.

The decisions of the general meeting are made by open vote, except for the cases when the general meeting decides for the vote to be secret or if the law requires a secret vote.

Each share entitles to express one vote within the sessions of the general shareholders' meeting of Rompetrol Rafinare. The person representing several shareholders based on special delegations expresses the votes of the represented persons by summing up the total number of votes "for", "against" and "refrain" without compensation (ex. "at point x on the agenda I represent "a" votes "for", "b" votes "against" and "c" refrains"). Votes expressed like this are validated or, as the case may be, invalidated, based on the third copy of the special delegations, by the secretary of the general meeting. The votes pertaining to the special delegation are exerted only in the manner decided by the shareholder.

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The meeting secretary/ies, based on the freely expressed vote by the shareholders, shall draft the minutes of proceedings of the general meeting.

Within 24 hours as of the date the general shareholders' meeting took place, the company sends to B.V.B. and C.N.V.M. the current report afferent to the decision made by the general shareholders' meeting and such is published on the Company website. Moreover, the decisions of the general meeting are to be published in the Romanian Official Journal, Part IV.

Resolutions adopted by the general meetings of shareholders during 2013:

The Ordinary General Meeting of the Shareholders of Rompetrol Rafinare from March 5th, 2013 has decided as follows:

- Approval of the termination of the mandate as a member of the Managing Board of Mr. Arman Kairdenov, following his request of resignation from this position starting with 20.12.2012 ;
- The appointment of Mr. Sorin Graureas Member of the Managing Board of the Company, for a mandate starting with the date of March 5th, 2013 and which shall end on April 30th, 2014 together with the mandates of the other current members of the Managing Board of the Company);
- Approval to appoint ERNST & YOUNG ASSURANCE SERVICES SRL, registered with the Trade Register Office under No. J40/5964/1999, with VAT identification number 11909783, through its legal representative Mr. Garry Rex Collins, Australian citizen, born on March 29th, 1959 in Hobart, Australia, as financial auditor and establishing the duration of 4 years for the audit contract
- Approval of the date of March 21st, 2013 as the date of registration, within the meaning of Article 238 (1) of Law No. 297/2004, for the identification of the shareholders for which the effects of the Resolutions No. 1/2013 and No. 3/2013 adopted by the General Ordinary Meeting of the Shareholders of March 5th, 2013 shall apply;
- Authorising and appointing Mr. Sorin Graure, General Manager of the company, with the possibility to delegate the signature right to third parties, including to lawyers, in order to complete and/or sign on behalf of the company and of the shareholders of the company the Resolution adopted by the General Ordinary Meeting of the Shareholders, of March 5th and to carry out all legal formalities regarding the registration, publicity, execution and publication of the Resolutions No. 1/2013 and No. 2/2013 adopted by the present General Ordinary Meeting of the Shareholders.



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The Extraordinary General Meeting of the Shareholders of Rompetrol Rafinare from March 5th, 2013 has decided as follows:

- approval by the company of the Amendment No. 1 to the Loan Agreement No. 2 signed on May 02nd, 2012 between the company and the Rompetrol Group N.V., a majority shareholder of the company, having as its object the cosamount of 800,000,000 USD, as increase of the loan by 150,000,000 USD.
- approval by the company of the Amendment No. 4 to the Loan Agreement No. 448 signed on September 20th, 2010 between the company and the Rompetrol Group N. V., a majority shareholder of the company, as extended and amended by Amendment No. 1 of 20.09.2011 approved by the Resolution of the Extraordinary General Meeting of the Shareholders No. 4 of 10.10.2011, by Amendment No. 2 of 2.05.2012 approved by the Resolution of the Extraordinary General Meeting of the Shareholders No. 2 of 29.06.2012 and by Amendment No. 3 of 20.09.2012 approved by the Resolution of the Extraordinary General Meeting of the Shareholders No. 6 of 26.10.2012 (having as object the amount of 400,000,000 USD), as decrease of the loan by 150,000,000 USD.
- The approval of the date of March 21st, 2013 as the date of registration, within the meaning of Article 238 (1) of Law No 297/2004, for the identification of shareholders on the effects of the Decision No 3/2013 of the Extraordinary General Meeting of the Shareholders of 05.03.2013 shall take effect.
- authorising and appointing Mr. Sorin Graure, General Manager of the company, with the possibility to delegate the signature right to third parties, including to lawyers, in order to complete and/or sign on behalf of the company and of the shareholders of the company the Resolution adopted by the General Extraordinary Meeting of the Shareholders, of March 5th and to carry out all legal formalities regarding the registration, publicity, execution and publication of the Resolution No. 3/2013 adopted by the present General Extraordinary Meeting of the Shareholders.

The Ordinary General Meeting of the Shareholders of Rompetrol Rafinare from April 29th, 2013 has decided as follows:

- The approval of the individual annual financial statements (drawn up in accordance with the International Financial Reporting Standards ("IFRS"), as provided for in the Order of the Ministry of Public Finance No. 1286/2012) and the consolidated financial statements (drawn up in accordance with the International Financial Reporting Standards), audited, for the year 2012, on the basis of the reports of the Managing Board and the Auditor's financial reports ;
- The discharge of administration of all the Managing Directors of the Company for the financial year 2012, based on the presented reports;

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- Approval of the income and expenditure budget and the program of the company for the year 2013, including the investment plan for the year 2013;
- Determining the remuneration for the financial year 2013 of the members of the Managing Board of the company, for the purpose of maintaining the same net amount of remuneration for the Managing Directors as the one valid for the year 2012.
- Approving May 17th, 2013 as the date of registration for the identification of the shareholders on who the Resolutions adopted by the General Ordinary Meeting of the Shareholders of April 29th, 2013 shall have effect.
- authorising and appointing Mr. Sorin Graure, member of the Managing Board and General Manager of the Company, with the possibility to delegate the signature right to third parties, including to lawyers, in order to complete and/or sign on behalf of the company and of the shareholders of the company the Resolution No. 4/2013 adopted by the General Extraordinary Meeting of the Shareholders of April 29th, 2013 and to carry out all legal formalities regarding the registration, publicity, execution and publication of this Resolution.

The Ordinary General Meeting of the Shareholders of Rompetrol Rafinare from June 18th, 2013 has decided as follows:

- Revoking Mr. Dumitru-Remus Vulpescu from the position as member of the Managing Board of the company and approval regarding the appointment of Mr. Dumitru-Remus Vulpescu as Managing Director for the period of the mandate as a member of the Managing Board during 2013 as well to be carried out at the time of the approval of the company's financial statements for the financial year 2013.
- The appointment of Mr. Gabriel DUMITRAȘCU, Romanian citizen, resident in Bucharest, in his capacity as member of the Managing Board of the company, based on the proposal of the Romanian State represented by the Ministry of Economy, for a mandate which begins on June 18th, 2013 and ends on April 30th, 2014 (date of expiry of the mandates of all other members of the Managing Board).
- approval of the date of July 5th, 2013 as the date of registration, within the meaning of Article 238 (1) of Law No. 297/2004, for the identification of the shareholders for which the effects of the Resolution No. 5/2013 adopted by the General Ordinary Meeting of the Shareholders of June 18th, 2013 shall apply;
- authorising and appointing Mr. Sorin Graure, member of the Managing Board and General Manager of the Company, with the possibility to delegate the signature right to third parties, including to lawyers, in order to

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complete and/or sign on behalf of the company and/or of the shareholders of the company the Resolution No. 5/2013 adopted by the General Ordinary Meeting of the Shareholders of April 29th, 2013 and to carry out all legal formalities regarding the registration, publicity, execution and publication of this Resolution No. 5/2013.

The Extraordinary General Meeting of the Shareholders of Rompetrol Rafinare from August 16th, 2013 has decided as follows:

- The approval of the conclusions of the assessment report drawn up by the expert assessor of PricewaterhouseCoopers Management Consultants S.R.L. (having the Trade Register Number J40/25750/1994, with VAT identification number 6812848), having as object the assessment of the assets located in the patrimony of Rompetrol Rompetrol Petrochemicals S.R.L. (Trade Register Number J13/2681/2002, with VAT identification number 15077797) main activity: petrochemistry, a company where Rompetrol Rafinare holds the quality as sole shareholder, in order to carry out the operation referred to under the next point;
- Approval regarding the acquisition by the company, through purchase, of the property right regarding the assets consisting of intangible assets, tangible assets, fixed assets (buildings and constructions, technological equipment, measurement equipment and devices, office equipment, IT equipment, means of transportation, other tangible assets), investments in progress and stocks, which are affected or are connected to the main petrochemical activity, which are owned by Rompetrol Rafinare S.R.L. registered with the Trade Register Office under No. J13/2681/2002 with Tax identification Number 15077797), in accordance with the Assessment Report drawn up for this purpose by PricewaterhouseCoopers Management Consultants S.R.L. ;
- Approval to extend, under the same conditions, all contracts concluded by Rompetrol Petrochemicals S.R.L. with third natural and legal persons, for main activities referring to petrochemistry, including, but not limited to the following:
 - a) the transfer of the personnel involved in the petrochemistry activities, in accordance with the applicable labour law;
 - b) commercial supply contracts and marketing of products, with the relating guarantees;
 - c) Credit Contracts with the relating guarantees.
- Approval of carrying out and completion of the company's efforts to get authorised as tax warehouse and on the goals and petrochemical economic activities of (for the assets and activities taken over from Rompetrol Petrochemicals), in terms of continuity of all these economic activities.

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- authorising and appointing Mr. Sorin Graure, General Manager of the Company and Mr. Giani-Iulian Kacic, Chief Executive Officer of the Company, in order to complete and sign on behalf of the company all documents approved by the General Extraordinary Meeting of the Shareholders of August 16th, 2013 mentioned above, with the possibility to delegate the signature right to third parties, including to lawyers.
- Approving and appointing the Managing Board of the company to carry out and validate transactions with the object fixed assets, with a combined value during the financial year 2013 which will be able to exceed the percentage of 20% of the total assets, less claims, but not more than by 200,000,000 USD. The transactions may be represented by acts of acquiring, disposing, exchange and build out of warranty, as well as any other consequent or related papers and documents and which are required for such transactions.
- approval of the date of September 3rd, 2013 as the date of registration, within the meaning of Article 238 (1) of Law No. 297/2004, for the identification of the shareholders for which the effects of the Resolutions No. 6/2013 and No. 7/2013 adopted by the General Extraordinary Meeting of the Shareholders shall apply;
- authorising and appointing Mr. Sorin Graure, member of the Managing Board and General Manager of the Company, with the possibility to delegate the signature right to third parties, including to lawyers, in order to complete and/or sign on behalf of the company and/or of the shareholders of the company the Resolutions No. 6/2013 and No. 7/2013 adopted by the General Extraordinary Meeting of the Shareholders and to carry out all legal formalities regarding the registration, publicity, execution and publication of the Resolutions No. 6/2013 and No. 7/2013.

Shareholders' right to dividends

If the General Meeting of the Shareholders approves the distribution of dividends from the net profit of the company, all shareholders registered in the Register of shareholders at the time of registration decided by the General Meeting which also approves the amount of dividends received and the time limit within which they shall be paid to the shareholders, shall be entitled to receive dividends.

6.7. Information on the Executive Management of Rompetrol Rafinare

In accordance with Article 16.1 of the Articles of Incorporation of the company - updated on May 15th, 2013, the company's executive management which was delegated powers of management by the Board of Directors on the basis of the provisions of Article 143 of Law No 31/1991 on Companies, has been ensured by the General Manager and Chief Executive Officer. .

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On December 31st, 2013, the executive managers of the company are:
Mr. Sorin Graure - General Manager and Managing Director
Mr. Giani-Iulian Kacic - Chief Executive Manager

6.8. Other elements regarding the Corporate Governance

6.8.1. Transparency, communication and regular and continued reporting

Rompetrol Rafinare attaches a great importance to the transparency of the communication and information of shareholders and investors. Throughout 2012, reports, presentations and press releases were issued with respect to the financial results, the convening of GMS (General Meeting of the Shareholders) and the resolutions adopted by GMS, as well as periodic (quarterly, biannual and annual) reports, significant transactions, reporting of litigations in which the Company is involved, etc. The information included in the current and periodic reports were communicated to the market operator, the Bucharest Stock Exchange, C.N.V.M, and were made available by posting on the Company's website, www.rompetrol.ro, in the Investor Relations/Rompetrol Rafinare/Presentations section.

According to the provisions of the law, the individual and consolidated financial statements are audited by the company Ernst & Young Assurance Services S.R.L., an independent financial auditor, appointed by the General Meeting of the Shareholders on April 29th, 2009, for a four year term.

Until the date when the hereby report was drafted, throughout 2013, the Ordinary General Meeting of Shareholders was convened on March 5th, 2013, and during this meeting the Company's shareholders approved the Resolution no. 2/2013 based on which Ernst & Young Assurance Services S.R.L., an independent financial auditor, was designated as financial auditor of the Company and a 4-year term was established for the audit services agreement.

6.8.2. Corporate Social Responsibility 2013

Rompetrol Group (TRG) believes that social responsibility is a voluntary contribution to society about the core business of the company, international law and resources group.

Mission and Values

As a leading corporate entities we strive to act responsibly in all our actions. As a multinational company whose success has been built on principles of innovation, passion for quality and individual leadership, we claim high standards of personal and corporate responsibility wherever we operate – with ultimate goal to improve our activity and quality of life of those its influence.

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We are committed to:

1. Sustainable, responsible development, which extends beyond the operations undertaken by us.
2. Drive ethically and responsibly in terms of safety, health and welfare of our employees and partners in the industry.
3. Best practices in corporate governance since they affect all stakeholders, including our employees, local and regional communities, suppliers, investors and partners
4. Investing time and energy in promoting entrepreneurial leadership and educational initiatives.
5. Our commitment to corporate social responsibility offers principles for management decisions and focus on the use of best industry practices encouraging the participation of the company and the community in joint projects to raise standards in areas such as: business success, the environment, health and safety, social responsibility, youth education and leadership.

Basic principles

TRG approach regarding corporate social responsibility is reflected in our company motto, "Energy for life" which is a call to continued involvement, active in projects that meet our corporate social responsibility objectives.

Rompetrol defines the following basic principles of its CSR policy:

1. Respect for employees: Respect employees and helping to improve their lifestyle through development opportunities and employment practices based on equal opportunities and best professional practices and safety.
2. Continuing involvement: Involving the appropriate level of authority, community and other stakeholders in all decisions affecting them.
3. Health and safety: Ensuring the health and safety of our employees, suppliers and the communities in which we operate.
4. Risk Management: Identifying, assessing, managing and mitigating risks related to our host communities, employees, contractors, the environment and our business.
5. Education and Leadership: Promoting the spirit of leadership, especially in young people through civic engagement and educational activities that encourage social responsibility and entrepreneurial initiatives.
6. Respect for local communities: Respecting, protecting and promoting human rights, culture, customs and values of the communities in which we operate.
7. Best Practices: We respect the ten principles of the Global Compact of United Nations regarding human rights, labor, environment and anti-corruption.



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Rompetrol Group, a socially responsible company, engages constantly in high impact events and actions in the following areas:

- Social Partnerships and Sponsorships
- Environmental Protection
- Human Resources
- Health and Safety

1. Social Partnerships and Sponsorships

Rompetrol Group continued to provide support for projects related to environmental, health, sport, culture and education. In 2013, TRG has invested over 1.1 million dollars in projects to support the development of local communities.

- **"Together for each and everyone"** (fifth edition) 16 health and the environment projects were funded, with a total budget of \$ 250.000. All projects had two components: one that involved the rehabilitation of health facilities in rural and urban or construction of water sump, of environmentally-friendly water recycling, solar panels for schools, and the second which consisted in cultural and educational activities for community members.

- Partner of **George Enescu International Festival**

- In health, TRG, **SMURD Foundation** and Inspectorate General Aviation (IGAV) continued partnership to support the overhead emergency interventions, medical personnel movement and transportation of victims. In this cooperation, TRG by RRC provides since 2010 a monthly amount of Jet A1 fuel, the quantity estimated for three helicopters operating in Bucharest, Târgu Mureş and Arad.

- **"Each child in kindergarten"** – national campaign initiated by **Ovidiu Ro Association**. This partnership began in 2004, said: training programs for school, supplies, uniforms and free hot meals for children from disadvantaged families, incentives in the form of coupons for food, education and enforcement of children's rights, etc.

- Since 2003 Rompetrol is a partner and sponsor of the **Civil Society Gala** – annual competition in which the best projects are awarded the year, projects initiated by NGOs, unions, individuals, etc.

2. Environmental Protection

The main objective of environmental TRG is to develop activities in full compliance with applicable environmental legislation in each country in which TRG has operations.

Rompetrol Group's environmental strategy focuses on the following aspects:

- Compliance with national laws and international environmental;
- Minimizing environmental incidents;
- Minimize consumption of natural resources and the amount of waste generated, especially hazardous;
- Optimizing operations and technologies used to improve energy efficiency and reduce emissions of various kinds of pollutants, particularly greenhouse gas emissions;



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- Improving environmental management system certificate (ISO 14001), implemented in all Group entities;
- Continuous training of specialized personnel in the field;
- Ensure good communication within the Group and the public interest - public authorities, NGOs, etc.

Environmental Achievements:

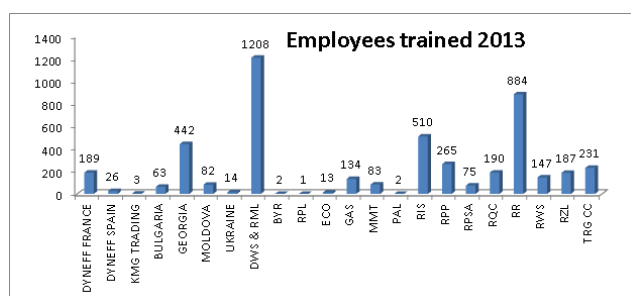
- In 2013 was issued a new integrated environmental authorization for Petromidia.
- In November 2013 issued a new integrated environmental permit Vega.
- In 2013, all the Group's activities with significant environmental impact (IPPC activities / facilities) were in accordance with European legislation, national legislation, namely: Rompetrol Rafinare – Petromidia Refinery, Rompetrol Refining - Vega Refinery, Rompetrol Petrochemicals S.R.L., Ecomaster Servicii Ecologice S.R.L., Rominserv Valves IAIFO Zalău.

3. Human Resources

Training and Development

In 2013, "Rompetrol Group" continued to support the human capital development and expanding it by training employees to provide skills and business competences necessary to achieve the objectives.

In 2013, 4751 employees participated in at least one training session.



Companies in the group have a technical profile and we can see that most of the training (82%) were conducted in this area, compared to the personal development that have a smaller share (18%): were 4,220 employees trained in technical courses (for which requested the issuance of a certificate of completion, CFA, PMP, ACCA) and 908 employees attended courses personal development (developing qualities of leadership and management, development of communication skills, time management courses, etc.)

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this way the visibility of company Rompetrol among students and teachers grow and position the Group as a reliable partner that invests in education.

4. Health and Safety

Objective: Our QHSE Strategy include health promotion and imposition of high medical standards for healthcare providers operative.

Medlife operative care provider is responsible for providing medical services, including occupational health activities required by law. QHSE objectives established by our strategy include higher standards for all clinics Medlife and regular assessments of health.

To encourage health and wellbeing, we are involved in health promotion activities, such as the Campaign for ergonomics and healthy working conditions. Moreover, we have prepared employees for medical emergencies, running training on first aid and evacuation simulation exercises.

In 2012 and 2013 - more than 2,000 people at Group level graduate courses in first aid.

Objectives in 2014

- Maintaining and improving performance indicators QHS - 1.5% maximum target;
- Implementing a unified software for QHSE issues of the Petromidia platform for monitoring non-conformances, corrective actions and action plans;
- Implement a program to improve the rate of slight injuries in the entities of the group Rompetrol online training platform, dedicated training on specific requirements for QHSE, workshops organized in collaboration with health care providers for the purpose of prevention (prophylaxis organized with the specific based medical diagnosis prevailed in 2013);
- Implementation program of measures to eliminate or reduce major risks to:
 - a. working at height in the Vega / Petromidia;
 - b. implementation of LOTO (log out tag out) in Rompetrol Rafinare.

Internal Control and risk management systems in relation to the financial reporting procedures

The company has adopted continuously the mechanism of internal control as a set of procedures and working methods with the scope of preventing the facts contrary to the economic interests of the company and of the frame for carrying out the activity, of identification of deficiencies and laying down the measures required to restore the regulated frame. It affects the relationships, the financial phenomena and processes aimed to mainly ensue the proper functioning of the economic activity. Also, there are analyzed aspects of opportunity, necessity, and economy for the operations carried out by the company. Regarding the

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financial reporting procedures, within the company there are being developed procedures for external and internal reporting outside the company. The procedures are regularly reviewed by specialised departments of the company. The financial reporting systems are based on principles, standards and legal regulations in force.

Description of the policies and objectives of the company regarding the risk management***The Financial Calendar for the year 2014***

Financial Calendar	Date
Presentation of the preliminary results, not audited, individual and consolidated, for the year 2013 and for the fourth quarter of 2013	February 17 th , 2014
The Ordinary General Meeting of the Shareholders for the approval of annual financial results 2013	April 29/30 th , 2014
Publication of the annual report 2013 (respectively of the related annual financial results 2013)	October 30 th , 2014
Presentation of the results for the first quarter of 2014	Mai 14 th , 2014
Presentation of the results for the first semester and the II nd quarter of 2014	August 13 th , 2014
Presentation of the results for the III rd quarter and January - September 2014	November 14 th , 2014

Important Information and news regarding the interests of the shareholders, analysts and investors, with regard to the activity of the company, are available on the site www.rompetrol.com , Romanian version, section relationship with investors, subsection Rompetrol Rafinare/relationship with investors.

Contact for the relationship with investors

The annual, semester and quarterly Reports shall be made available to the shareholders, at their request. Requests may also be carried out in electronic format, by e-mail sent to the address: office.rafinare@rompetrol.com.



7. ANNEXES

a) Amendments to the Articles of Incorporation of the company

The Articles of Incorporation may be amended by Resolution of the General Meeting of the Shareholders, in accordance with the provisions of Law no. 31/1990 regarding Companies, in conjunction with the provisions of the Articles of Incorporation. The Articles of Incorporation may also be amended by the Managing Board of the Company, by delegation of powers by the Meeting of the Shareholders in accordance with the provisions of Art. 114 of Law no. 31/1990 regarding Companies.

In 2013, there has been a single amendment and update of the Articles of Incorporation of the company as a result of the amendment of the ownership of the major shareholder, the Rompetrol Group N.V., as well as updating the data for the identification of the significant shareholder, the Romanian State represented by the Ministry of Economy (as a result of the establishment of the Ministry of Economy by reorganisation of the Ministry of Economy, Trade and Business Environment).

This change has been included in the Articles of Incorporation updated and drawn up in May 15th, 2013 (Annex to the present report) and entered in the Trade Register Office ("ORC") Constanța as of 10.06.2013 on the basis of the Resolution No. 16141 of 06.06.2013, in accordance with the certificate for the registration of entries issued by the Trade Register Office Constanța on 10.06.2013.

b) major contracts concluded by the company in the year for which the reporting is made.

Important contracts in which Rompetrol Rafinare is the supplier:

- Addendum No. 10/04.01.2013 to extend the contract RR 1/04.01.2010 per 2013 concluded with Rompetrol Downstream S.R.L., with the following activity domain: the sale of petroleum products;
- Contract No. 2013/04.01.2013 (respectively RR 3/04.01.2013), concluded with Vector Energy A.G., with the following activity domain: the sale of petroleum products for export in 2013;
- Contract No. RR 4/03.01.2012 (respectively RPET 1/03.01.2012), automatically renewed in 2013 with Rompetrol Petrochemicals S.R.L., with the following activity domain: the sale of propane-propylene mixture;

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- Contract No 38/10.09.2008 (respectively RGS 163A/10.09.2008), automatically renewed in 2013, concluded with Rompetrol Gas S.R.L. , with the following activity domain: the sale of liquefied petroleum gas;
- Addendum 20/28.12.2012 to extend the contract 243/2004, concluded with Air BP Sales Romania, with the following activity domain: sale of reactor petroleum Jet A1;
- Addendum 9/28.12.2012 for an extension of the contract 2/2004, concluded with Air Romania, with the following activity domain: sale of reactor petroleum Jet A1;
- Addendum 7/31.12.2012 to extend the contract 1/2012 on 2013 concluded with Rompetrol Moldova, with the following activity domain: the sale of petroleum products;
- Addendum 3/31.12.2012 for an extension for the year 2013 of the contract 2/2012 concluded with Rompetrol Moldova, with the following activity domain: the sale of petroleum products;
- Contract No RR 350/2008, renewed by amendment no. 1/21.10.2009, extended automatically in 2013, concluded with Rompetrol Rafinare S. R. L. , with the following activity domain: the sale of utilities;
- Contract No. RR 264 and 265/2003, extended automatically in 2013, concluded with Rompetrol Rafinare S. R. L. , with the following activity domain: the sale and distribution of electricity;
- Contract No. RR 397/2010, taken over by novation, extended automatically in 2013, to which the Amendment No. 3/2012 has been signed – change of the clauses of the contract, Closed with Rompetrol Rafinare S.R.L., with the following activity domain: the provision of utility services;
- Contract No RR 1/28.01.2013, concluded with UZINA TERMoeLECTRICA MIDIA S.A., with the following activity domain: the sale of utilities - combustible refinery gas.

Important contracts where Rompetrol Rafinare is the beneficiary:

- Contract feedstock 2013 (respectively No. RR 02/04.01.2013) concluded with Vector Energy A.G. , for the acquisition of crude oil;
- Contract RR 12/03.01.2013, concluded with Rompetrol Petrochemicals SRL for the acquisition of propane;
- Contract No. RR 1/10.12.2012 (valid for 2013), concluded with EFT ROMANIA for the acquisition of electricity, to which the following have been signed: Amendment Nr.1/28.12.2012, Amendment Nr. 2/25.03.2013 and Amendment Nr. 3/05.12.2013;
- Contract No. RR 4/22.03.2011, to which the following have been signed; Amendment No. 5/23.12.2013 for extension valid until 31.12.2014, concluded with OMV PETROM GAS SRL., with the following activity domain: the purchase of natural gas mixture for Năvodari and Vega;
- Contract No. RR 377/31.12.2008 (respectively No. 1/2008 - Midia thermal power plant), concluded with Uzina Termoelectrică Midia S.A., for the

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purchase of thermal energy, for which the following have been signed:
Amendment no. 9/23.12.2013 ;

- Contract No. RR 22/24.01.2008 (respectively No. 3/2008 – the Midia thermal power plant), concluded with Uzina Termoelectrică Midia S.A. for the purchase of utilities, to which the following have been signed: Amendment No. 8/23.12.2013. Contract No. RR 3/12.02.2013, concluded with ECOMASTER SERVICII ECOLOGICE (ECOMASTER ENVIRONMENTAL SERVICES) for the retrieval of sludge from the sewage and Willacy plants.
- Contract No. RR 1/17.10.2012, concluded with ECOMASTER SERVICII ECOLOGICE (ECOMASTER ENVIRONMENTAL SERVICES) for the takeover of sludge from dump 3, to which the Amendment No. 3. /14.10.2013 has been signed.

Important contracts where Rompetrol Rafinare is the company receiving the loan:

- The Amendment No. 4 of March 5th 2013 on the Loan Agreement No. 448 signed on September 20th 2010 between the Company and The Rompetrol Group N.V., majority shareholder of the company, having the following objective: loan reduction by the amount of 150,000,000 (from the amount of 400,000,000 USD) and the Amendment No. 5 of September 20th 2013 on the Loan Agreement No. 448 signed on September 20th 2010 between the Company and The Rompetrol Group N.V., having the following objective: the amount of 250,000,000 USD;
- Amendment no. 1 to the Loan Agreement No. RR 2 signed on May 2nd, 2012 between the Company and The Rompetrol Group N.V., majority shareholder of the company, with the following objective: the mount of 800,000,000 USD, as loan increase by 150,000,000 USD.

c) the resignation/dismissal of members of the Management, Executive Management, Auditors.

The revocation of Dumitru-Remus Vulpescu from the position as member of the Managing Board, at the request of the Romanian State represented by the Ministry of Economy - through the Office of State Ownership and Privatisation in Industry, owner of a number of 19,715,009,053 shares, representing 44.6959 % of the share capital has taken place in the reported year.

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There have not taken place any resignations / dismissals of the external financial auditor of the Company.

d) The list of the subsidiaries of the Company and of the Companies controlled by the Company.

At the end of the year 2013, the company had two workpoints, namely:

- i) Workpoint located in Năvodari, 1 – 283 Năvodari Blvd., Constanța County.
- ii) Workpoint located in Ploiești, 146 Văleni Str., Prahova county, which carry out their activities in the space which is owned by the Company, called "Rompetrol Rafinare - workpoint Vega Refinery " .

At present, Rompetrol Rafinare S.A. holds the control position in the following companies:

Directly:

- S.C. Rompetrol Logistics S.R.L;
- S.C. Rompetrol Petrochemicals S.R.L.;
- S.C. ROM OIL S.A.;
- S.C. Rompetrol Quality Control S.R.L.
- S.C. Rompetrol Downstream S.R.L.

In an indirect way:

- S.C. Global Security Sistem S.A.;
- S.C. Rompetrol Gas S.R.L.

e) the list of persons affiliated to the company ⁶

Rompetrol Rafinare S.A. is part of the Rompetrol Group.

The Rompetrol Group is registered at CNVM and on 31.12.2013 was made up of the following companies:

- The Rompetrol Group N.V.⁷

⁶ Whereas The Government Emergency Ordinance No. 28/2002 which defined the term "related person" has been suspended, and in the absence of another Regulation issued by the institutions of the capital market to define this term, at this point there have been listed all of the companies in the Rompetrol Group

⁷ The date of drafting this Report, the name of KMG International NV

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- Rompetrol S.A.
- Rompetrol Downstream S.R.L.
- Rompetrol Well Services S.A.
- Palplast S.A.
- Ecomaster Servicii Ecologice S.R.L.
- 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.
- The Rompetrol Group Corporate Center S.R.L.⁸
- Byron Shipping S.R.L.
- EPPLN SAS (Entrepot Petrolier de Port La Nouvelle)
- Rominserv Valves Iaifo S.R.L.
- Byron Shipping LTD
- Întreprinderea Mixta Rompetrol Moldova S.A.
- Rompetrol Georgia LTD
- Rompetrol France SAS
- Dyneff SAS
- Dyneff Espagne SL
- BIONEFF SL
- Dyneff Gas Stations Network SL
- TMP SAS (Terminal Midi Pyrenees)
- DPPLN SAS (Depot Petrolier de Port-la Nouvelle)
- Rompetrol Ukraine LTD
- AGAT LTD.
- Rominserv Kazakhstan LLC
- TRG PETROL TICARET ANONIM ŞİRKETİ
- Rompetrol Bulgaria AD
- KazMunayGaz Trading A.G.⁹

- Rompetrol Energy S.A.

- Rompetrol Albania Downstream Sh.A - in the process of liquidation
- Rompetrol Albania Wholesale Sh.A - in the process of liquidation
- Rompetrol Albania ShA - in the process of liquidation
- Rompetrol Distribution Albania Sh.A. - in the process of liquidation

- KazMunaiGaz Investments B.V.

⁸ The date of drafting this Report, the name of KMG ROMPETROL S.R.L.

⁹ Until the end of March 2013 under the name of Vector Energy A.G



rompetrol

KazMunayGas
Group
Member

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- Rompetrol Exploration and Production ¹⁰
- KazMunayGas Engineering B.V. ¹¹

THE BOARD:

**President
Azamat Zhangulov**

**Member
Alexandru Nicolcioiu**

**Member and Chief Executive Officer
Sorin Graure**

**Member
Iulian-Marian Butnaru**

**Member
Gabriel Dumitrașcu**

**Chief Financial Officer
Giani-Iulian Kacic**

¹⁰ Set up on 25.10.2013

¹¹ Set up on 02.07.2013