

COMPANY POLICY ON DIVIDEND – DIVIDENDS DISTRIBUTED DURING THE PERIOD 2008 – 2015

The company has not formalized a policy regarding the annual distribution of the dividend, but despite this the company has distributed sizeable dividends each year throughout its entire operating life. In the last 6 years, the amounts distributed represented between 52% and 90% of the net profit.

The value of the dividend / share has been annually proposed by the management, adopted by the Administration Board and submitted to the approval of the OGSM.

At the Ordinary General Meetings whose agenda included the approval of the net profit allocation, along with the value of the dividend/share, the methods of its distribution to the shareholders were also approved.

The dividend policy aimed to meet the interests of the investors on short term as well as the institutional development on medium and long term, so that a part of the net profit was allocated to reserves in order to create the own sources needed for the investment activity.

Index	2008 - lei -	2009 - lei -	2010 - lei -	2011 - lei -	2012 - lei -	2013 - lei -	2014 - lei -	2015 - lei -	2016 (approved by the OGSM held on 06.09.2017) - lei -
Gross dividends to be distributed - total -	34,809,943	92,826,514	43,513,834	75,421,543	75,421,543	92,826,514	69,619,886	75,421,543	52,214,914.26
Paid gross dividends * - total -	26,579,751	72,176,188	33,860,513	59,327,747	59,159,054	71,025,683	53,893,861	56,684,811	-
Paid gross dividends/ Gross dividends to be distributed - % -	76.36	77.75	77.82	78.66	78.44	76.51	77.41	75.16	-
Gross dividend/share	0.06	0.16	0.075	0.13	0.13	0.16	0.12	0.13	0.0900
Net profit	87,643,619	187,322,879	80,994,938	83,442,670	88,382,694	130,000,062	94,876,130	132,405,011	101,271,376.81
Allocation from net profit to dividends - % -	39.72	49.55	53.72	90.39	85.34	71.40	73.38	56.96	51.56%

* Gross dividends paid until 31.08.2017.

For the period 2008 – 2012, the amounts unpaid were recorded at the date of the prescription of the right to require the dividend payment, according to the OGSM Decision no 6/29.04.2014.

„DECISION no.6

It is approved the performing of accounting records corresponding to the prescription of the right to require the payment of the dividends unclaimed for more than 3 years from their exigibility date.”

The total amount of the dividends allocated by S.I.F. Oltenia S.A. during the period 2013 – 2016 was of **290,082,857 lei**, from a net profit of **458,552,580 lei**, respectively **63.26%**.

For the financial exercise of the year 2016, the Ordinary General Meeting of Shareholders held on 06.09.2017 has approved the allocation of the net profit achieved in 2016, as following:

DECISION no. 3

It is approved the distribution of the net profit for the financial year 2016, amounting to **101,271,376.81 lei**, as proposed by the Board of Administration, on the following destinations:

Paying a gross dividend of 0.0900 lei per share.

- **Dividends**: 52,214,914.26 lei (51.56 % of net profit)

Proposed dividend provides to the shareholders a remuneration rate of 5.86% calculated as the average trading price of shares in 2016 (1.5357 lei/share) and a remuneration rate of 5.52% calculated on the closing price for 2016 (1.63 lei/share).

- **Shares buy-back program**

- **Reserve fund**: 49,056,462.55 lei (48.44 % of net profit) to buy-back a number of own shares. The company will carry out a buy-back program in accordance with the applicable legal framework, in order to reduce the share capital by canceling them. The Board of Administration of the company will convene, organize and conduct the EGMS who will decide on the implementation of the shares buy-back program.

The minimum price per share: 1.5 lei

The maximum price per share: 2.5 lei

Program duration: 12 months from the date of publication of the decision in the Official Gazette of Romania, part IV.

DECISION no. 4

It is approved the date of **01.11.2017** as **PAYMENT DATE** of dividends in accordance with the provisions of art. 129³ para.(2) of the RNSC Regulation no. 1/2006, as amended and supplemented. The distribution of dividends to shareholders will be made in accordance with the legal provisions, with the costs of the payment being borne by the shareholders out of the net dividend amount.