

COMPANY POLICY ON DIVIDEND – DIVIDENDS DISTRIBUTED DURING THE PERIOD 2010 – 2018

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 10 years, the amounts distributed represented between 42% and 87% 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	2010 - lei -	2011 - lei -	2012 - lei -	2013 - lei -	2014 - lei -	2015 - lei -	2016 - lei -	2017 -lei-	2018 -lei-	2016 (approved by the OGSM held on 28.04.2020) - lei
Gross dividends to be distributed - total	43,513,834	75,421,543	75,421,543	92,826,514	69,619,886	75,421,543	52,214,914.26	40,611,600	84,081,469.35	52,214,914.30
Paid gross dividends * - total -	33,860,513	59,327,747	59,159,054	71,025,683	53,893,861	56,684,811	39,707,089	30,641,458	62,395,803	-
Paid gross dividends/ Gross dividends to be distributed - % -	77.82	78.66	78.44	76.51	77.41	75.16	76.05	75.45	74.21	-
Gross dividend/share	0.075	0.13	0.13	0.16	0.12	0.13	0.0900	0.0700	0.15	0.10
Net profit	80,994,938	83,442,670	88,382,694	130,000,062	94,876,130	132,405,011	101,271,376.81	74,303,963.75	96,259,800.47	124,132,273.67
Allocation from net profit to dividends - % -	53.72	90.39	85.34	71.40	73.38	56.96	51.56	54.66	87.35	42.06

* Gross dividends paid until 31.05.2020.

For the period 2010 – 2015, the amounts unpaid were recorded at the date of the prescription of the right to require the dividend payment, according to the OGSM Decisions.

The total amount of the dividends allocated by S.I.F. Oltenia S.A. during the period 2016 – 2019 was of **229,122,897.81 lei**, from a net profit of **395,967,414.70 lei**, respectively **57.86%**.

For the financial exercise of the year 2019, the Ordinary General Meeting of Shareholders held on 28.04.2020 has approved the allocation of the net profit achieved in 2019, as following:

DECISION no. 4

It is approved the distribution of the net profit for the financial year **2019**, amounting to **124,132,273.67 lei**, as proposed by the Board of Administration, on the following destinations:

a). **Dividends: 52,214,914.30 lei (42.0639 % of net profit)**, which ensures a gross dividend per share of **0.10 lei**.

The proposed dividend ensures a remuneration rate of shareholders of 4.70% calculated at the average trading price of the shares in 2019 (2.1272 lei/share) and 3.91 % calculated at the closing price for 2019 (2.56 lei/share),

The date of **01.07.2020** is approved as the **PAYMENT DATE** of the dividends according to the provisions of art. 178 paragraph (2) of the FSA Regulations no. 5/2018. The distribution of dividends to shareholders will be carried out in accordance with the legal provisions, the costs related to the payment being borne by the shareholders on the value of the net dividend.

b). **Other reserves (own financing sources): 71,917,359.37 lei (57.9361 % of net profit)** in order to set up the necessary funds for investments, especially for carrying out a future buyback program of **22,149,143 own shares** in order to reduce the share capital of the company.