

TO:

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### **CURRENT REPORT**

According to CNVM Regulation no.1/2006

**Report day: 17.03.2017**

Societatea OIL TERMINAL S.A.

Headquarter: no.2, Caraiman str., Constanta

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Registering number at Commerce Registrar: J13/512/1991

Unique register number: 2410163

#### **Important event to be reported: Information about litigations**

Societatea OIL TERMINAL SA informs its shareholders on the following litigations:

##### **1. File no.5826/2/2012\*\***

By Decision no.1064/16.03.2017, the High Court of Cassation and justice gave the following solution:

- it rejects the appeal submitted by the defendant Public Finances Ministry – General Direction of Economic Financial Survey against the civil sentence no.2708 of 23 September 2016 given by Bucharest Court of Appeal – section VIII administrative and fiscal as groundless
- it admits the appeal submitted by the plaintiff SC Oil Terminal SA against the same sentence
- it partly alters the appealed sentence, ordering the partly cancellation of Decision no1/200476/28.05.2012, issued by General Direction of Economic Financial Survey of Public Finances Ministry and the partly cancellation of Financial control minute no.853.525/29.03.2012 issued by National Agency of Fiscal Administration - General Direction of Financial Survey and of Compulsory Disposal no. 853.535/30.03.2012 issued by the same institution regarding the measures 15,18,19,20,27,37-49,50,51,52,53,55,56,57,60,61,62,63,64,65,66 and 67.
- It keeps on the other disposals of the appealed sentence
- It obliges the defendant - Public Finances Ministry to pay the amount of 2.15 lei trial fees by the plaintiff SC Oil Terminal SA Constanta

The decision is irrevocable.

We remind that, by the Compulsory Disposal no.853.535/30.03.2012, National Agency of Fiscal Administration ordered 85 measures in the company' charge, the court ordered as follows:

A. it removes the measures 15,18,19,20,27,37-49,50,51,52,53,55,56, 57,60,61,62,63,64,65,66 and 67, consisting of:

Measure
MEASURE no.15: Company' management will order to issue intern regulations regarding the regulated tariffs issue and approval
MEASURE no.18: Company' management will act for Societatea statute' alteration and addition with precise liabilities regarding the regulated tariffs issue and approval
MEASURE no.19: Company' management will act for Societatea' Regulation of organization and running' alteration and addition, according Societatea' statute, regarding the regulated tariffs issue and approval
MEASURE no.20: Company' management will order the job sheets alteration and addition, on Societatea' level and of the execution staff, according to liabilities in the Regulation of organization and running, regarding the regulated tariffs issue and approval
MEASURE no.27: Company' management will provide the review of System procedure – Analysis of client's requirements, according to National Agency for Mineral Resources' orders regarding the applied tariffs
MEASURE no.37: Board of Directors will analyze the Legal dept. activity and will order the necessary measures to eliminate the deficiencies in Contract no.134/2009
MEASURE no.38: Board of Directors will analyze the Accountancy dept. activity and will order the necessary measures necessary to eliminate the deficiencies found in recording some economic operations in the bookkeeping and will issue intern procedures (contract no.134/2009)
MEASURE no.39: Company' management will take the necessary measures to recover the amount of 231,850 lei (VATexcluded), unjustifiably paid to Societate by Frangeti, Popescu and Grigore, from the service supplier or the responsible persons
MEASURE no.40: Board of Directors will analyze the Legal dept. activity and will order the necessary measures to eliminate the deficiencies in Contract no.111/2010
MEASURE no.41: Board of Directors will analyze the Accountancy dept. activity and will order the necessary measures necessary to eliminate the deficiencies found in recording some economic operations in the bookkeeping and will issue intern procedures (contract no.111/2010)
MEASURE no.42: Company' management will take the necessary measures to recover the amount of 75,050 lei (VATexcluded), unjustifiably paid to Societate by Frangeti, Popescu and Grigore, from the service supplier or the responsible persons
MEASURE no.43: Board of Directors will analyze the Legal dept. activity and will order the necessary measures to

eliminate the deficiencies in Contract no.11/134/23.07.2009
MEASURE no.44: Board of Directors will analyze the Legal dept. activity and will order the necessary measures to eliminate the deficiencies in Contract no.11/134/23.07.2009
MEASURE no.45: Company' management will take the necessary measures to recover the amount of 111,157 lei (VATexcluded), unjustifiably paid to Alexandrescu Law Office from the service supplier or the responsible persons
MEASURE no.46: Board of Directors will analyze the Legal dept. activity and will order the necessary measures to eliminate the deficiencies in Contract no.20/90/28.12.2009
MEASURE no.47: Board of Directors will analyze the Accountancy dept. activity and will order the necessary measures necessary to eliminate the deficiencies found in recording some economic operations in the bookkeeping and will issue intern procedures (contract no. 20/90/28.12.2009)
MEASURE no.48: Company' management will take the necessary measures to recover the amount of 242,632 lei (VATexcluded), unjustifiably paid to Alexandrescu Law Office from the service supplier or the responsible persons
MEASURE no.49: Board of Directors will analyze the necessity, opportunity and legality of some legal contracts' conclusion in period 2009-2010, contracts with the same object for the same period of time with many law offices and will order the legal measures, the amount unjustifiably paid' recovery from the responsible persons, included
MEASURE no.50: Company' management will order measures to issue an intern procedure regarding the sponsorships granting
MEASURE no. 51: Company' management will order measures for the substantiation of the budget of revenues and expenses according to legal orders in force. It will also analyze the reasons for the sponsorships expenses' exceeding provided in budget of revenues and expenses approved for period 2009-2010, by the amount of 38 thousand lei and will order measures of recovery from the responsible persons
MEASURE no. 52: Company' management will order measures for the recovery of the amount of 209 thousand lei unjustifiably spent over the amount approved by budget of revenues and expenses in 2009, from the responsible persons
MEASURE no. 53 Company' management will order measures for the recovery of the amount of 145 thousand lei unjustifiably spent over the amount approved by budget of revenues and expenses in 2010, from the responsible persons
MEASURE no.55: Board of Directors will analyze protocol activity in period 2009-2010 and will order measures for the noticed deficiencies
MEASURE no.56: Board of Directors will analyze the exceedings of budget of revenues and expenses in 2009 regarding ads expenses noticed by control and will order measures for the amounts' recovery from responsible persons
MEASURE no. 57: Company' management will take measures to issue an intern procedure regarding the ad

activity, in order to provide this activity' unitary organization and running
MEASURE no. 60: Company' management will take measures to recover the amount of 904,000 lei spent over the approved one in budget of revenues and expenses, from the responsible persons
MEASURE no. 61: Company' management will analyze the substantiation and execution of expenses of social, cultural sport expenses in 2009 and will order measures to prevent such future errors
MEASURE no. 62: Company' management will order measures for the recovery of the amount of 1,188,000 lei unjustifiably spent over the amount approved by budget of revenues and expenses, from the responsible persons
MEASURE no. 63: Company' management will analyze the substantiation and execution of expenses of social, cultural sport expenses in 2010 and will order measures to prevent such future errors
MEASURE no. 64: Company' management will take immediate measures to identify and inventory of all fixed assets of shoretanks, crude oil and petroleum products transport pipelines, pumping facilities and other facilities and equipments related to them, in an amount of 4.9 mil. Lei, according to EGO no.15/2001
MEASURE no. 65: Company' management will take immediate measures to reevaluate the fixed assets of shoretanks, crude oil and petroleum products transport pipelines, pumping facilities and other facilities and equipments related to them, in an amount of 4.9 mil. Lei, according to EGO no.15/2001
MEASURE no. 66: Company' management will ask to Economy and Industry Ministry and National Agency for Mineral Resources to conclude a new leasing contract for fixed assets shoretanks, crude oil and petroleum products transport pipelines, pumping facilities and other facilities and equipments related to them, in an amount of 4.9 mil. Lei, according to EGO no.15/2001
MEASURE no. 67: Company' management will take measures, to alter the social capital according to the goods total in the leasing state public domain

B. it keeps on the measures already implemented by the company 1014,16,17,21-26,28-36,54,58,59,68-85, consisting of:

Measure
MEASURE no. 1 Company' management will act to alter and complete Societatea' statute with precise liabilities regarding the issue, supervision and application of Societatea' general strategies
MEASURE no.2: Company' management will act for Societatea' Regulation of organization and running' alteration and addition, according Societatea' statute, with responsibilities and liabilities regarding the issue, approval and application of own development strategy on short, average, long term
MEASURE no.3: Company' management will order measures regarding the issue, approval and application of own development strategy on short, average, long term
MEASURE no.4: Company' management will order the job sheets alteration and addition, on Societatea' level and

of the execution staff, according to liabilities regarding the issue, supervision and execution of Development strategy objectives achievement
MEASURE no.5: Company' management will act for Societatea' Regulation of organization and running' alteration and addition, according Societatea' statute, regarding the issuing, approval and application of annual programs
MEASURE no.6: Company' management will act for the job sheets alteration and addition, on Societatea' level and of the execution staff with liabilities in issuing, supervision and execution of follow of annual programs of activity achievement, of the altered Regulation of organization and running
MEASURE no.7: Company' management will order measures regarding annual programs issuing
MEASURE no.8: Company' management will act for Societatea' Regulation of organization and running' alteration and addition, according to liabilities regarding the issuing, approval and application of annual programs
MEASURE no.9: Company' management will order the Statute' alteration according to provisions of Law no.31/1990 regarding the commercial companies, with further alterations and additions and the responsibilities arisen from Societatea' activity specificity
MEASURE no.10: Company' management will act for all receivables' cashing
MEASURE no.11: Company' management will take measures regarding issue of intern regulations and procedures for issuing the budget of revenues and expenses
MEASURE no.12: Company' management will take measures to follow the application of intern regulations and procedures regarding the issuing the budget of revenues and expenses
MEASURE no.13: Company' management will take measures to improve the substantiation of budget of revenues and expenses according to economy, efficiency principles
MEASURE no.14: Company' management will order the issuing of tariff policy on short, average and long term
MEASURE no.16: Company' management will order inventory and analysis of all tariffs regulation opportunity of the commercial activity in oil terminal
MEASURE no.17: Company' management will order all tariffs proposals to be presented for approval to the Board of Directors
MEASURE no.21: Company' management will order issuing of intern regulations regarding the unregulated tariffs' issuing and approval
MEASURE no.22: Board of Directors will analyze the unregulated tariffs substantiation in period 2009-2010 for transport and storage in oil terminal (crude oil, gas oil, gasoline, biodiesel, chemical products,etc), if these tariffs did not provide the service supplies efficiently, will order sanction measures for the blamed persons
MEASURE no.23: Company' management will order measures for the unregulated tariffs proposals presentation to be approved by Board of Directors

<p>MEASURE no.24: Company' management will act to alter and add Societatea' statute with precise liabilities regarding the unregulated issuing and approval</p>
<p>MEASURE no.25: Company' management will act for Societatea' Regulation of organization and running' alteration and addition, according to liabilities regarding the unregulated tariffs' issuing, approval</p>
<p>MEASURE no.26 Company' management will act for the job sheets alteration and addition, on Societatea' level and of the execution staff according to liabilities of the Regulation of organization and running, regarding the unregulated tariffs' issuing, approval</p>
<p>MEASURE no.28: Company' management will provide the addition of System procedure – Analysis of client's requirements, with a service supplier contract standard – petrochemical products</p>
<p>MEASURE no.29: Company' management will analyze the introduction opportunity of a provision regarding the supplied services estimated value in commercial contracts</p>
<p>MEASURE no.30: Company' management will take measures that, by the intern/managerial control to analyze periodically, the commercial contracts run and the activity of persons with liabilities in it.</p>
<p>MEASURE no.31: Board of Directors will periodically analyze Societatea' executive management, regarding commercial contracts with third parties and the contractual provisions compliance</p>
<p>MEASURE no.32: Company' management will order the recovery of the amount 152,349.09 lei representing penalties for the uncashing in due term of the due amounts related to contract concluded with SC Chimcomplex SA, from responsible persons</p>
<p>MEASURE no.33: Company' management will take measures tha all hire contracts are supervised by Board of Directors and approved by Shareholders General Assembly</p>
<p>MEASURE no.34: Company' management will take measures that the hire is a transparent one, to maximize revenues got by Societate</p>
<p>MEASURE no.35: Company' management will order the issuing of hiring methodology procedure</p>
<p>MEASURE no.36: Company' management will order measures to update Regulation of organization and running and job sheets for employees, in order to comply with the intern regulations and approved procedures</p>
<p>MEASURE no.54: Company' management will order measures to issue some intern regulations in protocol activity, so that these are a normative framework to eliminate deficiencies noticed by control entities</p>
<p>MEASURE no.58: Company' management will take measures to comply the provisions of Labour Collective contract regarding the social bonuses given to those of Fiscal code regarding the social, cultural, sport actions expenses fiscal ductility</p>
<p>MEASURE no.59: Company' management will take measures to issue an intern procedure regarding social actions, to provide this activity unitary organization and running</p>
<p>MEASURE no.68: Company' management will analyze the reasons leading to annual programs unachievement for</p>

oil terminal' upgrading and rehabilitation according to Oil agreement
MEASURE no.69: Shareholders General Assembly will analyze Board of Directors' activity and Societatea' executive management one and will take measures to comply with the leasing contract regarding the funds use for oil terminal' rehabilitation and upgrading, development and will inform National Agency for Mineral Resources, Economy and Industry Ministry and Public Finances Ministry on the taken measures.
MEASURE no.70: Company' management will order to correct accountancy recordings made, according to present control act.
MEASURE no.71: Company' management will take measures for recording of settled revenues and expenses by the present Financial control minute, recalculation of taxation on profit due for 2009, 2010 and corrective statement deposition to the competent fiscal agent
MEASURE no.72: Company' management will take measures to update Regulation of organization and running with clear and precise liabilities for individual, liabilities and competences according to charges effectively achieved for preventive financial control visa.
MEASURE no.73: Company' management will take measures to update and add the job sheets, according to the Regulation of organization and running liabilities
MEASURE no.74: Board of Directors and Shareholders General Assembly will analyze the preventive financial control and will order measures to improve its activity, according to legal provisions
MEASURE no.75: Company' management will order the issuing of some operational procedures for the following objectives: - Preventive financial control visa for contracts - Preventive financial control visa for invoices issued by products, services supplies and work execution contracts in their contractual relationship with the company - preventive financial control visa for invoices issued by Societatea'clients
MEASURE no.76: Company' management will periodically analyzes the preventive financial control activity and will order measures to eliminate the errors, in order to help Societatea' management
MEASURE no.77: Company' management will take immediate measures to issue Operations registrar in order to get preventive financial control visa and of Visa refusal registrar
MEASURE no.78: Company' management will order measures to issue operational procedure regarding Administration financial control scheduling and execution
MEASURE no.79: Company' management will order to include some control actions of risks activities in Intern control program, for which errors were found regarding legal and contractual provisions compliance
MEASURE no.80: Board of Directors will analyzed intern financial control activity and will order measures to turn it into an useful instrument in the managerial activity
MEASURE no.81: Company' management will analyze Intern Audit dept. activity and will order audit missions for the deficiencies noticed, in view to state useful recommendations for Societatea' management in

the next period
MEASURE no.82: Shareholders General Assembly will analyze Societatea' management quality in the controlled period and will take corrective and/or preventive measures to take
MEASURE no.83: Company' management will update the Regulation of organization and running with clear and precise liabilities regarding the specialty staff, arisen from issuing and application of operational procedure/methodology in public acquisitions, legal, ad, administration financial control scheduling and execution activity.
MEASURE no.84: Company' management will add and update the job sheets according to the Regulation of organization and running' liabilities
MEASURE no.85: Shareholders General Assembly and Board of Directors will inform the Economy, Commerce and Businesses Environment Ministry' management on the deficiencies noticed in the present control act and on ordered measures for their removal.

## **2. File no.7264/118/2016:**

By the decision given on 16.03.2017, Constanta Court took note of the giving up the intervention request trial, submitted by the intervener FONDUL PROPRIETATEA SA, admitted the intervention request in own interest submitted by intervener BROADHURST INVESTMENTS LIMITED, admitted the intervention request I own name submitted by the intervener BROADHURST INVESTMENTS LIMITED and rejected as groundless, the main request submitted by complainant OIL TERMINAL SA regarding some mentions in commerce registrar, recorded in the Commerce Registrar Office of Constanta Court.

The decision is executive, being edited and communicated to parties.

We mention that, the data are taken from the courts websites.

OIL TERMINAL SA appealed in legal term, after the civil sentence' communication.

We remind that, the object of file no.7264/118/2016 is the intervention request submitted y Fondul Proprietatea and Broadhurst INV LTD opposing to Shareholders General Extraordinary decision no. 6/10.10.2016' recording in Constanta Commerce Registrar Office, for Oil Terminal SA' social capital increase and its publishing in Romania Official Gazette part IV.

## **3. File no.7293/118/2016**

By civil sentence no.163/15.03.2017, Constanta Court of Appeal rejected the appeal of Oil Terminal SA as being objectless, obliging the appellant to pay court fees in the respondent' favour of 600 lei.

The decision is executive, being edited and communicated to parties.



We mention that, in Shareholders General Ordinary Assembly ' meeting of 10.03.2017, shareholders appointed a new Board of Directors, by the cumulative voting method, for 4 months until the managers appointment by Shareholders General Assembly according to EGO 109/2011..

We remind that, on 26.10.2016, shareholder Androne Nicusor and Oil Terminal Union submitted a presidential ordinance asking for suspension of Shareholders General Ordinary Assembly decision no.7/10.10.2016 for appointment and recalling of Board of Directors' members, until the action for annulment final resolution, pending Constanta Court.

The summons was the object of file no.7293/118/2016 pending on Constanta Court. By Civil sentence no.2434/13.12.2016, Constanta Court suspended Oil Terminal SA' Shareholders General Ordinary Assembly no.7/10.10.2016 until the final resolution of the action for annulment, being the object of file no.7167/118/2016 of Constanta Court.

**General Director,  
Sorin CIUTUREANU**