

An Audit Committee comprised of four Supervisory Board members was established to provide assistance to the governing bodies of Petrom in the area of internal control and financial reporting. This committee is in charge of preparing the adoption of the annual accounts and the proposal for profit distribution. Moreover, the committee supervises Petrom's risk management strategy and its financial performance, and examines the reports of the internal auditors. In line with the Companies Law, the Audit Committee also includes members that have the necessary expertise in the area of financial audit and accounting. Furthermore, at least one of the committee members meets the independence criteria laid down by the Companies Law. In 2009, the Executive Board held its meetings almost every week in order to exchange essential information about the daily operation of the company and take decisions on all matters requiring its approval. During the reporting period the Supervisory Board met seven times. Additionally, in urgent cases, both the Executive Board and the Supervisory Board took decisions by circulation, without an actual meeting being held. Three meetings of the Audit Committee were held during the year under review.

Rights of the company's minority shareholders are properly protected according to the relevant domestic legislation. Hence, an extraordinary general meeting must be convened at the request of shareholders holding at least 5% of the shares. Such shareholders can also submit resolutions to the general meeting. All duly registered shareholders are entitled to attend general meetings in person or by proxy representation and vote during the actual meeting or by correspondence. Petrom actively promotes the participation of its shareholders in the general meetings as they are invited to raise questions concerning items to be debated during such meetings.

## Performance Culture

In a market characterized by volatility and uncertainty, with challenges present every step of the way, making the most of the potential one

company has can be a complex and challenging task. Over the past years, our company has gone through a restructuring process that has enabled us to increase our performance. To reach our ambitious future goals, we constantly adapt the way we think and behave to reach a performance culture shared across the whole organization. Petrom aspires to transform its organizational culture into a 'Performance Culture', where we consider that our people are our best resource. A strong company truly progresses when its people are focused on the same objectives, they share the same values and have the same vision. We believe one of Petrom's key assets is the management team. This is why, at this point, we focus our attention on developing the managerial capabilities of our people, as an important element of a performance culture.

Through various projects we develop a performance-oriented culture, as we aim at creating a common spirit and increasing the support for our managers. In organizational life, to achieve results depends to a great extent on the ability to work with other people. In this respect, extensive analyzes and research were conducted in 2009 and debate groups were organized, where the current culture was analysed in detail.

We believe that in a performance oriented culture, the company's strategic objectives are known by all employees, decisions are made responsibly, people work efficiently in a team and they feel respected and appreciated for results achieved. And, last but not least, efforts put forth in identifying a problem and suggesting good ideas to solve it are appreciated and rewarded.

### Outlook 2010

In 2010, we will further analyze and develop the key areas of performance culture mentioned above, with focus on:

- ▶ **Objectives.** We aim to create an optimum environment where people can transform objectives into concrete actions.
- ▶ **Processes.** We analyse processes in order to reduce the administrative assignments managers have. This will lead to faster approvals and will provide transparency and

clarity throughout the entire decision-making process.

- ▶ **Communication.** We also focus on regularly informing managers about operational activity. Moreover we want to provide them with the optimum framework to facilitate the exchange of experience on key issues, which will lead to a better understanding of the role each of them has.
- ▶ **People.** Managers will be provided with the support tools necessary to improve their ability to put together motivated and success-oriented teams, while a talent management program identifies real talent and provides attractive career perspectives to the ones who are most capable of filling key positions in the future.
- ▶ **Performance management system.** This would be completed with a consistent performance management system, which clarifies the objectives and main business indicators as well as the rewarding criteria, making the connection between assessment, the need for personal development and promotion decisions.

## Petrom in dialog with its stakeholders

Stakeholder engagement is a key element contributing to sustainable development of Petrom, and comprises all the activities undertaken to enable the dialog with one or several stakeholders.

The stakeholders of Petrom include shareholders, investors, analysts, employees, customers, suppliers, competitors, business partners, contractors, universities, state authorities, non-governmental organizations (NGOs), mass media, and communities' opinion leaders.

The Petrom corporate standard 'Management of stakeholder engagement' is the framework for achieving a constructive stakeholder engagement by setting out the key steps and objectives which should sustain this process. The stakeholder dialog might take various forms including key stakeholder forums, expert committees, work groups, bilateral discussions, and joint projects (partnerships).

### External Stakeholder Dialog Corporate Stakeholder Forum

In 2009 Petrom organized the first corporate level Stakeholder Forum. This event debated one of the cutting-edge topics in energy namely 'Energy Efficiency and Sustainable Energy'.

Based on the assumption that everyone bears the responsibility to secure a better future for coming generations, this initiative aims to enable a constructive exchange of ideas between Petrom and its stakeholders, including government authorities, financial institutions, non-governmental organizations, the academic community and local community representatives.

As a result of open discussions during the event, promising opportunities for collaboration were identified. The objective of this first Forum was to get to know the expectations of the stakeholders in terms of sustainable development of the energy sector, particularly by improving energy efficiency. The Forum met with real interest and was prompted by lively discussions between Petrom representatives and the attending stakeholders. As a follow-up, an Action Plan will be prepared by Petrom in order to follow up on the issues raised by stakeholders.

### Engaging with stakeholders concerns



### Local Stakeholder Dialog

Stakeholder dialog at Petrom divisional level is developed by means of social projects, conferences and regular meetings.

During implementation of the social projects, E&P Petrom representatives held over 130 meetings with various groups of stakeholders. One of the conferences organized by E&P at the end of an educational project reunited over 70 participants (educators, Petrom