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February 4, 2013

Tianpu Wang, President
China Petroleum & Chemical Corp (CPCC) Sinopec
No. 6A, Huixin East Street Chaoyang
District Beijing
BEJ 100029
China

Re: Business Operations in Iran

Dear Mr. Tianpu Wang:

I am writing to you on behalf of the State Board of Administration of Florida (SBA). The SBA manages the Florida Retirement System pension fund, the fifth largest public pension fund in the United States, for over one million members. The SBA is subject to the Protecting Florida's Investments Act ("PFIA", or the "Act"), which directs the SBA to research, publicize, and divest of companies with certain business operations in the countries of Sudan or Iran.

We have used publicly-available information and the help of outside consultants to create a list of companies with scrutinized business operations as mandated by the Act. **China Petroleum & Chemical Corp (CPCC) Sinopec has been included on the List of Prohibited Investments (Scrutinized Companies) for its business operations in Iran or its affiliation with a company with such business operations.** The Act specifies that the SBA must communicate with such companies and verify these activities. We request a response describing whether company activities meet the criteria for scrutinized business operations listed below.

The Act directs the SBA to publish a list of all companies with scrutinized business operations and divest of any holdings in prohibited companies within twelve months. If you can provide information that shows your company does not meet the criteria below, we will be able to remove your company from the List of Prohibited Investments. The List of Prohibited Investments, a quarterly report detailing PFIA activities, and a copy of the Act may be found on the SBA's website: <http://www.sbafla.com/fsb/Home/ProtectingFloridasInvestmentAct/tabid/751/Default.aspx>

If your company's business operations in Iran meet the criteria specified by the Act, we encourage you to cease such operations. If your company decides to cease such operations, it will no longer be named on our published List of Prohibited Investments, and the SBA will be allowed to invest in your company under Florida law.

We request for China Petroleum & Chemical Corp (CPCC) Sinopec to provide a response describing company operations in Iran. Please use the criteria below in compiling your response.

The following is a brief review of the criteria on which the Iran business operations of companies are assessed, in accordance with subsection (1)(t) of the Act. Please review the Act for the complete requirements and definitions of key terminology.

A company will be subject to the provisions of the Protecting Florida's Investments Act under the following criteria:

The company has business operations that involve contracts with or provision of supplies or services to:

- *the government of Iran,*
- *companies in which the government of Iran has any direct or indirect equity share, or*
- *companies involved in consortiums or projects commissioned by the government of Iran;*

and:

a. The company has oil-related or mineral-extracting activities in Iran that account for more than 10 percent of the company's total revenues or assets, and the company has failed to take substantial action¹. (For example, a company that provides engineering services in Iran for the oil or mineral industry which account for more than 10% of the company's total revenues).

or:

b. The company has, with actual knowledge, on or after August 5, 1996, made an investment of \$20 million or more, or any combination of investments of at least \$10 million each, which in the aggregate equals or exceeds \$20 million in any 12-month period, and which directly or significantly contributes to the enhancement of Iran's ability to develop the petroleum resources of Iran. (For example, a company such as Total that has disclosed yearly investments in excess of \$20 million for government-linked oil development and gas treatment facilities in Iran).

The attachment below has further detailed questions that would assist with our analysis, particularly in the event you believe China Petroleum & Chemical Corp (CPCC) Sinopec does not meet the criteria under this Act and therefore should not be a prohibited investment for the SBA. If you have questions, please contact Michael McCauley, Senior Officer of Investment Programs & Governance, by telephone at (850) 413-1252 or by email at pfia@sbafla.com.

Sincerely,



Ashbel C. Williams
Executive Director & CIO

Attachment

¹ "Substantial action" means adopting, publicizing, and implementing a formal plan to cease scrutinized business operations within 1 year and to refrain from any such new business operations.

Clarifying Questions Regarding Activities in Iran:

1. Does China Petroleum & Chemical Corp (CPCC) Sinopec [or your subsidiary, parent or affiliate that meets the definition of "Company"² in the Act, subsection (1)(c)], have any business operations that involve contracts with or provision of supplies or services to:
 - the government of Iran?
 - companies in which the government of Iran has any direct or indirect equity share?
 - companies involved in consortiums or projects commissioned by the government of Iran?
2. What are China Petroleum & Chemical Corp (CPCC) Sinopec's *oil-related*³ or *mineral-extraction*⁴ activities in Iran,
 - a. as a percent of total *revenues* worldwide?
 - b. as a percent of total *assets* worldwide?
3. Has China Petroleum & Chemical Corp (CPCC) Sinopec, with actual knowledge, on or after August 5, 1996, made an investment of \$20 million or more, or any combination of investments of at least \$10 million each, which in the aggregate equals or exceeds \$20 million in any 12-month period, and which directly or significantly contributes to the enhancement of Iran's ability to develop the petroleum resources of Iran?
4. Has China Petroleum & Chemical Corp (CPCC) Sinopec adopted, publicized and implemented a formal plan to cease business operations in Iran meeting the criteria of the Act within the next twelve months?
5. Has China Petroleum & Chemical Corp (CPCC) Sinopec been affirmatively declared by the United States Government to be excluded from any present or future federal sanctions regime covering Iran?
6. Does China Petroleum & Chemical Corp (CPCC) Sinopec have majority ownership in any publicly-traded subsidiaries, or is China Petroleum & Chemical Corp (CPCC) Sinopec majority-owned by a publicly-traded firm?

² "Company" means any sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company, or other entity or business association, including all wholly owned subsidiaries, majority-owned subsidiaries, parent companies, or affiliates of such entities or business associations, that exists for the purpose of making profit.

³ "Oil-related activities" include, but are not limited to, owning rights to oil blocks; exporting, extracting, producing, refining, processing, exploring for, transporting, selling, or trading of oil; constructing, maintaining, or operating a pipeline, refinery, or other oil-field infrastructure; and facilitating such activities, including providing supplies or services in support of such activities, except that the mere retail sale of gasoline and related consumer products is not considered an oil-related activity.

⁴ "Mineral-extraction activities" include the exploring, extracting, processing, transporting, or wholesale selling or trading of elemental minerals or associated metal alloys or oxides (ore), including gold, copper, chromium, chromite, diamonds, iron, iron ore, silver, tungsten, uranium, and zinc, as well as facilitating such activities, including providing supplies or services in support of such activities.