

**CURRENT REPORT**

In compliance with Law no. 24/2017 regarding Issuers of Financial Instruments and Market Operations and A.S.F. Regulation no. 5/2018

Report date: **September 11, 2018**

Company name: **Societatea Nationala de Gaze Naturale ROMGAZ S.A.**

Address: **Medias, 4 Constantin I. Motas Square, Sibiu County - Romania, 551130**

Phone/fax no: **004-0269-201020 / 004-0269-846901**

Fiscal Code: **RO14056826**

LEI Code: **2549009R7KJ38D9RW354**

Trade Register registration number: **J32/392/2001**

Subscribed and paid in share capital: **385,422,400 RON**

Regulated market where the issued securities are traded: **Bucharest Stock Exchange (BVB), London Stock Exchange (LSE)**

Significant event to be reported:

- **Convening of the Extraordinary General Meeting of Shareholders of S.N.G.N. ROMGAZ S.A. on October 18 (19), 2018, 2:00 PM (Romania time)**

In compliance with Company Law no. 31/1990, Issuers of Financial Instruments and Market Operations Law no. 24/2017 and A.S.F. Regulation no. 5/2018 on Issuers of Financial Instruments and Market Operations, S.N.G.N. ROMGAZ S.A. convenes the Company's shareholders at the **Extraordinary General Meeting of Shareholders (EGMS) on October 18 (19), 2018.**

The Reference Date for identifying the shareholders entitled to attend and vote in the EGMS is **October 5, 2018.**

Informational documents related to the EGMS Agenda will be available as from **September 14, 2018**, at ROMGAZ Correspondence Entry, as well as on the company's website www.romgaz.ro, *Investor Relations Section - General Meeting of Shareholder.*

The Convening Notice of the EGMS was approved by ROMGAZ Board of Directors on September 10, 2018. The Convening Notice of the EGMS is to be published in the Official Gazette of Romania Part IV and in at least one widely-spread Romanian newspaper.

Attached:

Convening Notice of EGMS on October 18 (19), 2018

Resolution of the Board of Directors no. 40 from September 10, 2018

**Chief Executive Officer,
Adrian Constantin VOLINTIRU**



Capital social: 385.422.400 lei

CIF: RO 14056826

Nr. Ord.reg.com/an : J32/392/2001

RO08 RNCB 0231 0195 2533 0001 - BCR Mediaș

RO12 BRDE 3305 V024 6190 3300 - BRD Mediaș



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CONVENING NOTICE

The Board of Directors of S.N.G.N. „ROMGAZ” – S.A., a company managed in an one-tier system, incorporated and operating under the laws of Romania, registered with the Trade Register Office of Sibiu Court under number J32/392/2001, fiscal code RO 14056826, having its headquarters at Medias, 4 Constantin Motas Square, Sibiu County, with a subscribed and paid up share capital of RON **385,422,400** (hereinafter referred to as „ROMGAZ” or the „Company”),

CONVENES

the Extraordinary General Meeting of Shareholders (EGMS) on October 18, 2018, at 2:00 pm (Romania Time) at the headquarters of S.N.G.N. „ROMGAZ” – S.A., located in Medias, 4 Constantin Motas Square, Sibiu County, in the conference room, having the following:

AGENDA

- Item 1 Approval of the increase of share capital of SNGN Romgaz SA – Filiala de Inmagazinare Gaze Naturale Depogaz Ploiesti SRL by contribution in kind, made by the sole shareholder SNGN Romgaz SA, of current assets such as stocks of consumable materials, spare parts and inventory amounting to RON 16,056,160**
- Item 2 Approval of the issuance of 1,605,616 social shares, with a nominal value of RON 10/share, due to the contribution in kind of the sole shareholder SNGN Romgaz SA**
- Item 3 Approval of the amount of RON 2.20, representing the difference between the assessed value of stocks and the value of contribution, to be recorded in the reserves registered in the accounting of SNGN Romgaz SA – Filiala de Inmagazinare Gaze Naturale Depogaz Ploiesti SRL**
- Item 4 Approval of the amendment of Chapter III, SHARE CAPITAL, SOCIAL SHARES – Article 3.1 of the Articles of Incorporation of SNGN Romgaz SA – Filiala de Inmagazinare Gaze Naturale Depogaz Ploiesti SRL, to read as presented in Annex 1, as follows:**
- „The subscribed and paid share capital of the company amounts to RON 66,056,160, divided into 6,605,616 social shares, having a nominal value of RON 10/social share, held entirely by the sole shareholder”*
- Item 5 Authorizing the Director General of SNGN Romgaz SA to sign the update and the proposed amendments to the Articles of Incorporation of SNGN Romgaz SA – Depogaz Ploiesti SRL Natural Gas Underground Storage Subsidiary**

Item 6 Authorizing the chairman and the secretary of the meeting to sign the Resolution of the Extraordinary General Meeting of Shareholders

Only shareholders who are registered as S.N.G.N. „ROMGAZ” S.A. shareholders on **October 5, 2018 (the „Reference Date”)** in the Company’s Register of Shareholders kept and issued by Depozitarul Central S.A. (Central Depository) may attend and cast their votes in EGMS.

Informational documents related to the items of the EGMS agenda, the draft of resolutions proposed to be adopted by EGMS will be available as from **September 14, 2018**, on working days, at the registry desk of the Company located in Medias, 4 Constantin Motas Square, Sibiu County, Romania, postal code 551130 („**ROMGAZ Correspondence Entry**”) as well as on the website of the Company (www.romgaz.ro). **ROMGAZ Correspondence Entry** is open between hours 7:30 am – 3:30 pm (Romania Time), except for non-business days and public holidays. The shareholders of the Company may obtain, upon request, copies of the documents related to the items included on the EGMS agenda.

One or more shareholders representing, individually or jointly, at least 5% of the share capital of the Company may demand, through a request submitted to the Board of Directors of the Company,

- a) the insertion of additional items on the agenda of the EGMS;
- b) approval of draft EGMS resolutions for the items included on the agenda of the EGMS or for new items proposed to be included on the agenda.

The request to add new items on the agenda of the EGMS shall be made in writing and it will fulfil cumulatively the following conditions:

- a) it will include the last and first name, identity card type, serial number and number of the identity card, permanent residence or residence, as the case may be, and citizenship of the shareholder/shareholders, if the request is filed by one or more shareholders acting as natural person, and/or the name, registered office address, the shareholder/shareholders registration number and the name of the institution/authority where the shareholder, legal person, has applied to obtain the legal status, if the request is filed by one or more shareholders acting as legal persons;
- b) it will include, as the case may be, the last name, first name, personal identification number and citizenship of the legal representative/representatives who file the request on behalf of the shareholder/shareholders;
- c) it will include, as the case may be, the last name, first name, personal identification number and citizenship of the conventional representative/representatives, natural persons, and/or name, registration number of the shareholder/shareholders and the name of the institution/authority where the shareholder, legal entity, has applied to obtain the legal status, and the last name and first name of the legal representative of the conventional representative/representatives of the shareholder/shareholders, legal persons, who file the request on behalf and on account of the shareholder/shareholders;
- d) it will include the request to add new items on the agenda of the EGMS;
- e) it will include the request to submit for approval to EGMS the draft resolutions for the new items included in the request to add new items on the agenda;
- f) it will include the shareholder’s, legal representative’s or the conventional representative’s signature, as the case may be,
- g) it will have as annex the draft resolution/resolutions submitted for approval of EGMS, and, as the case may be, the power of attorney mandating the conventional representative to request new items on the agenda of EGMS, on behalf and on the account of the shareholder/shareholders;
- h) it will be sent to and registered at ROMGAZ Correspondence Entry, in Romanian or English, by any type of courier service with proof of delivery, or by e-mail with incorporated extended electronic signature, in accordance with Law no. 455/2001 on the electronic signature, at

investor.relations@romgaz.ro by **October 1, 2018, 3:30 pm** (Romania Time). Both means of transmission shall be clearly marked with capital letters "FOR THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS OF OCTOBER 18, 2018".

The request for EGMS approval of draft resolutions for the items included on the agenda of EGMS shall be in writing, and, it will fulfil cumulatively the following conditions:

- a) it will include the last and first name, the identity card type, serial number and number, permanent residence or residence, as the case may be, and citizenship of the shareholder, if the request is filed by a shareholder, natural person, or the name, registered office address, the shareholder registration number and the institution/public authority where the shareholder, legal entity, has applied to obtain the legal status, if the request is filed by a shareholder acting as legal entity;
- b) it will include, as the case may be, the last name, first name, personal identification number and citizenship of the legal representative who files the request on behalf of the shareholder;
- c) as the case may be, to include the last and first name, personal identification number, address and citizenship of the conventional representative natural person, or the name, registration number of the shareholder and the name of the public institution/authority where the legal person shareholder recorded to obtain legal personality, as well as the last and first name of the conventional representative's legal representative, legal person making the request on behalf and on account of the shareholder;
- d) to include the request to submit for EGMS approval of one or more resolution drafts for the items on the agenda;
- e) the signature of the shareholder, legal representative or as the case may be of the conventional representative;
- f) to attach the resolution draft/drafts requested to be submitted for approval of the EGMS and as the case may be, the power of attorney based on which the conventional representative expresses the request to submit for EGMS approval one or more resolution drafts for the items on the agenda, for and on behalf of the shareholder/shareholders;
- g) it will be sent to and registered at ROMGAZ Correspondence Entry, in Romanian or English, by any type of courier service with proof of delivery, or by e-mail with incorporated extended electronic signature, in accordance with Law no. 455/2001 on the electronic signature, at investor.relations@romgaz.ro by **October 1, 2018, 3:30 pm** (Romania Time). Both means of transmission shall be clearly marked with capital letters "FOR THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS OF OCTOBER 18, 2018".

Starting with **October 4, 2018** the requests to add one or more additional items on the EGMS agenda, as well as the requests to submit for approval of the EGMS resolution drafts for the items included on the EGMS agenda may be reviewed at ROMGAZ Correspondence Entry or at <https://www.romgaz.ro/en/aga>

Company shareholders may address questions and request an answer to such questions related to items on the EGMS agenda.

The application requesting an answer to the addressed questions related to the items of the EGMS agenda, shall be made in writing and it will fulfil cumulatively the following conditions:

- a) the last and first name, type of identity document, series and number of the identity document, address and, as the case may be, residence and citizenship of the shareholder if the application is made by a shareholder natural person, or the name, address of the registered office, registration number of the shareholder and the name of the public institution/authority where the legal person shareholder is registered to obtain legal personality, if the application is made by a legal person shareholder;

- b) as the case may be, to include the first and last name, personal identification number and citizenship of the legal representative that makes the request on behalf and on account of the shareholder;
- c) as the case may be, to include the last and first name, personal identification number, address and citizenship of the conventional representative natural person, or the name, registration number of the shareholder and the name of the public institution/authority where the legal person shareholder recorded to obtain legal personality, as well as the last and first name of the conventional representative's legal representative, legal person making the request on behalf and on account of the shareholder;
- d) to include the request to receive an answer to the addressed questions related to the items on the EGMS agenda by indicating such questions;
- e) the signature of the shareholder, of the legal representative or a the case may be of the conventional representative;
- f) as the case may be, to attach the power of attorney based on which the conventional representative files the application to receive an answer to the questions related to the EGMS agenda, on behalf and on account of the shareholders;
- g) it will be sent to and registered at ROMGAZ Correspondence Entry, in Romanian or English, by any type of courier service with proof of delivery, or by e-mail with incorporated extended electronic signature, in accordance with Law no. 455/2001 on the electronic signature, at investor.relations@romgaz.ro by **October 13, 2018, 3:30 pm** (Romania Time). Both means of transmission shall be clearly marked with capital letters "FOR THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS OF OCTOBER 18, 2018".

Shareholders registered on the Reference Date in the Company's Register of Shareholders kept and issued by Depozitarul Central S.A. may attend the EGMS and may vote:

- i. in person – direct vote;
- ii. through a representative with a special or general power of attorney;
- iii. by correspondence.

The special power of attorney form:

- a) will be available, in Romanian and English, as from **September 14, 2018** at ROMGAZ Correspondence Entry and on the Company's web page <https://www.romgaz.ro/en/aga>
- b) will include the shareholder identification method, the number of owned shares, as well as the voting options "for" or "against" or "abstain" for every issue to be voted upon;
- c) will be updated by the Company if new items are added on the agenda of the EGMS;
- d) will be filled in and signed by the shareholder, in three counterparts: one for the shareholder, one for the representative, and one for the Company.

The general power of attorney will be awarded by the shareholder acting as client, only to an agent as it is defined under Art. 2, Par. 1, point 20 of Law No. 24/2017 on issuers of financial instruments and market operations, or to an attorney-at-law.

If the representative of the shareholder/shareholders is a credit institution providing custodial services, it may participate and vote in the GMS if it gives an affidavit, signed by the credit institution's legal representative, stating:

- a) clearly, the name of the shareholders on whose behalf the credit institution participates and votes in the GMS;
- b) that the credit institution provides custodial services for that respective shareholder;

The special powers of attorney, the general powers of attorney and the affidavits of the credit institutions providing custodial services for one or more shareholders shall be transmitted/submitted in original copy, in Romanian or English the shareholder or by the credit institution, as the case may be, to ROMGAZ Correspondence Entry by any form of courier service with proof of delivery no later than **October 17, 2018, 12:00 am** (Romania Time), in sealed envelope, clearly marked with capital letters "FOR THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS OF OCTOBER 18, 2018".

The special powers of attorney, the general powers of attorney and the affidavits of the credit institutions providing custodial services for one or more shareholders, may be also sent by e-mail to the company at: investor.relations@romgaz.ro having attached an incorporated extended electronic signature in accordance with Law No. 455/2001 on electronic signature, no later than **October 17, 2018, 12:00 am** (Romania Time).

The capacity as legal representative may be also proved by providing an excerpt issued by the Trade Register (or by another institution of similar authority of the resident country of the shareholder being a foreign legal person), in original or certified true copy, in case the shareholder did not provide, for whatever reason, appropriate information on his or her legal representative, to Depozitarul Central SA/participant, within 3 months from the date of his or her appointment/replacement.

Documents proving the capacity as legal representative, prepared in a foreign language other than English, will be accompanied by their certified translation into Romanian or English.

The shareholders of the Company may vote by correspondence, prior to EGMS, by using the voting ballot form for the vote by correspondence (the "Voting Ballot").

The Voting Ballot:

- a) will be available, in Romanian and English, as from **September 14, 2018** at ROMGAZ Correspondence Entry and on the Company's web page (<https://www.romgaz.ro/en/aga>);
- b) will provide the shareholder's identification method, the number of owned shares and the voting options "for" or "against" or "abstain" for each issue to be voted upon;
- c) will be updated by the Company if new items are added on the agenda of the EGMS;

The Voting Ballots shall be transmitted as original copies, in Romanian or English, to ROMGAZ Correspondence Entry, by any form of courier service with proof of delivery, or by e-mail at: investor.relations@romgaz.ro, having attached an incorporated extended electronic signature in accordance with Law No. 455/2001 on electronic signature, no later **October 17, 2018, 12:00 am** (Romania Time), clearly marked with capital letters "FOR THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS OF OCTOBER 18, 2018".

If new items are added on the Agenda, after publishing the Convening Notice, the templates of the special power of attorney and Voting Ballot will be available at ROMGAZ Correspondence Entry and on the Company web page (<https://www.romgaz.ro/en/aga>), as from **October 4, 2018**.

The Voting Ballots/ special or general powers of attorney which are not received at ROMGAZ Correspondence Entry or by e-mail until **October 17, 2018, 12:00 am** (Romania Time) shall not be counted towards the quorum and the votes validly cast in the EGMS.

If the agenda is supplemented/ updated and the shareholders do not submit their updated power of attorney and/or Voting Ballots, the special power of attorney and the Voting Ballots submitted prior to supplementation/update of the agenda shall be taken into account, only for the items included in the initial agenda, also included in the supplemented/updated agenda, for which they were issued.

Shareholders access in the meeting room, authorized to attend the EGMS, is allowed based on simple proof of identity, as follows:

- a) in case of shareholders being natural persons - based on the identity document;
- b) in case of legal representative of the shareholder, legal person – based on the identity document or of documents certifying the quality as legal representative of the shareholder legal person;
- c) in case of a conventional representative, the documents provided at letters a) or b) above, together with the special or general power of attorney.

Should the statutory quorum for convening the EGMS not be met on the first date, namely **October 18, 2018** the EGMS shall be convened on **October 19, 2018 at 2:00 pm** (Romania Time), at the same venue and with the same agenda. In the event of a new convening, **the Reference Date** for identifying the shareholders entitled to attend and vote in the EGMS is the same, namely **October 5, 2018**.

The rules established in this convening notice for organizing the EGMS meeting on October 18, 2018, shall be supplemented by legal provisions applicable to public companies whose shares are traded on the securities market.

In case of conflict between the rules established in this convening notice and the legal provisions, the legal provisions applicable to public companies whose shares are traded on the securities market shall be applied.

Personal data collected by the Company directly from shareholders and/or their representatives, and indirectly from Depozitarul Central S.A. for the EGMS meeting on October 18, 2018, are processed to identify the persons entitled to exercise their rights as shareholders as regards the meeting and for establishing the resolutions adopted by the Extraordinary General Meeting of Shareholders on October 18, 2018.

Additional information on processing personal data of shareholders and shareholder's representatives, natural persons, may be found by reviewing the Information Notice on processing of personal data, on the Company's webpage (<https://www.romgaz.ro/en/aga>) for the Extraordinary General Meeting of Shareholders on October 18, 2018.

Additional information may be obtained from the Secretariat Office of the General Meeting of Shareholders and the Board of Directors, phone 0040 374 401643, and on the Company's web page (www.romgaz.ro).

**CHAIRMAN OF
THE BOARD OF DIRECTORS
NISTORAN DORIN-LIVIU**



Translation from Romanian language

ARTICLES OF INCORPORATION
of S.N.G.N. ROMGAZ S.A.
Filiala de înmagazinare gaze naturale DEPOGAZ PLOIESTI SRL

S.N.G.N. “ROMGAZ” - S.A is a Romanian legal entity, having its registered headquarters in Medias, C.I. Motas Square, no. 4, Sibiu County, registered with Trade Registry of Sibiu Court of Law under number J32/392/2001, Sole Registration Number RO 14056826, represented by Mr. Constantin Adrian Volintiru , Romanian citizen, born on March 31, 1967 in Bucharest, domiciled in Bucharest, Mihail Sebastian St., no.11, bl.S30, sc.C, et.1 ap.69, holder of Identity Card series EP No. 003167 issued by D.E.P.A.B.D on January 12, 2012, personal identification number 1670331434515, acting as Director General according to Board of Director Resolution no. 29/14.06.2018.

I decided to establish, of my voluntary decision and without any coercion or undue influence whatsoever, a company in Romania under the following terms and conditions:

CHAPTER 1
LEGAL FORM, NAME, DURATION, HEADQUARTERS

ARTICLE 1.1 Form of Business

The company is a limited liability company having a sole owner, Romanian legal person, performing its activity under the Romanian law and this Articles of Incorporation.

Any change to the form of business shall be made only under the sole owner decision, in accordance with the legal conditions and procedures.

The company holds rights and obligations and is liable in relation to third parties to the extent of its entire patrimony.

ARTICLE 1.2 Name

The undersigned constitutes a company whose name is **SNGN ROMGAZ S.A. - FILIALA DE ÎNMAGAZINARE GAZE NATURALE DEPOGAZ PLOIESTI SRL** (*Underground Gas Storage Subsidiary*), according to the name availability proof no. 31767 dated January 27, 2015 issued by the Trade Registry Office of Sibiu Court of Law.

The name, form of business, headquarters, trade registry number, sole registration number and share capital must be used on all documents – invoices, offers, orders, tariffs, prospects

CHAPTER III SHARE CAPITAL, SOCIAL SHARES

ARTICLE 3.1

Upon establishment, the subscribed and paid share capital of the company is 66.056.160 lei split into 6.605.616 social shares having a nominal value of RON 10/social share belonging entirely to the sole owner.

ARTICLE 3.2

The share capital may be changed by the sole owner's decision, in compliance with the applicable legal provision.

ARTICLE 3.3

The reduction of share capital may be made only after two months from the date the resolution was published in the Official Gazette of Romania, Part IV. Any creditor may raise objections within the term provided under article 62 par. (1) of Law no. 31/1990 on companies, as amended from time to time.

ARTICLE 3.4

By the sole owner's resolution, the share capital may be increased in kind or in cash contributions. In case the increase of share capital is made by in kind contribution, the sole owner shall dispose an expertise for the assessment of the movable or immovable good. The newly issued social shares shall be entirely subscribed, free of any encumbrances.

ARTICLE 3.5

The social obligations are guaranteed with the company's patrimony and shall not be encumbered by any liens or other personal obligations, and are indivisible. The sole owner is liable up to the amount of money representing the social shares it holds.

ARTICLE 3.6

By the sole owner's decision, the partial or total assignment of social shares to third parties may be made.

The assignment of social shares is recorded with the trade registry and with the company's shareholder's registry.

In order to be binding upon the company and third parties the assignment documents must be published in the Official Gazette of Romania, Part IV and recorded with the trade registry.

CHAPTER IV SOLE OWNER

ARTICLE 4.1

The sole owner has the following duties:

- To approve the annual financial statement and to allocate the profit, and to establish the maximum gearing of the company;
- To appoint , to revoke and to release the directors, and to decide upon contracting financial audit services, when such is not mandatory under the law;
- To amend the articles of incorporation;
- Any other duties as sole owner provided under the applicable legislation.

ARTICLE 4.2

The sole owner will ensure compliance with the following requirements, in order to comply with the mandatory terms and conditions provided under Art. 141 of Electric Power and Natural Gas Law 123/2012:

- the persons in charge with the management of the company shall not be members of the sole owner structures in charge for direct or indirect coordination of gas production and supply activity;
- the sole owner will provide necessary conditions for the persons in charge with company management to act independently;
- the company will have decision making authority independent of the sole owner in relation to the assets required for operation and development of UGS facilities
- the sole owner shall not give instructions to the company in relation to the management of current operations, nor to the particular decisions related to construction of upgrade/revamping of the UGS facilities which do not exceed the approved financial plan or any other equivalent document;
- the company shall prepare a conformity program, containing the measures to guarantee ruling-out the discriminatory practices and shall set specific obligations for the employees for achieving the independence objective.
- the company shall appoint a person /entity as conformity agent to properly monitor the compliance with the conformity program and shall submit to the competent authorities in December, every year, a report on the measures taken, report that will be published on the company's website.

CHAPTER V COMPANY'S GOVERNANCE OF BUSINESS

ARTICLE 5.1

The company's directors shall be selected and appointed by the sole owner, in compliance with the law.

ARTICLE 5.2

The Board of Directors of S.N.G.N. ROMGAZ S.A. – Filiala de Înmagazinare Gaze Naturale Depogaz Ploiești SRL- shall be governed by 5 (five) persons, out of which one is appointed as Chairman of the Board of Directors, and they are selected under the GEO no. 109/2011 on the corporate governance of public companies.

ARTICLE 5.3

The Board of Directors shall perform all acts that are required and useful to achieve the scope of business of S.N.G.N. ROMGAZ S.A. – Filiala de Înmagazinare Gaze Naturale Depogaz Ploiești SRL and convenes as often as it is necessary, but at least every three months.

ARTICLE 5.4

The directors will exercise their competencies together, and such competencies can be delegated, provided they are not under the exclusive competence of the directors.

ARTICLE 5.5 Organization of the Board of Directors

1. The Board of Directors elects from its membership the Chairman of the Board. The Board of Directors may revoke the mandate of the Chairman at any time.
2. No person shall serve simultaneously as Chairman of the Board of Directors and manager of the Company, or exercise both the mandates of Chairman of the Board of Directors and manager of the Company.
3. When the Chairman of the Board is temporarily unable to fulfil his/her duties, the Board of Directors may appoint another Director to exercise the mandate of the Chairman of the Board.
4. For the time period when there are no appointed Chairman and/or a Chairman substitute or, even if appointed, such are not able to exercise the Chairman's mandate, such mandate shall be exercised by the eldest member of the Board, as Chairman substitute, who is able to exercise such mandate.
5. All references herein to the Chairman of the Board of Directors shall also mean his/her substitute, to the extent the latter exercises the Chairman's mandate.
6. The Board of Directors shall appoint a Secretary who shall fulfil the registry and secretary works in connection with the Board's activity and shall support its activity.
7. The mandate of a Director and the mandate of the Chairman of the Board shall commence on the date provided in the appointment resolution or, in case such is not stipulated, on the first day following the resolution of appointing the person in charge with exercising the mandate of Director or Chairman of the Board of Directors, as the case may be.
8. The Director's mandate shall terminate upon its expiry, when revoked, upon his or her resignation, or for any other grounds of termination as provided by law, this Articles of Incorporation or the mandate contract.
9. The mandate of the Chairman of the Board of Directors shall terminate upon its expiry, when revoked, upon his or her resignation, and in all cases of termination of a Director's mandate.
10. The position of Director or Chairman of the Board of Directors becomes vacant upon termination of the mandate of Director or Chairman of the Board, as the case may be.
11. Vacancy of the positions of Director or Chairman of the Board shall be determined by resolution of the Board of Directors.
12. In case the position of Director becomes vacant before the expiry of the mandate, the newly appointed Director shall continue the term of its predecessor's mandate.

13. In case the Sole Owner decides on supplementing the number of Board members, the mandate duration of the first Directors appointed in the supplemented positions shall equal the remaining duration of the ongoing mandates as of the date of supplementing the number of Board members.
14. Appointment of a Director shall not be valid unless such person expressly acknowledges such appointment within 15 days of the appointment resolution or the date she or he has taken note of the appointment resolution, by written statement, submitted to the subsidiary.
15. Resignation of the mandate as Director or Chairman shall be notified to the Board of Directors at least 30 days prior to the date intended to vacate the position by resignation, under the penalty of payment of compensation.
16. The Board of Directors delegates its competencies of governing the subsidiary under the terms and limits provided under the law and these Articles of Incorporation.
17. The Board of Directors shall have the following basic competencies that may not be delegated to managers:
 - a. Establishing the core business and the development directions of the Company;
 - b. Approval of the Company Management Plan;
 - c. Establishing the accounting policies, the internal administration control system as well as approval of financial planning;
 - d. Appointment and dismissal of the managers, including the Director General and establishment of their remuneration;
 - e. Control of managers' activity;
 - f. Preparing the Board of Directors annual report;
 - g. Organising the meetings of the General Meeting of Shareholders, and implementing its resolutions;
 - h. Filing requests for opening proceedings to prevent insolvency and insolvency proceedings of the Company;
 - i. Elaboration of rules regarding the own activity and rules for advisory committees and managers so as not to contravene the provisions of law and these Articles of Incorporation;
 - j. Establishing or dissolution of secondary offices (branches, agencies, branch offices or any other work locations);
 - k. Other competencies of the Board of Directors that cannot be delegated in accordance with the law.
18. Director General shall be responsible for taking all measures relating to the management of the Company, within the scope of the Company's activity and in compliance with the exclusive competencies of the Board of Directors and of the General Meeting.

ARTICLE 5.6 The Chairman of the Board of Directors shall have the following competencies:

- a. Chairs the General Meeting of Shareholders;
- b. Convenes, establishes the agenda and chairs the Board of Directors meetings;
- c. Coordinates the Board of Directors activity;

- d. Overlooks the activity of Company bodies;
- e. Represents the Board of Directors in the relationship with the managers of the Company;
- f. Other competencies provided by law or herein;

ARTICLE 5.7 Convening the Board of Directors Meetings

1. Meetings of the Board of Directors shall be convened by the Chairman: *ex officio*, upon the reasonable request of at least 2 Directors or upon the Director General's request.
2. If a meeting of the Board of Directors is convened by Directors or by the Director General, the agenda shall be established by the requestors, and the Chairman shall have to comply with the request.
3. Meetings of the Board of Directors are usually held by meeting in person of the Directors at the registered office of the Company or in another location established by the convening notice.
4. Meetings of the Board of Directors may be also held by conference call or videoconference, under the terms established by the resolution of the Board of Directors.
5. The convening notice shall include the venue by indicating the address, the date and time of the meeting, the agenda and how the voting rights may be exercised.
6. In the case provided at paragraph (5), the convening notice shall include the date and time of the meeting, the agenda, how the communication is to be made, and how the voting rights may be exercised.
7. The convening notice accompanied by materials related to the items on the agenda shall be submitted to the Directors not later than 5 days prior to the date set for the meeting of the Board of Directors.
8. The Board of Directors, while convened, may adopt resolutions on issues that are not included on the agenda proposed in the convening notice only in exceptional situations, justified by the emergent nature of such situation and by the Company's interest. The Board of Directors shall decide whether the exceptional nature of such situation and the Company's interest require adoption of resolutions during the respective meeting.
9. In exceptional situations, justified by their emergent nature and the Company's interest, the Board of Directors may take decisions by unanimous vote expressed in writing by the Directors even without convening a meeting. The Chairman of the Board of Directors shall decide whether the exceptional nature of such situation and the Company's interest require adoption of resolutions in writing without convening a meeting.

ARTICLE 5.8 – Meetings of the Board of Directors

1. Board meetings shall be chaired by the Chairman.

2. The Directors shall have to be present and participate actively in the meetings of the Board of Directors.
3. No decision shall be valid unless taken in a meeting where the majority of the Board members are present and with the majority of the valid casted votes.
4. Votes in the meetings of the Board of Directors may be casted directly or by representative.
5. Vote by representative may not be casted unless the representative is another Director under a special mandate.
6. For voting purposes, a Director may represent only one absent Director.
7. The direct vote may be casted by correspondence or by electronic means, under the conditions set by the resolution of the Board of Directors.
8. Each Director has the right to cast a single vote, directly or by representative, when a decision is taken by the Board of Directors.
9. In case of parity of votes, the Chairman's vote is decisive.
10. If in a certain business a Director has an interest to the contrary to the Company's interests, directly or indirectly, the Director shall have to inform the other Directors and the internal auditor of such, and he/she shall not take part in any deliberation related to such business. Such Director shall have the same obligation in case he/she is aware that, for a certain business, his/her husband, wife, relatives or in-laws up to the 4th degree inclusively are interested in such business.

ARTICLE 5.9 - The Board of Directors shall have the following basic competencies but shall not be limited to:

- Establishes the core business and the development directions of the subsidiary;
- Verifies the internal control/managerial system
- Implements of the accounting policies, and establishes the financial planning;
- Appoints and dismisses the managers, and establishes their remuneration;
- Approves of the subsidiary management plan;
- Prepares the Board of Directors annual report
- Control of managers' activity;
- Other competencies of the Board of Directors that cannot be delegated in accordance with the law.

ARTICLE 5.10

By the due care of the directors, the company must keep the statutory books of company providing the owner's name and surname, the domicile, the contribution to the company's share capital, the transfer of social shares or any other changes with respect therefore.

The director/directors is/are liable to the company for:

- accuracy of payments;
- the actual availability of paid dividends;
- existence of books required by law and their accurate keeping;
- accurate fulfilment of the sole owner's resolutions;

- strict fulfilment of duties imposed by the law and by the Articles of Incorporation;

ARTICLE 5.11

The company's representation and governance is carried out by the directors together within the duties set by the sole owner.

ARTICLE 5.12

The company is governed for a period of 4 years, by full representation and governance powers.

ARTICLE 5.13

The Director's rights and obligations, as well as the incompatibility conditions, shall be provided under the Director's Agreement concluded with the company, under these Articles of Incorporation and under the applicable law on public companies.

ARTICLE 5.14

The Directors shall perform all the required and useful acts in order to fulfil the scope of activity of the company, except for those under the sole owner's powers as provided by the law.

**CHAPTER VI
COMPANY'S ACTIVITY**

ARTICLE 6.1

The financial year starts on January 1 and ends on December 31 of each year. The first financial year shall commence upon the date of the establishment of the company.

ARTICLE 6.2

The company's personnel shall be employed in compliance with the applicable law.

ARTICLE 6.3

The company shall prepare financial statements and the profit and loss account and shall keep the company's accounting records, according to the legal provisions.

ARTICLE 6.4

The company's profit is set in the annual financial statement approved by the sole owner.

ARTICLE 6.5

The company shall contract audit services in accordance with the applicable law. The company will organize the auditor's services in accordance with the applicable law.

**CHAPTER VII
COMPANY DISSOLUTION AND WINDING-UP**

ARTICLE 7.1

The following effect the winding up of the company:

- expiration of the company's term;
- impossibility to fulfil the company's scope of activity or its fulfilment;
- the company is declared void;
- the sole owner's resolution;
- court resolution;
- bankruptcy;
- other causes provided by law.

ARTICLE 7.2

The company's dissolution, before the expiration of its term produces effects in relation with third parties only after the 30 days from the publishing in the Official Gazette of Romania Part IV.

ARTICLE 7.3

The dissolution and winding-up of a company with sole owner is made according to Law 31/1990 on companies as amended from time to time.

CHAPTER VIII LITIGATION

ARTICLE 8.1

The litigation between the company and legal or natural person fall within the competence of courts of law.

ARTICLE 8.2

The litigation of the company residing from contract concluded with legal or natural persons shall be settled by the competent court by applying the material Romanian law.

ARTICLE 8.3

The litigation of employees rising from legal relationship of labour is settled in accordance with the Romanian labour-related legislation in force.

CHAPTER IX FINAL PROVISIONS

ARTICLE 9.1

Provisions of these Articles of Incorporation will be supplemented by the applicable provisions contained in the Civil Code, in the Labour Code, in Law no. 31/1990 on companies as amended from time to time, and in the civil legislation in force.

ARTICLE 9.2

These Articles of Incorporation enter into force upon its signing by the sole owner and upon the company's award of legal personality, according to the law, representing the company's articles of incorporation.

SOLE OWNER
S.N.G.N. ROMGAZ S.A.
Director General
Volintiru Constantin Adrian

BOARD OF DIRECTORS

RESOLUTION NO 40/ 2018

**of the Board of Directors of Societatea Nationala de Gaze Naturale
"ROMGAZ" - S.A. Mediaș,
taken at the meeting of September 10, 2018**

The Board of Directors of Societatea Nationala de Gaze Naturale "ROMGAZ" – S.A joined in the meeting on September 10, 2018 at 1:00 pm (Romania time)) at the SNGN ROMGAZ SA working point located in Bucharest, Sector 1, 59 Grigore Alexandrescu Street, 4th floor, issues the following:

RESOLUTION:

Article 1

In accordance with provisions of Article 117 (1) of Company Law NO 31/1990, republished, as subsequently amended and supplemented and of Article 13 (1) of Articles of Incorporation of Societatea Nationala de Gaze Naturale "ROMGAZ"-S.A., updated, the Board of Directors decides upon the following:

- a) **Approve the convening of the Extraordinary General Meeting of Shareholders of Societatea Nationala de Gaze Naturale "ROMGAZ" S.A. (EGMS) on October 18, 2018, 2:00 pm, at the headquarters of SNGN ROMGAZ SA, in Mediaș, 4 Constantin Motas Square, Sibiu County, the conference room**
- b) **Establish October 19, 2018, 2:00 pm (Romania time) for the second Extraordinary General Meeting of Shareholders of Societatea Nationala de Gaze Naturale "ROMGAZ" S.A., if the validity conditions for the EGMS of October 18, 2018, 2:00 pm, are not met**
- c) **Establish October 5, 2018 as the „Reference Date”, namely the identification date of the shareholders entitled to participate in the EGMS of October 18, 2018 and to cast their votes during such meeting**
- d) **Approve the following EGMS Agenda of October 18, 2018:**

„Item 1 Approval of the increase of share capital of SNGN Romgaz SA – Filiala de Inmagazinare Gaze Naturale Depogaz Ploiesti SRL by contribution in kind, made by the sole shareholder SNGN Romgaz SA, of current assets such as stocks of consumable materials, spare parts and inventory amounting to RON 16,056,160

Item 2 Approval of the issuance of 1,605,616 social shares, with a nominal value of RON 10/share, due to the contribution in kind of the sole shareholder SNGN Romgaz SA

- Item 3 Approval of the amount of RON 2.20, representing the difference between the assessed value of stocks and the value of contribution, to be recorded in the reserves registered in the accounting of SNGN Romgaz SA – Filiala de Inmagazinare Gaze Naturale Depogaz Ploiesti SRL*
- Item 4 Approval of the amendment of Chapter III, SHARE CAPITAL, SOCIAL SHARES – Article 3.1 of the Articles of Incorporation of SNGN Romgaz SA – Filiala de Inmagazinare Gaze Naturale Depogaz Ploiesti SRL, to read as presented in Annex 1, as follows:*
- „The subscribed and paid share capital of the company amounts to RON 66,056,160, divided into 6,605,616 social shares, having a nominal value of RON 10/social share, held entirely by the sole shareholder”*
- Item 5 Authorizing the Director General of SNGN Romgaz SA to sign the update and the proposed amendments to the Articles of Incorporation of SNGN Romgaz SA – Depogaz Ploiești SRL Natural Gas Underground Storage Subsidiary*
- Item 6 Authorizing the chairman and the secretary of the meeting to sign the Resolution of the Extraordinary General Meeting of Shareholders”*
- e) Authorize the Chairman of the Board of Directors of Societatea Nationala de Gaze Naturale, “ROMGAZ” SA, Mr. Nistoran Dorin-Liviu, to sign the Convening Notice of the EGMS which will be held on October 18, 2018.**

**CHAIRMAN OF
THE BOARD OF DIRECTORS
NISTORAN DORIN-LIVIU**

