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Profile of S.N.G.N. Romgaz S.A. Board of Directors

Document drafted by Pluri Consultants România

Translation from the Romanian language

According to Article 1 paragraph 18 of Annex 1 to Government Decision (G.D.) no. 722/2016, a board's profile targets the identification process of abilities, features and requirements that the Board of Directors is required to have at a collective level, given the organisation, mission, expectations expressed in the letter of expectations and existing strategic elements or strategic elements to be developed. The profile also contains the board of directors' matrix, which conveys an expression of the abilities the board is required to have at a collective level through a set of skills, abilities, other eliminatory conditions to be individually and collectively fulfilled by the board members.

As part of the selection plan, the public competent authority drafts the customised profile of the board of directors in consideration of the following aspects: (Article 19 of Annex 1 to G.D. no. 722/2016):

- a) minimum level of knowledge, abilities and experience required for a proper performance of the director's mandate;
- b) position-specific responsibilities for drafting medium and long-term vision;
- c) capacity to assume responsibility in front of the entire board, integrity and independence;
- d) required knowledge, skills and experience in constructive criticism, team work, communication, financial culture, decision making and pattern detection for the contribution to the board's activity as a whole.

The board's profile is to be drafted transparently, systematically and rigorously to ensure that the required abilities are identified to form the best board and the best board members candidates, respectively.

I. Introduction

The Ministry of Energy decided to initiate the selection procedure of board members for Societatea Nationala de Gaze Naturale ROMGAZ S.A. ("ROMGAZ") in accordance with Government Emergency Ordinance no 109/2011 on corporate governance of public enterprises, as subsequently amended and supplemented from time to time (GEO no. 109/2011). A selection committee established at Ministry level will implement the procedure, with the assistance of the independent expert Pluri Consultants România S.R.L, specialised in human resources recruitment.

This draft of Romgaz Board of Directors Profile was prepared in accordance with GEO 109/2011, in consideration of provisions contained in Article 18, Annex 1 to GD no. 722/2016.

According to Article 1 paragraph 18 of Annex 1 to G.D. no. 722/2016, a board's profile represents the identification of abilities, features and requirements that the Board of Directors is required to have at a collective level given the organisation, mission, expectations expressed in the letter of expectations, and existing strategic elements or strategic elements to be developed. The profile also contains the board of directors' matrix, which conveys an expression of the abilities the board is required to have at a collective level through a set of skills, abilities, other eliminatory conditions to be individually and collectively fulfilled by the board members. Simultaneously, according to provisions of Article

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19 of Annex 1 to GD no. 722/2016, the following requirements, without limitation, can be considered while establishing the profile of board members:

- a) minimum level of knowledge, abilities and experience required for a proper performance of the director's mandate;
- b) to know position-specific responsibilities and to be able to form medium and long-term visions;
- c) capacity to assume responsibility in front of the entire board, integrity and independence;
- d) required knowledge, skills and experience in constructive criticism, team work, communication, financial culture, decision making and pattern detection for the contribution to the board's activity as a whole.

Article 20 of Annex no. 1 to G.D. no. 722/2016 provides that companies draft a customised profile of the board in a transparent, systematic and rigorous manner to ensure that the required abilities are identified to form the best board and the best board members candidates, respectively.

As such, based on Article 23, paragraph (1) of Annex no. 1 to G.D. no. 722/2016, this board of directors profile draft has two components:

- a) review of the company's field of activity-specific requirements, in general, and of the board, in particular;
- b) the matrix of the board's profile.

These components must correspond to requirements relating to skills, knowledge, experience and other established measurable indicators, so that all necessities for the selection of individual board members or for board positions are satisfied. (Article 23, paragraph 2 of Annex no. 1 to G.D. 722/2016).

II. Company's Field of Activity - Specific Requirements

ROMGAZ is the largest Romanian gas producer and among the most important producers in the region.

Romgaz acts both on the regulated market, performing gas distribution activities, and on the free market performing gas and electricity production and supply activities and underground gas storage activities.

As of November 12, 2013, company's shares are traded on the regulated market governed by BVB (Bucharest Stock Exchange) – under the symbol "SNG" and on the regulated market governed by LSE (London Stock Exchange), as GDRs issued by the Bank of New York Mellon – under the symbol "SNGR".

The current shareholding structure: the Romanian State (through the Ministry of Energy) – major shareholder holding 70%; other shareholders – 30% (shares traded on BVB and GDR's traded on LSE).

In Q2 2022, Romgaz securities recorded a sharp price growth, reaching the historical maximum on 27.06.2022, when the share was traded at RON 51.70 and the GDR at USD 11.20 (equivalent

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of RON 52.34). In this period, the share price increased by 24.3% and the GDR price by 19.3% in terms of USD and 27.1% in RON.

As compared to the beginning of the year, Romgaz shares recorded a 32.8% increase, being considered "the shares with the best performance out of the 20 included in the structure of the main BET indices". GDR's value increased by 33% in RON, considering the evolution of the exchange rate USD-RON in this period of +8.3%, namely USD 23.5%.

Romgaz is considered an attractive company for the investors in terms of dividend distribution to shareholders and the company's stability and future development perspectives, as reflected by the

Since listing until today, Romgaz holds a significant position in the top of local issuers, being included in BVB trading indices by the end of H1 2022, as follows:

- Second place by market capitalization in the top of Premium BVB issuers. With a market capitalization of RON 19,425.28 million, namely EUR 3,927.95 million on June 30, 2022, Romgaz is the second largest listed company in Romania, being preceded by OMV Petrom with a capitalization of RON 27,614.00 million (EUR 5,583.77 million);
- Fifth place by the total amount of transactions in H1 2022 in the top of Premium BVB issuers, with RON 339.90 million;
- Issuer included in BVB main indices (with a 27% weigh in the BET-NG index for energy and related utilities and between 10%-15% in BET, BET-XT, BET-TR, ROTX indices);
- Issuer included in the main global indices allocated to Romania (FTSE, MSCI, S&P, STOXX, Russell Frontier).

The company distinguished itself during the 9 years since listing through operational excellence and robust profitability margins, achieving an EBITDA margin of 29%, EBIT of 26% and Net Profit rate of 23% in H1/2022.

The gross dividend distribution rate was 76% in 2022 (calculated as gross dividends paid / Net Profit for 2021). The minimum level indicated by law is 50%.

Romgaz holds significant liquidities: on June 30, 2022 it recorded RON 7.2 billion total cash and cash equivalent with a liquidity share of 39% (cash and cash equivalent related to market capitalisation) (related to the share price of August 10, 2022).

The company's experience in the field of gas exploration and production exceeds 100 years. Its history began in 1909 when the first natural gas commercial reservoir was discovered, in the Transylvanian Basin at Sarmasel.

ROMGAZ performs geological exploration to discover new gas fields, produces methane by exploiting gas fields from the company's portfolio, performs underground gas storage activities and also well workover, recompletions and special well operations and professional technological transportation services.

In 2013, ROMGAZ extended its activity by taking over Iernut thermal power plant, becoming electricity producer and supplier. One of Romgaz's main strategic directions was to strengthen its position on the energy supply markets. In particular, in the field of electricity generation Romgaz proposed "to increase activities effectiveness by investing in order to enhance efficiency of Iernut Thermal Power Plant (CTE) to minimum 55%, to comply with environmental requirements (NOX and CO2 emissions) and to increase operating safety". As a result, a particularly important

objective is the "Development of CTE lernut by building a new combined cycle gas turbine power plant".

The company develops by implementing state-of-the-art technologies in geological exploration, production and underground gas storage, financed from own or external sources. The economic and financial position of the company is characterized by profit stability and liquidity. Thus, Romgaz is among the state-owned companies that have met all the conditions for economic growth, becoming one of the largest Romanian companies.

Main activities performed by ROMGAZ are detailed below:

- **Natural Gas Exploration**

S.N.G.N. Romgaz S.A. performs petroleum operations as Sole-Titleholder of the Petroleum Concession Agreements for Exploration-Development-Production approved by GD No. 23/2000 for eight exploration-development-production blocks, with a total surface of 16.282 km², split on three major projects:

- TRANSILVANIA PROJECT: exploration blocks RG.01 Transilvania Nord, RG.02 Transilvania Centru, RG.03 Transilvania Sud;
- MOLDOVA PROJECT : exploration blocks RG.04 Moldova Nord, RG.05 Moldova Sud;
- MUNTENIA – OLTENIA PROJECT: exploration blocks RG.06 Muntenia Nord-Est, RG.07 Muntenia Centru, RG.08 Oltenia.

S.N.G.N. Romgaz S.A. performs operations in blocks as co-titleholder with foreign partners:

ONSHORE

- Romania: commercial fields, in partnership with Raffles Energy S.R.L.: Bilca, Vicșani, Frătăuți, Voitinel, Lilieci;
- Romania: commercial fields, in partnership with Amromco Energy S.R.L. (operator): Bibești, Strâmba, Finta-Gheboia, Fierbinți-Târg, Frasin-Brazi, Zătreni, Boldu, Roșioru, Gura-Suții, Balta Albă and Vlădeni.

OFFSHORE

- Block EX 30 – Trident, deep water area of the Black Sea, 12.2% participating interest share together with the partner LUKOIL Overseas Atash B.V., (operator);
- Block XIX Neptun Black Sea, 50% participating interest share from the rights acquired and obligations under the Petroleum Agreement for the eastern area, project partner is OMV Petrom.

On August 1, 2022 S.N.G.N Romgaz S.A successfully finalised the transaction with ExxonMobil for the acquisition and transfer of all shares issued by ExxonMobil Exploration and Production Romania Limited (EMEPR), which holds 50% of the rights acquired and obligations under the Petroleum Agreement for the eastern deep-water area of onshore block XIX Neptun Black Sea. All conditions precedent were successfully fulfilled in compliance with contractual provisions.

OMV Petrom is Romgaz partner in Neptun Deep project in the Black Sea.

Neptun Deep project is the most important transaction in the Romanian energy field for the last 30 years – it ensures the county's energy security.

For ROMGAZ, the transaction is a historical benchmark in the company's transformation and development. Thus gas production will increase significantly and

Romgaz will consolidate its top position on the Romanian and European oil and gas market.

Next step: to continue with the development-production phase as soon as possible.

The share sale and purchase agreement was concluded on May 3, 2022. ROMGAZ's consultants were Dentons and "Suciu Popa and Associates". These companies conducted an extensive legal due-diligence analysis on the target company and its assets and provided legal advice throughout the negotiation of the sale-purchase agreement. Deloitte Romania provided valuation services of EMEPRL's shareholding, tax and financial due-diligence and tax assistance in relation to the transaction.

The share sale-purchase agreement was approved by Romgaz GMS on April 28, 2022, and the transaction on December 10, 2021.

- **Natural Gas Production and Supply**

ROMGAZ is the main gas producer in Romania – 5.03 billion m³ in 2021 and 2.5 billion m³ in H1/2022, meaning an insignificant production decline (0.16%) related to production recorded in H1/2021.

H1 2022 natural gas production was supported by:

- optimisation of gas field exploitation;
- ongoing rehabilitation projects of main mature gas fields;
- well workover operations at wells with low productivity or inactive wells;
- investments to expand productive infrastructure and to connect new wells to it.

The natural gas production activity is currently carried out by two production branches, based in Mediaş and Târgu Mureş, which operate together more than 140 commercial fields located in Transylvania, Moldova, Oltenia and Muntenia.

Romgaz holds a significant position in gas deliveries in Romania:

- for H1/2022, an **estimated market share exceeding 43%** – higher as compared to the same period of 2021;
- a considerable increased **market share of over 61%** in terms of deliveries from internal production, by 10.5% higher than the share held in the similar period of 2021.

Romgaz's natural gas trading policy is based on principles governed by transparency, competition, equal and non-discriminatory treatment, efficiency and effectiveness.

In line with recent regulations, natural gas is traded using two sales channels: the Romanian Commodities Exchange and bilateral contracts.

- **Electricity Production**

Romgaz became an important electricity producer of the National Energy System by taking over Iernut Power Plant.

CTE Iernut is an important junction point in the National Energy System with an installed capacity of 600MW.

Sucursala de Producere a Energiei Electrice (S.P.E.E) Iernut (Electricity Production Branch) operates and maintains Iernut Power Plant as well as the low power energy groups 2x1500 kW Cojocna (with gas fuelled thermal motors).

Romgaz electricity production reached 544.66 GWh, higher by 341.58 GWh than the production in the similar period of 2021 (+168.2%). This production placed Romgaz at a market share of 1.95%.

Development of Iernut Power Plant by building a **new combined cycle gas turbine power plant** is performed under contract 13384/31.10.2016 in partnership with the consortium between DURO FELGUERA and ROMELECTRO.

Investment description:

- Gross electricity capacity: **430 MW**;
 - Gross power efficiency at nominal load: **56,4 %**;
 - **CCGT Iernut** benefits from a strategic position – located in the centre of the national energy system;
 - **Main objectives:** covering national electricity consumption by acting on the wholesale and balancing electricity markets, providing ancillary services for the national energy system, eliminating possible bottlenecks in the grid in the north-western area of Romania;
 - **25%** of the total eligible expenses of the investment are a grant from the national Investment Plan;
 - the power plant consists of: *4 gas turbines + 4 recovery boilers for steam production with 3 pressure levels + 2 steam turbines.*
- **Underground Gas Storage (UGS)** - the largest UGS operator in Romania
- The storage activity was separated from S.N.G.N. ROMGAZ S.A. as of April 1, 2018 by transferring Licence No. 1942/2014, the activity is performed by a storage operator , Filiala de Înmagazinare Gaze Depogaz Ploiești SRL, where S.N.G.N. ROMGAZ S.A. is sole associate.
- **Depogaz** operates **5 storages** – with a total working capacity of 2.77 billion m³ (total capacity of 3.97 billion m³;
 - Holds 40% shares in Depomures (0.30 billion m³) partnership with Engie;
 - Ratio of 25% between the volume of the working gas and annual consumption in 2020 - ranked in the first half of values recorded in Europe; moreover, a 96% ratio between the volume of stored gas and the working gas volume;
 - The investments aim at extending the current capacity and the withdrawal capacity – to ensure long term gas supplies.
- **Other activities:** well workover, recompletion operations, technological transportation and maintenance both for Romgaz and for third parties.

The company consist of 6 branches, namely:

- **Sucursala Medias** (Medias Branch) having its office in Medias, 5 Garii Street, postal code 551025, Sibiu County, territorially organized in 8 sections;
- **Sucursala Targu Mures** (Targu Mures Branch) having its office in Targu Mures, 23 Salcamilor Street, postal code 540202, Mures County, territorially organized in 8 sections;
- **Sucursala de Interventii, Reparatii Capitale si Operatii Speciale la Sonde Medias** (SIRCOSS – Branch for Well Workover, Recompletions and Special Well

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Operations) having its office in Medias, 5 Soseaua Sibiului Street, postal code 551009, Sibiu County, territorially organized in 3 sections and 5 workshops;

- **Sucursala de Transport Tehnologic si Mentenanta Targu Mures** (STTM – Technological Transport and Maintenance Branch) having its office in Targu Mures, 6 Barajului Street, postal code 540101, Mures County, territorially organized in 3 sections and 3 workshops;
- **Sucursala de Productie Energie Electrica Iernut** (SPEE – Iernut Power Generation Branch) having its office in Iernut, 1 Energeticii Street, postal code 545100, Mures County;
- **Sucursala Drobeta-Turnu Severin** (Drobeta-Turnu Severin Branch), having its office in Drobeta-Turnu Severin, 109 Traian Street, ap.2, code 220139, Caras Severin County.

NATIONAL STRATEGIC FRAMEWORK IN THE ENERGY FIELD

Romania's Energy Strategy 2020-2030, with a 2050 perspective, proposes actual targets, sets clear directions and defines the benchmarks by which Romania will maintain its position as an energy producer in the region and as an active and important player in managing regional stress situations.

Objectives of the Energy Strategy are:

1. Ensure access to electricity and heat for all consumers;
2. Clean energy and energy efficiency;
3. Modernisation of the corporate governance system and institutional regulatory capacity;
4. Protecting vulnerable consumers and reducing energy poverty;
5. Competitive energy markets, the basis of a competitive economy;
6. Increasing the quality of energy education and continuous training of qualified human resources;
7. Romania, regional provider of energy security;
8. Increasing Romania's energy contribution on regional and European markets by exploiting national primary energy resources.

Fundamental Strategic Objectives:

- I. Modernisation of the corporate governance system and institutional regulatory capacity: as asset owner, the state has to improve the management of the companies in which it holds stakes. State-owned energy companies have to become more efficient, modern and to have a professional management.
- II. Clean energy and energy efficiency:
By 2030, Romania plans to make a fair contribution to the achievement of the decarbonisation target of the EU and will follow the best environmental protection practices. The application of the EU-ETS scheme and compliance with the annual emissions targets for the non-ETS sectors are the main commitments to achieve the targets. For the sectors covered by the EU-ETS scheme, the overall emissions reduction target of Romania reaches approximately 44% by 2030 compared to 2005. The European Commission set a 2% reduction target for Romania compared to the value for 2005 (EU

Regulation 2018/842, Annex 1), whereas the average for EU28 is a 30 % reduction.

Romania proposes for 2030 to reach a 49.4% share of energy from renewable sources in the final gross electricity consumption.

- III. Ensure access to electricity, heat and natural gas for all consumers:
 - With more than 90% of household consumers connected to the electricity grid, electricity is the most widespread form of energy in Romania, but in terms of electricity consumption per capita, it is well below the EU average - 2.4 times lower than the EU average;
 - In terms of access to natural gas, less than half of households in Romania are connected to the natural gas network, with a third of Romania's homes heated directly by natural gas. The average natural gas consumption of a household consumer is also lower than the EU average.
- IV. Protection of vulnerable consumer and reduce energy poverty;
- V. Competitive energy markets, the basis of a competitive economy;
- VI. Increasing the quality of energy education and continuous training of qualified human resources;
- VII. Romania, regional provider of energy security;
- VIII. Increasing Romania's energy contribution on regional and European markets by exploiting national primary energy resources.

The definition of the vision and fundamental objectives took into account the country's energy resources and the fact that Romania has and will continue to rely on a balanced and diversified energy mix, which provides credibility for ensuring the country's long-term energy security.

The Energy Strategy establishes that Romania will maintain its position as an energy producer in the region and will play an active and important role in managing regional stress situations.

Underground gas storage is a tool to ensure national energy security.

Increasing daily withdrawal capacity, through investments that reduce the dependence of daily withdrawal capacity on reservoir pressure, is a pressing need in the storage field.

The alignment of the Company's policy with European and national objectives makes Romgaz an active, profitable and competitive player in the natural gas and electricity production markets, while aiming to enter new markets such as the petrochemicals market.

Romgaz's investment priorities are focused on continuing geological research to discover new natural gas reserves, developing production potential, improving performance of existing facilities and equipment and increasing operational safety, as well as identifying new opportunities for growth and diversification.

THE COMPANY'S OBJECTIVES UNDERTAKEN IN ACCORDANCE WITH ROMGAZ DEVELOPMENT STRATEGY FOR 2021 - 2030

The company establishes the following strategic objectives in order to ensure a sustainable development and to add value for shareholders and stakeholders:

- **Minimum 10 % reduction of carbon, methane and other gas emissions 10% (10-10-10)**
- **Annual natural gas production decline below 2.5%**
- **Operating profit margin between 25-40%**
- **ROACE \geq 12%** (return on average capital employed)
- **Maximizing the recovery factor of hydrocarbon reserves by:**
 - Extending the life of mature natural gas fields; reducing the emissions and improving the efficiency of hydrocarbon surface facilities related to hydrocarbon reservoirs;
 - Maximising production and increasing the recovery factor of natural gas reserves - through technical, economic and managerial strategies;
 - Drilling and commissioning of a minimum of 21 wells in undrained areas;
 - Annual natural gas production decline below 2.5%.
- **Increasing the portfolio of onshore and offshore hydrocarbon resources and reserves – Exploration – development – production activities in reservoirs under concession**
 - Annual reserves replacement ratio over 50%;
 - 59 opening, assessment and production wells;
 - Around RON 1,900 million investment in exploration.
- Exploitation of offshore gas in the Black Sea/concession of new blocks:
 - Neptun Deep Project – acquisition of 50% of ExxonMobil rights and obligations related to XIX Neptun Deep Block in the Black Sea (completed on August 1, 2022);
 - Trident Project (a share of 12.2% from the concession of EX-30 Trident Block).
- **Production of photovoltaic energy** – production capacity of 180 MW and the commissioning of 60 MW photovoltaic capacity by the end of 2023.
- Feasibility analysis and implementation of projects for the construction of power plants which shall be carried out by Romgaz or in partnership(s).
- **Feasibility analysis to book production capacity in power plants**, Romgaz retaining ownership of natural gas and electricity thus produced.
- **Green/brown field projects** in the natural gas distribution sector.
- **Methanol and olefin production units**, possibly in partnership (with opportunity/feasibility studies).

- **Gas to Power Projects** to develop natural gas reserves in marginal/isolated reservoirs.
- **Hydrogen production** for end customers use (assessment and feasibility studies), possibly in partnership.
- **Portfolio diversification and increase of market share:**
 - **Increase of market share by at least 3% by 2025, in order to maximize added value**
 - Attracting large wholesale end-users from the Romanian market to its portfolio;
 - Accessing the supply market to retail customers;
 - Development of trading activity.
 - **Regional development:** 2 subsidiaries in the neighbouring EU member states, in order to develop energy trading activities.
- **Electricity and energy with low CO₂ emissions with large scale use of renewable energy sources, looking for opportunities on the hydrogen market and developing a portfolio of gas clients to complete such low CO₂ emission energy:**
 - **Minimum 10 % reduction of carbon, methane and other gas emissions (10-10-10)***
 - Implementation of a NoX management system, including during well testing operations;
 - Electrically driven drilling rigs; clean closed wellbore flow-back systems;
 - Reduction of flaring gas through methane capture systems and methane added value solutions;
 - 10% reduction in technological gas consumption;
 - Modernisation of facilities and equipment, sustainable gas production;
 - Energy with low CO₂ emissions, seeking opportunities on the hydrogen market;
 - Assessing the feasibility of injecting carbon dioxide in depleted gas reservoirs with a view to secure future carbon storage services;
 - **NetZeRomGAZ – reaching the target of net zero CO₂ emissions by 2050.**

The development of the resource portfolio with focus on climate change mitigation and on resilient hydrocarbons, safety and operational reliability continues.

It is essential to digitally transform the company and to support innovations in order to enable new customer interaction methods, to increase efficiency and support new development directions.

The aim is to create equally profitable long-term relationships with the environment, market and society.

Board of Directors structure – legal provisions and good practice

Provisions contained in the company's Articles of Incorporation relating to ***Organising the Board of Directors*** – excerpt, in force at the date of this document

Art. 17

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- (1) The Company is governed in a unitary system by a Board of Directors composed of 7 (seven) directors.
- (2) The majority of the members of the Board of Directors shall be non-executive directors and independent. At least one of the Directors shall have a degree in economics and at least 5 years experience in economy, accounting, audit or finance.
- (3) The Ordinary General Meeting of Shareholders elects the directors in compliance with the applicable law and Articles of Incorporation.
- (4) In case the cumulative vote method is applied, the Directors in office on the date of the Ordinary General Meeting of Shareholders where the cumulative vote is applied shall be included on the list of candidates along with the candidates proposed by the shareholders.
- (5) The mandate of the Director in office on the date of the Ordinary General Meeting of Shareholders where the cumulative vote is applied who is not reconfirmed by cumulative vote as member of the Board of Directors shall be deemed to be revoked by the resolution of the Ordinary General Meeting of Shareholders.
- (6) The mandate of the Directors in office on the date of the General Meeting of Shareholders when the cumulative vote was applied shall continue, in case they are reconfirmed by the cumulative vote method.
- (7) 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.
- (8) 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.
- (9) 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.
- (10) For the 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, during that state of impossibility, the Board of Directors may appoint another Director to exercise the mandate of the Chairman of the Board.
- (11) 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.
- (12) The Board of Directors shall appoint a Secretary who shall carry out the registry and secretary works in connection with the Board's activity and shall support its activity.
- (13) The mandate term of the members of the Board of Directors shall be 4 (four) years, except as otherwise provided by law or herein.
- (14) 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

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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.

(15) 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.

(16) 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.

(17) 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.

(18) The Board of Directors determines by resolution the vacancy of the positions of Director or Chairman of the Board.

(19) 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 or.

(20) In case the Ordinary General Meeting of Shareholders 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.

(21) 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 Company.

(22) 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.

Provisions contained in the company's Articles of Incorporation relating to ***Board of Directors Competencies***– *excerpt, in force at the date of this document*

Art. 19 – Board of Directors Competencies

(1) The Board of Directors shall perform all acts that are required and useful to achieve the scope of business of the Company, except for those under the competence of the General Meeting of Shareholders as provided by law.

(2) The Board of Directors shall delegate the competencies of managing the Company in accordance with the conditions and limitations provided by law and these Articles of Incorporation.

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(3) 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 financial control system as well as approval of financial planning;
- d) appointment and dismissal of the managers, including the Chief Executive Officer 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 its own activity, the activity of the General Meeting of Shareholders, 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) granting loans by bonds acquisition, which individually or cumulated with other ongoing bond acquisitions, do not exceed the equivalent value in lei of EUR 100 million;
- l) granting loans to companies where the Company acts as partner, which individually or cumulated with other ongoing similar loans, do not exceed the equivalent value in lei of EUR 50 million;
- m) other competencies of the Board of Directors that cannot be delegated in accordance with the law.

(4) 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 this Articles of Incorporation.

III. Board Member Position - Minimum Mandatory General Requirements and Optional Requirements

Common eligibility criteria for all board member positions

- a) Very good knowledge of Romanian language (written and spoken);

- b) They are not in conflict of interest rendering them incompatible with the performance of the position as a member of the Board of Directors of the company for which they applied;
- c) They are not in any of the situations provided in Article 30 paragraph 9 and Article 36 paragraph 7 of GEO No. 109/2011;
- d) They have not been convicted by a final court decision of a crime against humanity, against the State or against authority, corruption and service offences, offences against the administration of justice, forgery, offences against property, offences provided for by Law No. 656/2002 for the prevention and sanctioning of money laundering, as well as for the establishment of measures to prevent and combat the financing of terrorism, as subsequently amended and supplemented, or for the offences provided for by Law no. 85/2014 on intentional misconduct that would make it incompatible with the exercise of the position;
- e) they did not engage in political police as defined by law;
- f) they have full capacity to exercise their profession;
- g) they have medical clearance;
- h) they comply with the criteria required by GEO No. 109/2011 on corporate governance of public companies, approved with amendments and additions by Law No. 111/2016 and Government Decision No. 722/2016;
- i) shall not exercise simultaneously more than 3 mandates as Board member and/or a member of the supervisory committee in public companies or enterprises in accordance with GEO No. 109/2011;
- j) There cannot be more than 2 members from among the civil servants or other personnel categories within the public supervisory authority or other public authorities or institutions.

II. Specific eligibility criteria

A. For positions as Board members with economic studies

- a) they shall have a Bachelor's degree in economics;
- b) they shall have at least 10 years of seniority and at least 5 years of specific professional experience in the field of graduated economic studies;
- c) they shall have at least 5 years of experience in governance, leadership, management or coordination within public or private entities;

B. For positions as Board members with economic studies and qualifications as financial auditor

- a) they shall have a Bachelor's degree in economics;
- b) they shall have at least 10 years of seniority and at least 5 years of specific professional experience in the field of graduated economic studies;
- c) they shall have at least 5 years of experience in governance, leadership, management or coordination within public or private entities;
- d) in line with the provisions of Article 65 paragraph (3) of Law No. 162/2017, as amended, regarding the certification of professional competencies both in the field of accounting and statutory audit, at least one member of the Audit Committee must hold the qualification of financial auditor or have at least 3 years of experience in statutory audit acquired through participation in statutory audit assignments in Romania, in another Member State, in an EFTA State, in Switzerland or in the United Kingdom of Great Britain and

Northern Ireland or in the Audit Committees formed at the level of the administrative/supervisory boards of companies/entities of public interest, documented accordingly.

C. For positions as Board members with studies in the field of law

- a) They shall have a Bachelor's degree in law;
- b) They shall have at least 10 years of seniority and at least 5 years of specific professional experience in the field of graduated studies;
- c) They shall have at least 5 years of experience in governance, leadership, management or coordination within public or private entities;

D. For positions of Board members with other than economic studies or studies in the field of law

- a) They shall have at least a total of 10 years of seniority;
- b) They shall have at least 5 years of experience in governance, leadership, management or coordination within public or private entities;
- c) They shall have experience within entities in the field of energy or natural gas;
- d) They are graduates of a higher education programme (ISCED 6 equivalent) completed with a degree from a higher education institution;

Optional criteria

- A postgraduate degree is an advantage;
- Romanian citizenship or citizenship of other European Union Member States, provided they are resident in Romania;
- Knowledge of capital markets;
- Experience in communication and investor relations;
- Relevant local and international experience;
- Experience in relation to public authorities, energy regulatory and supervisory authorities;
- Experience in building, coordinating and developing HR teams/staff and planning of succession for such;
- Experience in audit, economic, accounting, financial or legal, risk management;
- Knowledge and experience in the field of natural gas production is an advantage;
- Relevant experience in the field in dealing with European institutions is an advantage.

Matrix of Board of Directors' Profile

For the implementation of Article 28 paragraph (3) and Article 29 of enforcement guidelines, the scope of numerical analysis of the matrix is to clarify advantages and disadvantages, strengths, areas of development and the level of the Board's activity that can be improved, even if temporary, and is required to contain the following:

- a) definition of criteria and established relating indicators;
- b) identification of mandatory and of optional criteria;
- c) a defined common assessment grid for all criteria;
- d) determined weights for criteria, depending on their importance;

Translation from the Romanian language

- e) grouping of criteria for comparative analysis;
- f) a minimum collective threshold for every criterion, where required, if it exists or if applicable;
- g) subtotals, totals, weighted totals and weights for criteria and individual directors.

Simultaneously, in accordance with Articles 31 to 33 and of Annex 1a of the enforcement guidelines, the matrix of the board's profile differentiates between mandatory and optional criteria, required for a board based on competencies identified after assessing context-related requirements, and contains a minimum collective level of competency indicators threshold.