



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, 2023

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

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

Phone/fax no: 004-0374-401020 / 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 events to be reported:

- Resolution of the Ordinary General Meeting of Shareholders of S.N.G.N. ROMGAZ S.A. of September 11, 2023 (OGMS)
- Approval of:
 - ✓ the financial and non-financial performance indicators resulting from S.N.G.N. Romgaz S.A. Governance Plan
 - ✓ the annual variable component of remuneration for non-executive members of the Board of Directors
 - ✓ the maximum limit of remuneration for S.N.G.N. Romgaz S.A. managers and/or executive members of the Board (consisting of the monthly fixed allowance and the annual variable component)

The quorum conditions for the OGMS have been fulfilled according to the provisions of Article 15, paragraph 12 from S.N.G.N. ROMGAZ S.A. Articles of Incorporation and of Article 112 from the Company Law no.31/1990.

Attached: *Resolution no. 12 of the Ordinary General Meeting of Shareholders of S.N.G.N. ROMGAZ S.A. on September 11, 2023*

Chief Executive Officer,
Răzvan POPESCU

RESOLUTION NO. 12/September 11, 2023

**of the Ordinary General Meeting of Shareholders
Societatea Nationala de Gaze Naturale „ROMGAZ” - S.A.**

**Registered office: Medias, 4 Constantin Motas square, Sibiu County, Romania,
registered with the Trade Register Office attached to Sibiu Law Court under no.
J32/392/2001, fiscal code RO 14056826**

The Ordinary General Meeting of Shareholders of Societatea Nationala de Gaze Naturale „ROMGAZ” - SA joined in the meeting, at its first convening, of September 11, 2023, 1:00 pm (Romania time) at the SNGN ROMGAZ SA working point located in Bucharest, Sector 1, 59 Grigore Alexandrescu Street, 5th floor, issues the following:

R E S O L U T I O N

Article 1

Approval of the financial and non-financial performance indicators resulting from S.N.G.N. Romgaz S.A. Governance Plan as presented in Report No. 30318/August 4, 2023.

The resolution was approved with 312,823,744 votes representing 81.1638% from the sharecapital and 91.6422% from the total votes validly casted.

Article 2

Approval of the annual variable component of remuneration for non-executive members of the Board of Directors in amount of 12 monthly fixed allowances.

The resolution was approved with 308,416,910 votes representing 80.0205% from the sharecapital and 90.3512% from the total votes validly casted.

Article 3

Approval of the attached form and content of the Addendum of the Contracts of mandate of the Board members, having as object:

1. financial and non-financial performance indicators of the Board members;
2. targets related to financial and non-financial performance indicators of the Board members;

3. the amount of the variable component of remuneration for the Board members determined on the basis of the financial and non-financial performance indicators, the method of calculation and granting the remuneration;
4. the period for which the variable component is granted.

The resolution was approved with 312,823,744 votes representing 81.1638% from the sharecapital and 91.6422% from the total votes validly casted.

Article 4

The following are hereby approved:

1. the monthly fixed allowance for executive Board members, the Chief Executive Officer and the Deputy Chief Executive Officer within the limit of 6 times the average for the past twelve months of the monthly gross average wage for the activity performed in accordance with the company's scope of activity at wage class level according to the national classification of economic activities communicated by the National Institute for Statistics prior to the appointment;
2. the monthly fixed allowance for the Chief Financial Officer within the limit of 5 times the average for the past twelve months of the monthly gross average wage for the activity performed in accordance with the company's scope of activity at wage class level according to the national classification of economic activities communicated by the National Institute for Statistics prior to the appointment;
3. the annual variable component of remuneration for executive members of the Board within the limit of a 24 monthly fixed allowances;
4. the annual variable component of remuneration for the Chief Executive Officer and Deputy Chief Executive Officer within the limit of 24 monthly fixed allowances;
5. the annual variable component of remuneration for the Chief Financial Officer within the limit of 12 monthly fixed allowances.

The resolution was approved with 323,584,072 votes representing 83.9557% from the sharecapital and 94.7945% from the total votes validly casted.

Article 5

Authorizing the representative of the Ministry of Energy to sign the Addenda to the Contracts of mandate concluded with the members of the Board, according to the template attached to Item 3 of this Resolution.

The resolution was approved with 333,371,792 votes representing 86.4952% from the sharecapital and 97.6618% from the total votes validly casted.

Article 6

Authorizes the Chairman and the Secretary of the meeting to sign the resolution of the Ordinary General Meeting of Shareholders.

The resolution was approved with 337,104,290 votes representing 87.4635% from the sharecapital and 98.7553% from the total votes validly casted.

This document was drafted on September 11, 2023, in 4 (four) copies.

**CHAIRMAN OF
THE BOARD OF DIRECTORS
DAN DRAGOS DRAGAN**

**SECRETARY OF THE MEETING
CLAUDIU - AURELIAN POPA**

ADDENDUM No. ...
to Contract of Mandate No. dated

I. Preamble

Taking the following into consideration:

- Government Decision No. 575/June14, 2001 on establishing Societatea Națională de Gaze Naturale „ROMGAZ” – S.A. Mediaș;
- Provisions of Government Emergency Ordinance No. 109/2011 on corporate governance of public enterprises (“GEO No. 109/2011”) approved as amended and supplemented by Law No. 111/2016 in force on the conclusion date of the contracts of mandate;
- Provisions of Law No. 31/1990 on companies, republished, as amended and supplemented (“Law No. 31/1990”);
- Provisions of Law No. 297/2004 on capital market as amended and supplemented (“Law No. 297/2004”);
- Government Decision No. 722/2016 for the approval of the Methodological Norms for the implementation of certain provisions of Government Emergency Ordinance No. 109/2011 on corporate governance of public enterprises (“GD No. 722/2016”);
- Updated Articles of Incorporation of Societatea Națională de Gaze Naturale „ROMGAZ” – S.A. Mediaș;
- Provisions of Art. 1913 – 1919, Art. 1924, as well as of Art. 2009 and the following of the Civil Code;
- Ordinary General Meeting of Shareholders Resolution No. 5 dated March 14, 2023 on the approval of the contract between the company and Board members;
- Resolution No. of the Ordinary General Meeting of Shareholders dated on the approval of financial and non-financial performance indicators resulting from the Governance Plan as well as of the variable component of remuneration for Board members and the method to grant such

the parties agree to conclude this Addendum to the Contract of Mandate No. dated, hereinafter referred to as the „*Addendum*”.

II. Contracting Parties

Art.1. Societatea Națională de Gaze Naturale „ROMGAZ” – S.A., company managed under an one-tier system, having its registered office in Mediaș, 4 Constantin I. Motas Square, Sibiu county, registered with the Trade Register Office of Sibiu Court under number J32/392/2001, IBAN RO08RNCB0231019525330001 opened with BCR Mediaș, represented by acting as **Principal** (“Company”)

and

....., born on, in, domiciled in district/county, identified with ID series, no., personal identification number, acting as Member of the Board of Directors or **Agent** („Board Member/Agent”).

III. Scope of the Addendum

3.1. Financial and Non-financial Performance Indicators

Art.2. The financial and non-financial performance indicators, approved by OGMS Resolution no. of are provided in Annex 1 to this Addendum and shall represent the base for establishing and granting the variable component of remuneration for Board members during the performance of their contract of mandate.

Art.3. The performance indicators, the targets and their level of accomplishment may be amended in compliance with the legal conditions and the procedures provided for their approval.

3.2. Variable Component of Remuneration

Art.4. Board members are granted a variable component (CV) of remuneration amounting to 12 gross fixed monthly allowances.

Art.5. Calculation method for the variable component of remuneration:

$$CV_n = CV \times GTI_n$$

where:

CV_n - variable component of remuneration due to the Board member in year "n", RON;

CV - variable component of remuneration pursuant to the addendum to the contract of mandate, RON;

GTI_n - total degree of achievement of performance indicators in year 'n'.

$$GTI_n = \sum_{i=1}^{23} (I_{i_n} \times p_i)$$

where:

I_{i_n} - degree of achievement of performance indicator 'i' in year 'n';

p_i - the weighting coefficient for performance indicator 'i'.

Art.6. Depending on the value of the total degree of achievement of the performance indicators (GTI_n), the following apply:

- $GTI \geq 100\%$, the variable component of remuneration is fully granted;
- $50\% \leq GTI < 100\%$, the variable component of remuneration is granted proportionally;
- $GTI < 50\%$, Board member may be revoked.

Art.7. As of the approval of this Addendum by the General Meeting of Shareholders and until the termination of the contract of mandate, for each mandate year, the variable component of remuneration shall be granted pro-rata to the period worked during the year based on the contract of mandate.

Art.8. The Board member shall not benefit from the payment of fixed allowance and variable component during the period in which the Board member also fulfils the role of Company manager. The remuneration of managers is established by the Board of Directors and is the sole form of remuneration for managers also fulfilling the role of Board member.

Art.9. Payment of the variable component is made annually, within maximum 15 days from the date of the General Meeting of Shareholders approval of the annual audited financial statements and of submission of the Remuneration and Nominating Committee Annual Report.

IV. Final Provisions

Art.10. The other provisions of the Contract of Mandate remain unchanged.

This Addendum was concluded today, in 3 (three) original copies, out of which 2 (two) copies for the Principal and 1 (one) copy for the Board Member.

SNGN "ROMGAZ" SA

Board Member

Through:
authorized by OGMS Resolution no. of
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I. FINANCIAL AND NON-FINANCIAL PERFORMANCE INDICATORS

Crt. No.	Performance indicators (ICP)	Objective	2023	2024	2025	2026	2027
FINANCIAL INDICATORS							
1.	Revenue	Achieving the target committed in the Income and Expenditure Budget (IEB)	IEB	IEB	IEB	IEB	IEB
2.	EBITDA Margin	Minimum committed	min.41%	min.41%	min.41%	min.42%	min.42%
3.	Operating expenses for RON 1000 Operating income	Maintaining the level committed in the IEB	IEB	IEB	IEB	IEB	IEB
4.	Labour productivity (in value units)	Achieving the target committed in IEB	IEB	IEB	IEB	IEB	IEB
5.	CapEx	Achieving a minimum level as compared to the Program included in the IEB	70%	75%	75%	75%	75%
6.	The ratio between liabilities and EBITDA	Less than 4.5	< 4,5	< 4,5	< 4,5	< 4,5	< 4,5
7.	Operating income margin	Achieving the target committed in IEB	IEB	IEB	IEB	IEB	IEB
8.	Dividend payment rate	Minimum provided under the regulations applicable to Romgaz	acc. to reg.				
NON-FINANCIAL INDICATORS							
9.	Natural gas production decline	Maintaining a maximum annual decline	2,5%	2,0%	2,5%	2,5%	2,5%
10.	Emissions in the applicable area 1t	Reducing/maintaining the specific CO ₂ emissions (tCO ₂ /MWh electricity production)	max.0,570	max.0,565	max.0,360	max.0,360	max.0,360
11.	Fulfilling the natural gas supply obligation	100% of the contracted natural gas quantity	100%	100%	100%	100%	100%
12.	Market share	More than 40%	> 40%	> 40%	> 40%	> 40%	> 40%
13.	Average number of training hours per employee	Minimum 8	min.8	min.8	min.8	min.8	min.8
14.	Number of safety trainings	100% of the employees	100%	100%	100%	100%	100%
15.	Total frequency of recorded accidents	Maximum 0.8%	max.0,8%	max.0,8%	max.0,8%	max.0,8%	max.0,8%
16.	Score of client satisfaction	Minimum 75%	min.75%	min.75%	min.75%	min.75%	min.75%
17.	Rate of independent members in the Board of Directors	More than 55%	> 55%	> 55%	> 55%	> 55%	> 55%
18.	Number of Board of Directors meetings	Minimum 12/year	min.12	min.12	min.12	min.12	min.12
19.	Rate of participation in the Board of Directors meetings	Minimum 90%	min.90%	min.90%	min.90%	min.90%	min.90%
20.	Number of meetings of the Audit Committee	Minimum 4/year	min.4	min.4	min.4	min.4	min.4
21.	Rate of women in executive positions	Minimum 30%	min.30%	min.30%	min.30%	min.30%	min.30%
22.	Reporting in due time the company performance indicators, according to the financial calendar	Fully observe the reporting schedule	100%	100%	100%	100%	100%
23.	Implementing the Anticorruption National System	Implementing in due time the measures provided under Romgaz Integrity Plan	acc. to Plan	acc. to Plan	acc. to Plan	acc. to Plan	acc. to Plan

FINANCIAL INDICATORS

1. Revenue (I_{CA})

Objective: Achieving the target under the income and expenditure budget.

$$\text{Calculation method: } I_{CA_n} = \frac{CA_{R_n}}{CA_{BVC_n}},$$

where:

CA_{R_n} - the revenue achieved in year "n" [thousand RON];

CA_{BVC_n} - the revenue included in the income and expenditure budget in year "n", determined in accordance with IFRS rules [thousand RON].

In case of issue of a normative act regulating the prices that limits the demand/offer free price formation, the budgeted revenue is recalculated based on the regulated prices, depending on the proportion of gas quantity or electricity that is sold at regulated prices from the total sold quantity in year "n".

Source of information:

CA_{R_n} - Individual annual financial statements from the Annual Report;

CA_{BVC_n} - Income and expenditure budget in year "n", adjusted in accordance with IFRS reporting rules.

2. EBITDA margin (I_{EBITDA})

Objective: minimum committed, 41%, respectively in the years 2023, 2024, 2025 and 42%, respectively in years 2026 and 2027.

$$\text{Calculation method: } I_{EBITDA_n} = \frac{m_{EBITDA_n}}{m_{EBITDA_n}}$$

where:

m_{EBITDA_n} - EBITDA margin achieved in year „n”

$$m_{EBITDA_n} = \frac{EBITDA_n}{CA_{R_n}} \times 100,$$

$EBITDA_n$ - adjusted EBITDA achieved in year "n" [thousand RON];

Adjusted EBITDA = Net profit + Tax expenses (income tax, royalty, windfall tax for gas or electricity, solidarity contribution, energy transition fund and any other future taxes generated by the specific scope of work of the company or by over-taxation) + Interest expense and assimilated interest expense – Interest income – Dividend income + Net expenses with amortization, depreciation and impairment of non-current assets and current assets (net expense = expenses – incomes).

m_{EBITDA_n} - EBITDA margin committed in year „n”.

Source of information from adjusted EBITDA calculation formula: audited individual financial statements from the Annual Report.

3. Operating expenses for RON 1000 Operating income ($I_{CE/VE}$)

Objective: maintaining the level committed in the annual income and expenditure budget.

$$\text{Calculation method: } I_{(CE/VE)_n} = \frac{\frac{CE_n \times 1.000}{VE_n}}{\frac{CE_{BVC_n} \times 1.000}{VE_{BVC_n}}},$$

where:

CE_n - operating expenses made in year "n" [thousand RON];

CE_n = Operating expenses – Tax expenses (royalty, windfall tax for gas or electricity, solidarity contribution, energy transition fund and any other future taxes generated by the specific scope of work of the company or by over-taxation) - Net expenses with amortization, depreciation and impairment of non-current assets and current assets;

VE_n - revenue from operation in year "n" [thousand RON];

CE_{BVC_n} - operating expenses budgeted in year "n" [thousand RON];

VE_{BVC_n} - operating income budgeted in year "n" [thousand RON].

Operating expenses and operating income include the values related to own work capitalized.
Source of information: Annual Report and the Income and Expenditure Budget.

4. Labour productivity in value units (I_w)

Objective: achieving the committed target in the annual revenue and expenditures budget.

Calculation method: $I_{W_n} = \frac{W_{R_n}}{W_{BVC_n}}$,

where:

$$W = \frac{VE}{NR_{mediu}}$$

NR_{mediu} – average number of employees [employees];

W_{R_n} – labour productivity achieved in year “n” [thousand RON/employee];

W_{BVC_n} – labour productivity budgeted in year “n” [thousand RON/employee];

VE – operating income; it includes the values related to own work capitalized.

In case of issue of a normative act regulating the prices that limits the demand/offer free price formation, the budgeted operating revenue is recalculated based on the regulated prices, depending on the proportion of gas quantity or electricity that is sold at regulated prices from the total sold quantity in year “n”.

Source of information: Annual Report and the Income and Expenditure Budget.

5. CAPEX (I_{CapEx})

Objective: minimum 70% in year 2023 and minimum 75% starting with year 2024 of the investment program committed in the income and expenditure budget.

Calculation method: $I_{CapEx_n} = \frac{CapEx_n}{a}$

where:

$$CapEx_n = \frac{CapEx_{R_n}}{CapEx_{BVC_n}}$$

$CapEx_{R_n}$ – investment program achieved in year “n” [thousand RON];

$CapEx_{BVC_n}$ – investment program committed in the income and expenditure budget in year “n” [thousand RON];

a – target objective committed for each year [%].

Investment program includes the amounts allocated to Romgaz Black Sea Ltd subsidiary.

Source of information: Annual Report and Income and Expenditure Budget.

6. Ratio between liabilities and EBITDA ($I_{D/EBITDA}$)

Objective: less than 4.5.

Calculation method: $I_{D/EBITDA_n} = 1 - \frac{RD/EBITDA_n - 4,5}{4,5}$

where:

$$RD/EBITDA_n = \frac{DFN_{R_n}}{EBITDA_n}$$

DFN_n – net financial liability in year “n” [thousand RON]. Net financial liability is the balance of long and short term bank loans of any kind, bond issues recorded in the financial statement on 31 December of each year minus the balance of cash, cash equivalent and other financial assets recorded in the financial statement every year on 31 December;

$EBITDA_n$ = Net income + Income tax expenses, set in accordance with IFRS + Interest expense and assimilated interest expense – Interest income – Dividend income + Net expenses with amortization, depreciation and impairment of non-current assets and current assets (net expense = expenses – incomes). [thousand RON].

Source of information: audited individual financial statements from the Annual Report.

7. Operating income margin (I_{mPexpl})

Objective: achieving the target committed in the annual income and expenditure budget.

$$\text{Calculation method: } I_{mP_{expl}_n} = \frac{mP_{expl}_{R_n}}{mP_{expl}_{BVC_n}},$$

where:

$nP_{expl}_{R_n}$ - operating income margin achieved in year „n” [%];

$nP_{expl}_{BVC_n}$ - operating income margin budgeted in year „n” [%];

$$nP_{expl} = \frac{P_{expl}}{CA} \times 100$$

P_{expl} – operating income [thousand RON];

CA – revenue [thousand RON].

Source of information: audited individual financial statements from the Annual Report and the Income and Expenditure Budget.

8. Dividend payment rate (I_{div})

Objective: minimum provided under the regulations applicable to Romgaz.

$$\text{Calculation method: } I_{div}_n = \frac{R_{div}_n}{R_{div}_{R_n}}$$

where:

R_{div}_n – payment rate achieved in year “n”;

$$R_{div}_n = \frac{DIV_{pl}_n}{PN_n} \times 100,$$

DIV_{pl}_n – value of dividends in year “n” [thousand RON];

$R_{div}_{R_n}$ – payment rate according to regulations applicable to Romgaz in year “n”.

Source of information: GMS Resolution.

NON-FINANCIAL INDICATORS

9. Natural gas production decline (I_{prod})

Objective: maintaining the maximum annual decline level of 2.5% as compared to 2022, considered as “base year” for the calculation of indicator until 2027.

$$\text{Calculation method: } I_{prod}_n = \frac{P_n}{P_{A_n}},$$

where:

P_n - natural gas production achieved in year “n”, [mil.cm];

P_{A_n} - natural gas production committed for year “n”, calculated for an annual decline of 2,5%, starting from the production of year 2022, namely 4.936 [mil.cm];

$$P_{A_n} = 4.936 \times (1 - 0,025)^i,$$

i is the ordinal number of the years of mandate, namely: 2023=1, 2024=2, 2025=3, 2026=4 and 2027=5.

Source of information: Annual Report.

10. Emissions in the applicable area 1t (I_{E1t})

Objective: reducing/maintaining the CO₂ specific emissions generated directly by the electricity generation plant within Iernut Power Plant.

$$\text{Calculation method: } I_{E1t}_n = 1 - \frac{CO2_{Rn} - CO2_{An}}{CO2_{An}},$$

where:

$CO2_{Rn}$ – specific CO₂ emissions produced in year “n” [tCO₂/MWh of produced electricity];

$CO2_{An}$ – maximum specific CO₂ emissions committed for year “n” [tCO₂/MWh of produced electricity], as follows:

2023	2024	2025	2026	2027
0.570	0.565	0.360	0.360	0.360

Source of information: Annual Report.

11. Fulfilling the natural gas supply obligation (I_f)

Objective: 100% of the contracted natural gas quantity.

Calculation method: $I_{F_n} = \frac{Q_{F_n}}{Q_{C_n}}$,

where:

Q_{F_n} - natural gas quantity supplied from the contracted quantity in year "n" [thousand cm];

Q_{C_n} - contracted natural gas quantity, to be delivered in year "n" [thousand cm].

Contracted natural gas quantity is calculated by adding the following quantities:

- Natural gas quantities from fixed and firm quantities contracts;
- Natural gas quantities from flexible contracts, taking into account the clients requirements related to the use of flexibility; and
- Quantities actually supplied to clients whose contracts allow the deviation of quantities estimated for consumption (residential consumers, clients accepted by Romgaz as last resort supplier and other clients whose contractual provisions allow for such).

Source of information: Annual Report.

12. Market share (I_{cp})

Objective: more than 40%.

Calculation method: $I_{cp_n} = \frac{C_{pi\ \alpha\ \bar{a}R_n}}{40\%}$,

where:

$C_{pi\ \alpha\ \bar{a}R_n}$ – market share achieved in year "n" [%].

Market share calculated as share of Romgaz gas deliveries from internal production in the natural gas consumption from domestic production at national level.

Source of information: Annual Report.

13. Average number of training hours per employee (I_{fp})

Objective: minimum 8.

Calculation method: $I_{fp_n} = \frac{NR_{ofpR_n}}{8}$,

where:

NR_{ofpR_n} – average number of training hours per employee achieved in year "n";

$NR_{ofpR_n} = \frac{\text{Total number of training hours achieved in year } n}{NR_{average\ n}}$

$NR_{average\ n}$ – average number of employees in year "n".

Source of information: Annual Report.

14. Number of safety trainings (I_{ims})

Objective: 100% of employees.

Calculation method: $I_{ims_n} = \frac{NR_{imsR_n}}{NR_{nec.inst_n}}$,

where:

NR_{imsR_n} – number of employees trained for safety in year "n";

$NR_{nec.inst_n}$ – number of employees who need to be trained for safety in year "n".

Source of information: Annual Report.

15. Total frequency of recorded accidents (I_{acc})

Objective: maximum 0,8%.

$$\text{Calculation method: } I_{acc_n} = 1 - \frac{FTA_{R_n} - 0,8\%}{0,8\%}$$

where:

FTA_{R_n} – total frequency of accidents recorded in year “n”;

$$FTA_{R_n} = \frac{\text{Total accidents recorded in year } n}{NR_{average_n}} \times 100$$

Source of information: Annual Report.

16. Clients satisfaction score (I_{ssc})

Objective: minimum 75%.

$$\text{Calculation method: } I_{SSC_n} = \frac{S_{SCr_n}}{75\%},$$

where:

S_{SCr_n} – clients' satisfaction score achieved in year “n”;

$$S_{SCr_n} = \frac{\text{Number of eval uati onsof 4 and 5}_n}{\text{Total number of eval uati on}_n} \times 100$$

Source of information: Annual Report.

17. Rate of independent members of BOD (I_{CAind})

Objective: more than 55%.

$$\text{Calculation method: } I_{CAind_n} = \frac{RM_{R_n}}{55\%},$$

where:

RM_{R_n} – rate of independent members of BOD in year “n”;

$$RM_{R_n} = \frac{\text{Average number of independent members of BOD in year } n}{\text{Average number of BOD members}} \times 100$$

Source of information: Annual Report.

18. Number of BOD meetings (I_{sedCA})

Objective: minimum 12.

$$\text{Calculation method: } I_{sedCA_n} = \frac{NR_{sedR_n}}{12},$$

where:

NR_{sedR_n} – number of meetings in year “n”.

Source of information: Annual Report.

19. Rate of participation in BOD meetings CA (I_{prezCA})

Objective: minimum 90%.

$$\text{Calculation method: } I_{prezCA_n} = \frac{PCA_{R_n}}{90\%},$$

where:

PCA_{R_n} – rate of participation in BOD meetings achieved in year “n”;

$$PCA_{R_n} = \frac{\sum_{i=1}^{N_t} NR_{CA_i}}{NR_{CA} \times N_t} \times 100$$

NR_{CA_i} – number of participants in the BOD meeting „i”;

NR_{CA} – total number of BOD members;

N_t – number of BOD meetings.

Source of information: Annual Report.

20. Number of Audit Committee meetings (I_{sedCa})

Objective: minimum 4 per year.

Calculation method: $I_{sedCa_n} = \frac{NRCa_{R_n}}{4}$,

where:

$NRCa_{R_n}$ – number of meetings of the Audit Committee in year “n”.

Source of information: Annual Report.

21. Rate of women in management positions (I_{RFD})

Objective: minimum 30%.

Calculation method: $I_{RFD_n} = \frac{RTD_{R_n}}{30\%}$,

where:

RFD_{R_n} – rate of women in management positions in year “n”;

$RFD_{R_n} = \frac{FD_{R_n}}{TD_{R_n}} \times 100$,

FD_{R_n} – average number of women in management position in year “n”;

TD_{R_n} – average number of managers in year “n”.

Manager meaning, as provided in Art. 143 par. (5) of Law 31 of 16 November 1990 on companies, is the following „ *In the sense of the present law, the manager of the joint-stock company is only that person to whom the company's management duties have been delegated, in accordance with paragraph (1)*”.

Paragraph(1) provides the following: „ *The Board of Directors can delegate the management of the company to one or more managers, appointing one of them as general manager*”.

Source of information: Annual Report.

22. Reporting in due time the company's performance indicators, according to the financial calendar (I_R)

Objective: full compliance with the reporting deadlines.

Calculation method: $I_{R_n} = \frac{NR_{Rt_n}}{NR_{RT_n}}$,

where:

NR_{Rt_n} - number of reporting activities made in due time in year “n”;

NR_{RT_n} - total number of reporting activities made in year “n”;

Source of information: Annual Report.

23. Implementing the Anticorruption National System (Isna)

Objective: implementing in due time the measures provided in Romgaz Integrity Plan.

Calculation method: $I_{snq_n} = \frac{M_{R_n}}{M_{P_n}}$,

where:

M_{R_n} - measures implemented in year “n”;

M_{P_n} - measures proposed to be implemented in year “n”;

Source of information: Annual Report.

Note: For year 2023 ROMGAZ's Integrity Plan will be considered, as it is elaborated and revised in August 2023, the measures to be fulfilled will be those provided for the period August to December 2023.

II. SHARE OF FINANCIAL AND NON-FINANCIAL INDICATORS

Performance indicators for calculation of the variable component of remuneration	Share
FINANCIAL	20%
1. Revenue	4%
2. EBITDA Margin	2%
3. Operating expenses for RON 1000 Operating income	3%
4. Labour productivity (in value units)	2%
5. CapEx	3%
6. The ratio between liabilities and EBITDA	2%
7. Operating income margin	2%
8. Dividend payment rate	2%
NON-FINANCIAL	80%
Operational	20%
9. Natural gas production decline	4%
10. Emissions in the applicable area 1t	3%
11. Fulfilling the natural gas supply obligation	3%
12. Market share	2%
13. Average number of training hours per employee	3%
14. Number of safety trainings	3%
15. Total frequency of recorded accidents	4%
Public service oriented	10%
16. Score of client satisfaction	10%
Corporate governance	50%
17. Rate of independent members in the Board of Directors	5%
18. Number of Board of Directors meetings	7%
19. Rate of participation in the Board of Directors meetings	6%
20. Number of meetings of the Audit Committee	6%
21. Rate of women in executive positions	8%
22. Reporting in due time the company performance indicators, according to the financial calendar	9%
23. Implementing the Anticorruption National System	9%
TOTAL	100%