

June 25, 2014

## ANNOUNCEMENT

In compliance with the Romanian Capital Market Law no. 297/2004, art.224 and CNVM Regulation no. 1/2006, art.112<sup>^</sup>5, Societatea Nationala de Gaze Naturale "ROMGAZ" SA announces the intention to modify the Articles of Incorporation as follows:

a) Article 6 paragraph 3 shall be amended to read as follows:

*"The Romanian State holds a number of 269,823,080 shares".*

b) A new paragraph 6 shall be inserted after paragraph 5 Article 6 and shall read as follows:

*"Romanian and foreign, natural and legal persons hold a number of 57,813,360 shares"*

The amendment will be submitted for the approval of the next Extraordinary General Meeting of Shareholders (EGMS).

The draft of the Articles of Incorporation is attached hereto.

**DIRECTOR GENERAL,  
Virgil - Marius Metea**



**ARTICLES OF INCORPORATION**  
**of Societatea Nationala de Gaze Naturale “Romgaz” - SA Medias**  
**updated on \_\_\_\_\_, 2014**

**ARTICLE 1 - Business Name**

The name of the company is Societatea Nationala de Gaze Naturale “Romgaz” - SA, hereinafter referred to as “S.N.G.N. ROMGAZ - S.A” or the “Company”.

**ARTICLE 2 - Legal Form**

S.N.G.N. “ROMGAZ” - S.A is a Romanian legal entity, its legal form is a joint-stock company and it performs its activities according to the Romanian Law and this Articles of Incorporation.

**ARTICLE 3 - Registered Office**

- (1) S.N.G.N. “ROMGAZ” - S.A headquarters is located in Medias, C.I. Motas Square 4, Sibiu County.
- (2) S.N.G.N. “ROMGAZ” - S.A headquarters may be changed subject to a resolution of the Extraordinary General Meeting of Shareholders.
- (3) S.N.G.N. “ROMGAZ” - S.A is composed of 7 (seven) branches, provided for in annex “Branches of Societatea Nationala de Gaze Naturale “ROMGAZ” - S.A” attached hereto.
- (4) S.N.G.N. “ROMGAZ” - S.A may set up subsidiaries, agencies, secondary offices or other similar units without legal personality subject to a resolution of the Extraordinary General Meeting of Shareholders.

**ARTICLE 4 - Duration**

The Company is set up for an unlimited time period.

**ARTICLE 5 – Field and Scope of Activities**

- (1) The core business of the Company, according to the Classification of Activities in the National Economy (CAEN Rev.2) is extraction of natural gas (CAEN code: 062).
- (2) The main scope of activity is extraction of natural gas (CAEN code: 0620);
- (3) The Company may perform the following secondary activities:

- Underground storage of natural gas (CAEN code: 5210);
- Support activities for petroleum and natural gas extraction (CAEN code: 0910);
- Distribution of gaseous fuels through mains (CAEN code: 3522);
- Trade of gas through mains (CAEN code: 3523);
- Wholesale of solid, liquid and gaseous fuels and related products (CAEN code: 4671);
- Extraction of crude petroleum (CAEN code: 0610);
- Other mining and quarrying n.e.c. (CAEN code 0899);
- Support activities for other mining and quarrying (CAEN code: 0990);
- Manufacture of refined petroleum products (CAEN code: 1920);
- Manufacture of industrial gases (CAEN code: 2011);
- Technical testing and analysis, including of natural gas (CAEN code: 7120);
- Transport via pipeline, other than main pipelines (CAEN code: 4950);
- Freight transport by road (CAEN code: 4941);
- Other passenger land transport n.e.c. (CAEN code: 4939);
- Service activities incidental to land transportation (CAEN code: 5221);
- Cargo handling (CAEN code: 5224);
- Maintenance and repair of motor vehicles (CAEN code: 4520);
- Repair of fabricated metal products (CAEN code: 3311);
- Repair of machinery (CAEN code: 3312);
- Repair of electronic and optical equipment (CAEN code: 3313);
- Repair of electrical equipment (CAEN code; 3314);
- Repair and maintenance of other transport equipment n.e.c. (CAEN code: 3317);
- Repair of other equipment (CAEN code: 3319);
- Machining (CAEN code: 2562);
- Engineering activities and related technical consultancy (CAEN code: 7112);
- Other professional, scientific and technical activities n.e.c. (CAEN code: 7490);
- Renting and leasing of cars and light motor vehicles (CAEN code: 7711);
- Renting and leasing of trucks (CAEN code: 7712);
- Renting and leasing of construction and civil engineering machinery and equipment (CAEN code: 7732);
- Renting and leasing of other machinery, equipment and tangible goods (CAEN code: 7739);
- Renting and operating of own or leased real estate (CAEN code: 6820);
- Production of electricity (CAEN code: 3511);
- Transmission of electricity (CAEN code: 3512);
- Distribution of electricity (CAEN code: 3513);
- Trade of electricity (CAEN code: 3513);
- Water collection, treatment and supply (CAEN code: 3600);
- Steam and air conditioning supply (CAEN code: 3530);
- Technical testing and analysis, including of natural gas (CAEN code: 7120);
- Manufacture of other chemical products n.e.c. (CAEN code; 2059);
- Treatment and disposal of non-hazardous waste (CAEN code: 3821);
- Collection of non-hazardous waste (CAEN code: 3811);
- Collection of hazardous waste (CAEN code: 3812);

- Dismantling of wrecks (CAEN code: 3831);
- Recovery of sorted materials (CAEN code: 3832);
- Construction of residential and non-residential buildings (CAEN code: 4120);
- Construction of roads and motorways (CAEN code: 4211);
- Construction of railways and underground railways (CAEN code: 4212);
- Construction of bridges and tunnels (CAEN code: 4213);
- Construction of utility projects for fluids (CAEN code: 4221);
- Construction of utility projects for electricity and telecommunications (CAEN code: 4222);
- Construction of other civil engineering projects n.e.c. (CAEN code: 4299);
- Demolition (CAEN code: 4311);
- Site preparation (CAEN code: 4312);
- Installation of industrial machinery and equipment (CAEN code: 3320);
- Electrical installation (CAEN code: 4321);
- Plumbing, heat and air conditioning installation (CAEN code: 4322);
- Joinery installation (CAEN code: 4332);
- Floor and wall covering (CAEN code: 4333);
- Other building completion and finishing (CAEN code: 4339);
- Other construction installation (CAEN code: 4329);
- Other specialised construction activities n.e.c. (CAEN code: 4399);
- Wholesale of machine tools (CAEN code: 4662);
- Wholesale of mining, construction and civil engineering machinery (CAEN code: 4663);
- Wholesale of chemical products (CAEN code: 4675);
- Wholesale of waste and scrap (CAEN code: 4677);
- Retail sale in non-specialised stores with food, beverages or tobacco predominating (CAEN code: 4711);
- Other retail sale of new goods in specialised stores (CAEN code: 4778);
- Retail sale of second-hand goods in stores (CAEN code: 4779);
- Manufacture of other tanks, reservoirs and containers of metal (CAEN code: 2529);
- Manufacture of metal structures and parts of structures (CAEN code: 2511);
- Manufacture of doors and windows of metal (CAEN code: 2512);
- Manufacture of other fabricated metal products n.e.c. (CAEN code: 2599);
- Other manufacturing n.e.c. (CAEN code: 3299);
- Manufacture of electric motors, generators and transformers (CAEN code: 2711);
- Manufacture of electricity distribution and control apparatus (CAEN code: 2712);
- Radio broadcasting (CAEN code: 6010);
- Television programming and broadcasting activities (CAEN code: 6020);
- Wired telecommunications activities (CAEN code: 6110);
- Wireless telecommunications activities (CAEN code: 6120);
- Satellite telecommunications activities (CAEN code: 6130);
- Other telecommunications activities (CAEN code: 6190);
- Other credit granting (CAEN code: 6492);
- Other financial service activities, except insurance and pension funding n.e.c. (CAEN code: 6499);

- Security and commodity contracts brokerage (CAEN code: 6612);
- Other activities auxiliary to financial services, except insurance and pension Funding (CAEN code: 6619);
- Business and other management consultancy activities (CAEN code: 7022);
- Architectural activities (CAEN code: 7111);
- Security systems service activities (CAEN code 8020);
- Technical and vocational secondary education (CAEN code: 8532);
- Educational support activities (CAEN code: 8560);
- Travel agency activities (CAEN code: 7911);
- Tour operator activities (CAEN code: 7912);
- Hotels and similar accommodation (CAEN code: 5510);
- Holiday and other short-stay accommodation (CAEN code: 5520);
- Camping grounds, recreational vehicle parks and trailer parks (CAEN code: 5530);
- Other accommodation (CAEN code: 5590);
- Other reservation service and related activities (CAEN code: 7990);
- Restaurants and mobile food service activities (CAEN code: 5610);
- Event catering activities (CAEN code: 5621);
- Other food service activities (CAEN code: 5629);
- Beverage serving activities (CAEN code: 5630);
- Agents involved in the sale of a variety of goods (CAEN code: 4619);
- General medical practice activities (CAEN code: 8621);
- Specialist medical practice activities (CAEN code: 8622);
- Residential nursing care activities (CAEN code: 8710);
- Dental practice activities (CAEN code: 8623);
- Other human health activities (CAEN code: 8690);
- Operation of sports facilities (CAEN code: 9311);
- Activities of sport clubs (CAEN code: 9312);
- Fitness facilities (CAEN code: 9313);
- Other sports activities (CAEN code: 9319);
- Other amusement and recreation activities n.e.c. (CAEN code: 9329).

## **Article 6 – Share Capital**

- (1) S.N.G.N. “ROMGAZ” - S.A share capital is RON 385,422,400, fully subscribed and paid up.
- (2) The share capital is divided in 385,422,400 shares, each having a nominal value of Ron 1.
- (3) The Romanian State holds a number of 269,823,080 shares.
- (4) The Romanian State exercises its rights as shareholder of S.N.G.N. “ROMGAZ” - S.A through the Ministry of Economy - Energy Department, having the headquarters in Bucharest, Calea Victoriei 152, district 1.

- (5) S.C. Fondul Proprietatea S.A. with the headquarters in Bucharest, Buzesti street 78-80, 7<sup>th</sup> floor, district 1, fiscal identification code 18253260, registered with the Trade Registry under number J/40/21901/2005, holds 57,785,960 shares.
- (6) Romanian and foreign, natural and legal persons hold a number of 57,813,360 shares.

#### **Article 7 - Increase and Reduction of Share Capital**

- (1) The share capital may be increased by issue of new shares or by increasing the nominal value of existing shares in exchange of new contribution in cash and/or in kind.
- (2) The share capital may be reduced by reducing the number of shares, by reducing the nominal value of shares, as well as by buyback of own shares for subsequent annulment acquiring own rights and their annulment.
- (3) In case the Board of Directors observes that further to losses stated in the annual financial statements, approved according to the law, the net assets of the Company, representing the difference between total assets and total debts, have decreased to less than half of the subscribed share capital, it shall call for the Extraordinary General Meeting of Shareholders in order to decide on the reduction, restoring of the share capital or on dissolving the company.

#### **Article 8 – Company Shares**

- (1) Company shares are nominative, non-divisible, dematerialized and free transferable.
- (2) Preference shares may be issued in compliance with the law, subject to a Resolution of the General Meeting of Shareholders, with priority to dividends and without voting right.
- (3) Issue, conversion and sale of shares shall be done in compliance with the legal provisions and this Articles of Incorporation.
- (4) When a nominative share is owned by several persons, the transfer shall be recorded only after a single representative is appointed for voting purposes resulted from such shares.
- (5) The Chairman of the Board of Directors shall keep record of the Company shares and shareholders, by complying with legal conditions and proceedings.
- (6) If the Company is admitted to trading, it shall keep record of shares through an independent registrar.
- (7) If the Company shares are admitted to trading for the first time on a regulated Romanian market further to an initial public offering, depositary receipts may be issued, the shares issued by the Company underlying such depositary receipts.

The depositary receipts shall be issued by an entity, other than the Company, and shall be admitted to trading on a regulated market in another member state of the European Union.

### **Article 9 – Depositary Receipts**

- 1) Depositary receipts are securities, granting the holder rights and obligations for the shares underlying them.
- 2) Depositary receipts grant the right to obtain Company shares through conversion. Conversion is made according to applicable laws.
- 3) In addition and without violating the above mentioned, depositary receipt holders are granted the right to own Company shares.

### **Article 10 – Shareholders Rights and Obligations**

- (1) When a person acquires the property right of a share, it also acquires the rightful position as shareholder of S.N.G.N. “ROMGAZ” - S.A together with all rights and obligation arising out of this position, according to the law and this Articles of Incorporation.
- (2) In compliance with all exceptions provided by law, each share whose value was subscribed and fully paid up, grants the shareholder the right:
  - a) to participate in the general meetings of shareholders;
  - b) to obtain information necessary for exercising the voting right and the information related to the voting result in the general meeting of shareholders;
  - c) to cast a vote in the general meeting of shareholders;
  - d) to receive the payment of the dividends due;
  - e) preference right for subscribing for newly issued shares;
  - f) to equal treatment for all shareholders of the same class;
  - g) any other rights provided by law and this Articles of Incorporation.
- (3) Shareholders have to exercise their rights in good faith by complying with the lawful rights and interests of the Company and of the other shareholders.
- (4) If, related to a certain operation, a shareholder, either personally or as representative of another person, has an interest contrary to that of the Company; it shall abstain from the deliberations of such operation.
- (5) Shareholders shall transmit to the Company ex officio or at the request of the Board of Directors, all identification and contact data necessary for complying with all conditions related to the exercise of rights and to the fulfilment of Company obligations, provided by law or by this Articles of Incorporation.

- (6) If the transmitted data change, the new data shall be sent ex officio, according to article 5.
- (7) If the new data are not transmitted according to article 6, such will not be binding for the Company.

#### **Article 11 – Exercise of Rights by Holders of Depositary Receipts (DR)**

- (1) Rights and obligations with respect to shares underlying depositary receipts rest on holders of depositary receipts pro rata with their holding and considering the conversion rate between underlying shares and depositary receipts.
- (2) The issuer of depositary receipts on whose behalf shares underlying depositary receipts are recorded, is shareholder within the meaning of and according to Regulation 6/2009 on the exercise of certain rights of shareholders within the general meetings of shareholders of trading companies. To this effect, the issuer of depositary receipts is fully responsible for providing accurate, complete and timely information to holders of depositary receipts, by complying with the instructions written on the documents related to the issue of depositary receipts, referring to informational documents and materials of a general meeting of shareholders supplied by the Company for the shareholders.
- (3) For a DR holder to exercise his obligations and rights with respect to a general meeting of shareholders, such holder shall transmit to the entity where his depositary receipt account is open, the voting instructions related to the agenda of the general meeting of shareholders, so that such information may be sent to the DR issuer.
- (4) The issuer of depositary receipts casts his vote in the general meeting of shareholders of the Company in compliance with and within the limits of the instructions received from the DR holders, which have this right on the reference date established according to applicable legal provisions and by complying with the instructions written on the document related to the issue of depositary receipts.
- (5) For certain underlying shares, the DR issuer may cast in the general meeting of shareholders different votes than those casted for other underlying shares.
- (6) The DR issuer is fully responsible for taking all necessary measures so that the entity keeping record of DR holders, intermediaries providing custody services on the market DR are traded and/or any other entities involved in keeping record of DR holders report the voting instructions of DR holders on the agenda of the general meeting of shareholders.

#### **Art. 12 – Organization and Competencies of the General Meeting of Shareholders**

- (1) The General Meetings of Shareholders are ordinary and extraordinary.



- (2) The Ordinary General Meetings of Shareholders shall meet at least once a year, within 5 months from financial year ending.
- (3) The Ordinary General Meetings of Shareholders has the competence to decide upon any issues related to Company's activity, except for those provided by law to fall under the competence of the Extraordinary General Meeting of Shareholders.
- (4) The main duties of the Ordinary General Meeting of Shareholders are the following:
  - a) To discuss, approve or modify the annual financial statements of the Company, as the case may be, on the basis of the reports submitted by the Board of Directors and by the financial auditor, and to set the dividend due to shareholders;
  - b) To discuss, approve or to require for supplementing or revising, as the case may be, the Company's governing plan, under the provisions of the law;
  - c) To establish the income and expenditure budget for the next financial year;
  - d) To select and dismiss the members of the Board of Directors, and to establish their remuneration;
  - e) To judge the directors' governing activity.
  - f) To appoint and dismiss the financial auditor, and to set the minimum duration of the financial audit contract;
  - g) To approve the contracting of bank loans for medium and long term, including external loans, to set the competencies and the level of bank loan contracting on the internal and external market, of commercial credits and guarantees related to such loans.
  - h) To decide upon the pledging, lending or dissolution of one or more company units.
- (5) The Extraordinary General Meeting of Shareholders meets as often as required to decide upon the following:
  - a) Changing the legal status of Company;
  - b) Changing the head office of the Company;
  - c) Modifying the scope of activity of the Company;
  - d) Establishing or dissolving secondary offices: branches, agencies, representations or other such units with no legal status;
  - e) Increasing the share capital;
  - f) Reducing the share capital;
  - g) Company merger with other Companies or division of the Company;
  - h) Dissolving the Company in advance;
  - i) Conversion of registered shares into bearer shares, or of bearer shares into registered shares;
  - j) Conversion of shares from one category to the other;
  - k) Conversion of a category of bonds to another category or to shares;
  - l) Issue of bonds;

- m) Concluding acquisition documents for non-current assets, with a value exceeding, individually or jointly, for the period of one financial year, 20% of the Company's total value of non-current assets, excluding receivables;
- n) Concluding documents for divestiture, exchange or submission of guarantees for Company's non-current assets with a value exceeding, individually or jointly, for the period of one financial year, 20% of the Company's total value of non-current assets, excluding receivables;
- o) Concluding leasing documents for some tangible assets, with an individual or cumulated value related to the same co-contractor or involved persons acting in concert, for the period of one financial year, exceeding 20% of the Company's total value of non-current assets, excluding receivables;
- p) Any other modification of the Articles of Incorporation or any other decision requiring the approval of the Extraordinary General Meeting of Shareholders.

### **Art. 13 - Convening of General Meeting of Shareholders**

- (1) The General Meeting of Shareholders shall be convened by the Board of Directors, whenever necessary.
- (2) The Board of Directors convenes the General Meeting of Shareholders at once, upon the shareholders request representing, individually or together, at least 5 % of the share capital. In this case the General Meeting of Shareholders will be convened within 30 days and will meet within 60 days from the receipt of the request.
- (3) The General Meeting of Shareholders will meet at Company's headquarters or in a place indicated in the Convening Notice.
- (4) Convening of General Meeting of Shareholders shall be made in compliance with the conditions, terms and publicity proceedings provided by law.
- (5) The Convening Notice will include the place, date and time of the meeting, the agenda that will mention explicitly all the issues under debate, the reference date, how the votes can be casted and a detailed description of the procedure that has to be followed by the shareholders in order to be able to cast their votes.
- (6) Modification or supplementing of the agenda after convening of the General Meeting of Shareholders, will be made in compliance with the conditions, terms and proceedings provided by law.
- (7) If the Board of Directors does not convene the General Meeting of Shareholders according to paragraph 2, the shareholders who submitted the request for convening may institute competent court proceedings for convening the General Meeting of Shareholders, approval of the agenda and setting the reference date, the date and time of the meeting and appointing one of the shareholders to chair the meeting.
- (8) The shareholders representing the full share capital may, if none of them is against it, hold the meeting and make any decision under the General Meeting of Shareholders competence, without following the procedure required for convening.

#### **Art. 14 - Organizing the General Meeting of Shareholders**

- (1) General Meeting of Shareholders are chaired by the Chairman of the Board of Directors or by the person assigned as chairman of the meeting.
- (2) The General Meeting of Shareholders shall elect, from among the present shareholders, 1 to 3 secretaries that will check the record of attendance indicating the share capital represented by each and the minutes of the meeting prepared by the technical secretary/secretaries in order to note the number of shares represented and the fulfilment of all legal and statutory formalities in order to hold the meeting.
- (3) The Chairman of the Board will appoint from among the employees of the Company one or more technical secretaries that will check the fulfilment of all legal and statutory formalities in order to hold the meeting.
- (4) The minutes of the meeting signed by the Chairman of the Board of Directors and by the secretary who took it, will note the fulfilment of all convening formalities, the date and place of the meeting, the present or represented shareholders, the total number of shares/voting rights, a summary of the debates, the decisions made, and correlatively the number and kind of votes casted for each decision and at the shareholders request, the statements they made during the meeting.
- (5) All documents related to convening and the record of attendance shall be attached to the minutes of the meeting.
- (6) If the general meeting of shareholders was not held on the date and time set in the convening notice, minutes of the meeting shall be prepared comprising the reasons for such case.
- (7) The minutes of the meeting provided at paragraph 6 shall be signed by the Chairman of the Board of Directors and by at least one technical secretary.

#### **Art. 15 – General Meeting of Shareholders**

- (1) The Shareholders may exercise their voting rights either personally or by representative during the General Meeting of Shareholders.
- (2) If voting by representative, the Shareholder shall submit the original copy of the power of attorney to the Headquarters of the Company, or by electronic means, and the electronic copy having attached or logically associated an extended electronic signature, at least 24 hours before the General Meeting of Shareholders, under the sanction of losing their voting rights for such meeting.
- (3) The power of attorneys will be retained by the Company, and such action will be mentioned in the Minutes of Meeting.
- (4) The Shareholders may exercise their vote by correspondence or by electronic means, prior to the General Meeting of Shareholders, subject only to the requirements for shareholders identification and for electronic communication security.

- (5) Except as provided by law, each share awards the right to one vote in the General Meeting of Shareholders.
- (6) If a shareholder abstains to vote for one or more items on the agenda, it will be considered that such shareholder waived its right to vote for such items on the agenda.
- (7) The deliberation of the Ordinary General Meeting of Shareholders is valid if shareholders holding at least half of total voting rights are present. Decisions of the Ordinary General Meeting of Shareholders are made by majority of casted votes.
- (8) For the second convening, with the same agenda, the Ordinary General Meeting of Shareholders will be able to make decisions on the items of the first meeting agenda, irrespective of the quorum and with the majority of votes validly casted.
- (9) The deliberation of the first convening of the Extraordinary General Meeting of Shareholders is valid if shareholders holding at least half of total voting rights are present. Decisions are made by majority of votes held by the present or represented shareholders.
- (10) The deliberation of the following convening of the Extraordinary General Meeting of Shareholders will be valid if at least a quarter of the total number of shareholders holding voting rights is present. The decisions shall be made by majority of votes held by the present or represented shareholders.
- (11) Decisions on changing the main scope of activity, reducing or increasing the share capital, change of legal form, merger, unbundling or dissolution of the Company shall be made by a majority of at least 2/3 of the voting rights held by present or represented shareholders.
- (12) If, for a decision of the General Meeting of Shareholders to be valid, there are legal provisions mandatory stipulating a different quorum or a different majority of votes, such laws shall apply accordingly.
- (13) When calculating the quorum of a General Meeting of Shareholders, only the underlying shares for which the GDR issuer will cast the votes in the General Meeting of Shareholders will be considered, including the “abstaining” votes, according to the instructions of the GDR holders. The issuer of GDRs notifies the Company, for calculation of the quorum of the General Meeting of Shareholders, the voting right percentage of each underlying share for which the votes are to be casted in the General Meeting of Shareholders.
- (14) The decision of a General Meeting of Shareholders to modify the rights and obligations related to a category of shares will be effective only upon the approval of such decision by the special meeting of shareholders included in that category.
- (15) The provisions of these Articles of Incorporation related to convening, quorum and carry out of the General Meeting of Shareholders shall apply to the special meetings accordingly.
- (16) The decisions initiated by special meetings shall be subject to the approval of the corresponding general meetings.

## **Art. 16 – Resolutions of the General Meeting of Shareholders**

- (1) The resolutions of the General Meeting of Shareholders will be prepared on the basis of the minutes of meeting and will be signed by the Chairman of the Board of Directors and by the secretary of the meeting.
- (2) In order to be binding upon third parties, the resolutions of the General Meeting of Shareholders will be filed with the Trade Register within 15 days, in order to be mentioned in the Register and published in the Official Gazette of Romania, Part IV.
- (3) The decisions made in the General Meeting of Shareholders are binding even upon the shareholders who were not present in the meeting or who voted against.
- (4) The decisions that are not in compliance with the law or with the Articles of Incorporation can be challenged in court, under the conditions and terms provided by the law.

## **Art. 17 – Board of Directors Organization**

- (1) The Company is governed by a Board of Directors composed of 7 directors, of whom one is appointed Chairman of the Board of Directors.
- (2) Majority of members of the Board of Directors shall be at least non-executive and independent directors and, at least one of them shall have a degree in economics and at least 5 years of experience in economics, accounting, audit or financial area.
- (3) Directors are selected by the General Meeting of Shareholders in compliance with the law applicable to appointment of public companies directors. The Board of Directors selects one of its members as Chairman of the Board of Directors; his mandate cannot exceed his director mandate.
- (4) If the Chairman of the Board is temporarily unable to fulfil his duties, the board of Directors may appoint for the duration of such inability another director as Chairman of the Board.
- (5) The chairman can be dismissed anytime by the Board of Directors.
- (6) Directors' election by cumulative vote is made in compliance with applicable law.
- (7) The duration of Board members mandate is 4 years.
- (8) Termination of director's mandate and Chairman of the Board mandate is effective upon reach of term of appointment, upon dismissal, resignation as well as by any other cause provided by the law, these Articles of Incorporation or Director Agreement.
- (9) (1) In case one or more director positions are vacant, the Board of Directors appoints interim directors, until the convening of the Ordinary General Meeting of Shareholders.  
(2) If the vacancy mentioned in paragraph (1) reduces the number of directors below the legal limit, remaining directors will convene at once the Ordinary

General Meeting of Shareholders in order to complete the number of members of the Board of Directors.

(3) If the directors do not fulfil their obligation to convene the General Meeting of Shareholders, any interested party may address to the court for appointment of the person in charge for convening the General Meeting of Shareholders, which should make the necessary appointments.

- (10) The appointment of the directors or of the Chairman of the Board is effective when it is accepted by the person appointed for such vacant position.
- (11) When accepting the position as director or Chairman of the Board, the person assigned for the vacancy achieves the authority and responsibility of the vacancy, as well as the rights and obligations provided by law, these Articles of Incorporation and Director's Agreement for exercising their function.
- (12) In all circumstances the person selected for a vacancy will have to accept the appointment within 15 days from the date of appointment or from the date of announcement of the appointment decision, by written statement or by signing the Director's Agreement.
- (13) Resignation from director's position shall be notified to the Board of Directors at least 30 days in advance, before the date intended for vacancy by resignation, under the penalty of payment of damages.

#### **Art. 18 – Directors Rights and Obligations**

- (1) Directors' rights and obligations, as well as their incompatibility cases, are those provided by Director Agreements concluded with the Company, by these Articles of Incorporation and legal provisions applicable to public companies directors.
- (2) The directors submit to the Company, ex officio, all identification and contact data and those required for exercising the rights and fulfilment of Company's obligations, as provided by law or by this Articles of Incorporation.
- (3) In case of modification of data provided according to par. 2, transmission of new data will be made ex officio.
- (4) If new identification and contact data are not submitted according to par. 3, they will not be binding upon the Company.

#### **Art. 19 – Board of Directors Competencies**

- (1) The Board of Directors does and performs all acts and things that are required and useful for achieving the scope of business of the Company, except for those provided by law as falling under the authority of the General Meeting of Shareholders.
- (2) The Board of Directors delegates managing competencies of the Company, according to the terms and conditions and within the limits provided under these Articles of Incorporation.
- (3) The Board of Directors has the following basic competencies that cannot be delegated:

- a. Setting of the core business and development directions of the Company;
  - b. Approval of the Company Management Plan;
  - c. Setting of the accounting policies, the internal administration control system and financial planning;
  - d. Appointment and dismissal of the executive directors, including the Director General and establishment of their remuneration;
  - e. Control of executive directors' activity;
  - f. Drafting of Board of Directors annual report;
  - g. Organisation of the General Meetings of Shareholders, and enforcement of their resolutions;
  - h. Filing for insolvency of the Company, according to Law No. 85/2006 on insolvency;
  - i. Other competencies of the Board of Directors that cannot be delegated, according to the law.
- (4) The Chairman of the Board of Directors possesses the following competencies:
- a. Chairs the General Meeting of Shareholders;
  - b. Convenes, establishes the agenda and chairs the Board of Directors meetings;
  - c. Coordinates Board of Directors activity;
  - d. Overlooks the activity of executive and managing bodies of the Company;
  - e. Represents the Board of Directors in the relationship with the executive directors of the Company;
  - f. Other competencies provided by law or by Articles of Incorporation of the Company;

**Art. 20 – Convening of Board of Directors Meetings**

- (1) The Board of Directors convenes as often as it is necessary, but at least every three months.
- (2) Board of Directors meetings may be convened by the Chairman, ex officio or upon the reasonable request of at least 2 directors or the Director General.
- (3) If the Board of Directors' meeting is convened by at least 2 directors or by the Director General, the agenda is established by the originator of the petition, and the Chairman has to act favourably on the petition.
- (4) The Board of Directors meetings 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.
- (5) Meetings of the Board of Directors can be held also by conference call or videoconference, under the terms established by Board of Directors decision.
- (6) The convening notice is necessary to include the place of meeting, indicating the address, the date and time of the meeting, the agenda and how the voting rights can be exercised.

- (7) In the case provided at par. (5), the convening notice is necessary to include, the date and time of the meeting, the agenda, how the communication is made, and how the voting rights can be exercised.
- (8) The convening notice accompanied by materials related to the items on the agenda, will be submitted to directors, at least 7 days before but no later than 5 days before the date set for the meeting of the Board of Directors.
- (9) When decisions are required for maintaining a right, for avoiding an imminent damage or in order to leverage a legitimate interest of S.N.G.N. ROMGAZ - S.A. which could not be maintained, avoided or otherwise leveraged, as the case may be, the Board of Directors may make decisions even without convening and joining in a meeting, by unanimous vote expressed in writing by the directors, or may make decisions in a meeting, without complying with the term and proceedings for convening, for that specific decision.

#### **Art. 21 – Meetings of the Board of Directors**

- 1) Board meetings will be presided by the Chairman or by the person appointed as substitute in accordance with the law and this Articles of Incorporation.
- 2) Directors have to be present and participate actively in the Board of Directors meetings.
- 3) A decision is valid when the majority Board members participate in the meeting and only if the decision is made with the majority of the valid casted votes.
- 4) Votes in the Board of Directors meetings may be casted directly or by representative.
- 5) Only a director may act as representative of another one and only 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 of the Board of Directors is made.
- 9) In case of parity of votes, the Chairman's vote is decisive.
- 10) Paragraph 9 is not applicable if the Chairman of the Board is also Executive Director of the Company.
- 11) If a Director has, directly or indirectly, interest in a certain business, contrary to the Company's interests, the Director has to inform the other directors and the internal auditor of such matter and he will not take part in any discussion related to such business. This obligation incurs when the Director is aware that the husband, wife, relatives or in-laws up to the IV<sup>th</sup> degree inclusively are interested in such business.



## **Art. 22 – Minutes of the Meeting and the Resolution of the Board of Directors**

- 1) A minute will be drafted after each Board meeting that will include: first and last name of the Directors participating, of the represented Directors, of the representing Directors, the summary of the debates, the decisions made, the number of votes casted for each decision and their kind, the manner of voting, and other different opinions, upon request.
- 2) The minutes will be recorded in the Board Meetings Register and will be signed by the Chairman and by any of the participating directors.
- 3) The Board resolution will be issued based on the minutes of the meeting and it will include all the decisions made at the meetings.
- 4) The resolution drafted according to the above mentioned paragraph will be signed by the Chairman.
- 5) A file will be prepared for each Board meeting consisting of all documents related to the convening, the documents presented in the meeting to support the items of the agenda, the resolution of the Board, and as the case may be, the power of attorney for the vote by representative, the letters with the vote by correspondence and the copies of the letters expressing the electronic votes, certified by the Secretary.
- 6) Except as provided by law, the resolutions of the Board may be challenged in court under the terms and conditions provided by law.

## **Art. 23 – Advisory Committees**

- 1) The nomination and remuneration committee and the audit committee will be established within the Board of Directors.
- 2) The Board of Directors may also establish other advisory committees.
- 3) The organisation and operation of the advisory committees is established in the Terms of Reference of the Advisory Committees, in compliance with the applicable law, taking into account the following principles:
  - the advisory committees are established by a Board resolution in accordance with applicable laws;
  - the committees are called at least quarterly, or at the express request of the Board;
  - the committees submit quarterly reports or whenever necessary at the request of the Board;
  - The decisions of the committees are adopted with majority votes determined according to the number of members of each committee; if the case may be, the decision of the committee mentions also different opinions;

## **Art. 24 – Company Managers**

- (1) The Board of Directors delegates, fully or in part, the managing competencies of the Company to one or more managers, appointing one of them as Director General.
- (2) The Board of Directors will appoint, in compliance with the terms and procedures provided by applicable law, the managers to whom the managing competencies of the Company are delegated, according to par. (1), in compliance with applicable legal provisions related to appointment of public companies managers.
- (3) Managers are responsible for taking all measures relating to the management of the Company, within the scope of its activity and in compliance with the exclusive competencies provided by law or the Articles of Incorporation and the General Meeting of Shareholders.
- (4) By their decision to delegate the management competencies, the Board of Directors will decide also upon the manner of exercising the delegated competencies.
- (5) The Chairman of the Board of Directors cannot be appointed also as Director General.
- (6) The Director General will represent the Company in third party relationship, including the law court.
- (7) The duration of managers and Director General mandate is maximum 4 years and is set by their mandate contract.
- (8) Expiration of appointment as manager or as Director General occurs when the duration of the mandate is completed, or as a result of dismissal, resignation as well as by any other cause provide by law, by these Articles of Incorporation or by the Contract of Mandate.
- (9) The appointment as manager or as Director General is effective if it is accepted by the person nominated by the Board of Directors to fill the vacancy.
- (10) When accepting the position as manager or Director General, the person assigned for the vacancy acquires the authority and responsibility of the vacancy, as well as the rights and obligations provided by law, these Articles of Incorporation and the Contract of Mandate for exercising their function.
- (11) In all circumstances, the person assigned as manager or as Director General has to accept the appointment within maximum 15 days and to inform the Board of Directors on any relevant issues related to provisions of applicable law.

- (12) Resignation as manager or as Director General shall be notified at least 30 days before the date intended for vacancy by resignation, under the penalty of payment of damages.
- (13) If a manager position becomes vacant before the expiration of the term of appointment of the last person appointed for such position, the Director General will require the Chairman of the Board of Directors to convene the Board of Directors for appointment and delegation of competencies to a new person to fill the vacancy.
- (14) If the Director General position becomes vacant before the expiration of the term of appointment of the last person appointed for such position, the internal auditor will notify the Chairman of the Board of Directors of the vacancy of Director General position.
- (15) For the purpose of these Articles of Incorporation, “*manager*” or “*Director General*” means the person to whom the Board of Directors delegated the managing competencies, according to Paragraph 1.

#### **Art. 25 – Rights and Obligations of the Managers and of the Director General**

- (1) The managers’, including the Director General’s rights and obligations, as well as their incompatibility situations are those provided by the Contract of Mandate, by the Resolution of the Board of Directors on delegation of Company managing competencies, and by the legal provisions applicable to managers of joint stock companies.
- (2) The managers will submit to the Company, ex officio or upon the request of the Chairman of the Board of Directors, the identification and contact data that are required for exercising the rights and fulfilment of Company’s obligations, as provided by law.
- (3) In case of modification of data provided according to par. 2, transmission of new data will be made ex officio.
- (4) If new identification and contact data are not submitted according to par. 3, they will not be binding upon the Company.

#### **Art. 26 – Company Interdictions in the Relationship with Directors and Managers**

- (1) The Company is forbidden to credit its directors or managers by following operations:
  - a) Authorizing loans;
  - b) Direct or indirect, full or in part, guarantee of any loans contracted by directors or managers, concurrently or subsequently to loan contracting;
  - c) Direct or indirect, full or in part, guarantee of fulfilment of personal obligations of directors and managers to third parties.

- d) Acquisition by onerous title or against payment, in full or in part, of a receivable related to a third party loan on behalf of directors or managers or related to other third party personal services.
- (2) Provisions of paragraph 1 are also applicable to operations where the husband or wife, relatives or in-laws up to the IV<sup>th</sup> degree of the directors or managers are interested in, or to a non-stock professional corporation or trading company where one of the above mentioned persons is associated.

#### **Art. 27 – Financial Audit and Internal Audit**

- (1) Company's financial statements are audited by auditors who are authorized natural persons or legal entities according to the law.
- (2) Annual financial statements audited according to the law shall be filed with the district units of the Ministry of Public Finance, according to the law.
- (3) The Company will contract the services of the auditor according to the law on public acquisition.
- (4) Financial audit will be performed according to the law.
- (5) The company will organize the internal audit according to the applicable law related to internal public audit.
- (6) Internal auditors report directly to the Board of Directors on their activity.

#### **Art. 28 – Company's Employees**

- (1) S.N.G.N. ROMGAZ - S.A. employees will be salaried and will be hired under individual labour contracts.
- (2) For very large volume and/or high complexity of activities, as well as for organizing and performing business through branches, agencies or representations, the Company may have also executive directors.
- (3) Executive directors are Company's salaried employees.
- (4) The rights and obligations of S.N.G.N. ROMGAZ - S.A. employees will be set by the labour contracts concluded with the Company, according to applicable legal provisions related to labour relationship and by internal rules for Company organisation.

#### **Art. 29 – Financial Year**

- (1) Financial year starts on January 1<sup>st</sup> and ends on December 31<sup>st</sup> of every year.

- (2) The first financial year starts on the date of S.N.G.N. "ROMGAZ" - S.A. registration at the Trade Register Office.

#### **Art. 30 – Income and Expenditure Budget and Business Financing**

- (1) During the period when the Company does not have an approved income and expenditure budget, the provisions of the last approved budget will be applicable.
- (2) Company's business will be financed by financing sources set up according to the law.

#### **Art. 31 – Fixed Assets Depreciation**

Depreciation of fixed assets under Company's property will be calculated according to the depreciation method established by the Board of Directors, in compliance with the law.

#### **Art. 32 – Company Accounting Records and Financial Statements**

- (1) S.N.G.N. "ROMGAZ" - S.A. will keep the accounting records in RON and will prepare annual financial statements in compliance with the law.
- (2) The financial statements will become public after approval, under the terms and conditions of the law.

#### **Art. 33 – Profit Calculation and Allocation**

- (1) S.N.G.N. "ROMGAZ"- S.A.'s profit is established on the basis of annual financial statements approved by the General Meeting of Shareholders.
- (2) S.N.G.N. "ROMGAZ"- S.A.'s profit resulting after payment of income tax will be allocated according to the law, according to the resolution of the Ordinary General Meeting of Shareholders.
- (3) Dividends will be distributed and paid according to the resolution of the Ordinary General Meeting of Shareholders, under the terms and conditions of the law.
- (4) The Company pays the dividends to the issuer of DR's proportionally to their stockholding at the date established by the General Meeting of Shareholders approving the distribution of such dividends, under the same terms and conditions and in compliance with the same procedure as for the other shareholders. The issuer of DR's is fully responsible for the receipt of the amounts that result from the payment of dividends to the owners of DR's, proportionally to their stockholding at the date established by the General Meeting of Shareholders approving the distribution of such dividends.
- (5) The Company shall not distribute and pay partially or in advance the dividends.

**Art. 34 – Company Dissolution and Winding-Up**

S.N.G.N. ROMGAZ - S.A.'s dissolution and winding up will be done in compliance with the law.

**Art. 35 – Final Provisions**

Provisions of these Articles of Incorporation will be supplemented by the applicable law related to trading companies, to organization and operation of public companies and by the provisions of Civil Code.

This deed is the updated form of the Articles of Incorporation of Societatea Nationala de Gaze Naturale “ROMGAZ” – S.A., approved by Resolution No. \_\_\_\_\_ of the Extraordinary General Meeting of Shareholders on \_\_\_\_\_ .

**AUTHORIZED PERSON**

**CORNEL BOBALCA**

**LIST**  
**of Societatea Nationala de Gaze Naturale “ROMGAZ” – S.A. Branches:**

| <i>Item No.</i> | <i>Name of the branch</i>  | <i>Location</i> | <i>Headquarters</i>                                      |
|-----------------|--|-----------------|--|
| <b>1.</b>       | <b>S.N.G.N. “ROMGAZ” – S.A. Medias Branch</b>                                      | Medias          | 4 Unirii St., Sibiu County                               |
| <b>2.</b>       | <b>S.N.G.N. “ROMGAZ”- S.A. Targu Mures Branch</b>                                  | Targu Mures     | 23 Salcamilor St., Mures County                          |
| <b>3.</b>       | <b>S.N.G.N. “ROMGAZ”- S.A. Ploiesti Branch</b>                                     | Ploiesti        | 184 Gheorghe Grigore Cantacuzino St., Prahova County     |
| <b>4.</b>       | <b>S.N.G.N. “ROMGAZ”- S.A. Technological Transportation and Maintenance Branch</b> | Targu Mures     | 6 Barajului St., Mures County                            |
| <b>5.</b>       | <b>S.N.G.N. “ROMGAZ”- S.A. Well Special Operations and Workover Branch</b>         | Medias          | 5 Sibiului St., Sibiu County                             |
| <b>6.</b>       | <b>S.N.G.N. “ROMGAZ”- S.A. Bratislava Branch</b>                                   | Bratislava      | City Business Centre V., Karadžičova 16, 821 08 Slovakia |
| <b>7.</b>       | <b>S.N.G.N. “ROMGAZ”- S.A. Iernut Electric Power Production Branch</b>             | Iernut          | 1 Energeticii St., Mures County                          |