

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: **March 29, 2022**

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

Address: **Mediaș, 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 event to be reported:

- **Compliance with Bucharest Stock Exchange (BSE) Code of Corporate Governance**

As a company listed at Bucharest Stock Exchange, S.N.G.N. ROMGAZ S.A. applies the provisions of BSE Code of Corporate Governance starting with November 12, 2013.

During **2021**, the Company complied with most of the provisions contained in the *Table of compliance with the Bucharest Stock Exchange Code of Corporate Governance*.

Compared to previous year, the provisions of points **A.4**, **A.11** and **B.1** of the abovementioned Table were partially complied with, as within the Board of Directors a single member was an independent non-executive member, also a member of the Nomination and remuneration Committee of the Audit Committee.

Also, following the evaluation of the Board of Directors for the year 2021, determined the compliance to provisions from point **A.8**.

Attached: *Table of compliance with the Bucharest Stock Exchange Code of Corporate Governance*

**Chief Executive Officer,
Aristotel Marius JUDE**

**Table on Compliance with the Code of Corporate Governance (CCG) of
Bucharest Stock Exchange (BSE)**

BSE CCG Provisions		Compliance	Non-compliance/ Partial compliance	Reason for noncompliance/ Explanation on compliance
1		2	3	4
A.1	All companies should have in place Regulations of the Board of Directors that include the terms of reference / the responsibilities of the Board and the company's key management positions, and that apply, among others, the General Principles in section A.	x		
A.2	The BoD Regulations should include provisions for the management of conflict of interest. The members of the Board should notify the Board on any conflicts of interest which have arisen or may arise and should refrain from taking part in the discussion (including by absence, except where such absence prevents quorum to be attained) and from voting on the adoption of a resolution on the issue which gives rise to such a conflict of interest.	x		
A.3	The BoD should comprise at least five members.	x		
A.4	The majority of the members of the BoD should be non-executive; not less than two non-executive members of the BoD should be independent. Each independent member of the BoD shall submit a statement at the time of his/her nomination for election or re-election, as well as whenever a change in his/her status occurs, indicating the elements on which it is deemed independent in terms of its character and his judgment.		x partially	One member of the Board is a non-executive independent Director
A.5	A Board member's other relatively permanent professional commitments and engagements, including executive and non-executive Board positions in companies and non-profit organizations, should be disclosed to shareholders and to potential investors prior to his/her nomination and during his/her mandate.	x		
A.6	Any member of the BoD should submit to the Board information on any relationship with a shareholder who holds, directly or indirectly, shares representing more than 5% of all voting rights. This also applies to any relationship which may affect the member's position on matters decided by the Board.	x		
A.7	The company should appoint a Board secretary responsible for supporting the work of the BoD	x		

BSE CCG Provisions		Compliance	Non-compliance/ Partial compliance	Reason for noncompliance/ Explanation on compliance
1		2	3	4
A.8	<p>The corporate governance statement should inform on whether an evaluation of the Board has taken place under the leadership of the Chairman or the nomination committee and, if so, summarize key action points and changes resulting from it.</p> <p>The company should have a policy/ guidelines regarding the evaluation of the BoD containing the purpose, criteria and frequency of the evaluation process.</p>	x		In 2021 the evaluation of the Board of Directors was carried out
A.9	The Corporate Governance Statement should contain information on the number of meetings of the Board and the committees during the past year, attendance by directors (personally and in their absence) and a report of the Board and committees on their activities.	x		
A.10	The Corporate Governance Statement should contain information on the precise number of the independent members of the Board of Directors.	x		
A.11	<p>The BoD should set up a nomination committee comprised of non-executives, which will lead the nomination process for new Board members and make recommendations to the Board.</p> <p>The majority of the members of the nomination committee should be independent</p>		x partially	One member of the Nomination and Remuneration Committee is a non-executive independent Director
B.1	<p>The Board should set up an Audit Committee and at least one member should be an independent non-executive.</p> <p>The Audit Committee should be comprised of at least three members and the majority should be independent.</p> <p>The majority of members, including the chairman, should have proven an adequate qualification relevant to the functions and responsibilities of the Committee. At least one member of the Audit Committee should have a proven and appropriate auditing and/or accounting experience.</p>		x partially	One member of the Audit Committee is a non-executive independent Director
B.2	The Chairperson of the Audit Committee should be an independent non-executive member.	x		
B.3	Among its responsibilities, the Audit Committee should perform an annual assessment of the internal control system.	x		

BSE CCG Provisions		Compliance	Non-compliance/ Partial compliance	Reason for noncompliance/ Explanation on compliance
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B.4	The assessment mentioned in section B.3 should consider the effectiveness and scope of the internal audit function, the adequacy of risk management and internal control reports to the Audit Committee of the Board, and the management's responsiveness and effectiveness in dealing with the failures and weak points identified during the internal control, and submit relevant reports to the Board.	x		
B.5	The Audit Committee should review conflicts of interests in transactions of the company and its subsidiaries with affiliated parties.		x partially	<p>This provision is already mentioned in Article 8, par. 2 of Romgaz CCG.</p> <p>The Audit Committee Rules approved by the BoD in the meeting of May 14, 2018 includes provisions on such obligation.</p> <p>Moreover, a <i>Policy on related party transactions</i> was developed by Romgaz, and it obtained BoD approval on March 20, 2019.</p> <p>Following approval it was published on the company's website.</p>
B.6	The Audit Committee should evaluate the effectiveness of the internal control system and the risk management system	x		
B.7	The Audit Committee should monitor the application of statutory and generally accepted standards of internal auditing. The Audit Committee should receive and evaluate the reports of the internal audit team.	x		
B.8	The Audit Committee should report periodically (at least annually) or <i>ad hoc</i> to BoD with regard to the reports or analyses undertaken by the committee.	x		
B.9	No shareholder may be given undue preference over other shareholders with regard to transactions and agreements made by the company with shareholders and their related parties.	x		

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B.10	The BoD should adopt a policy ensuring that any transaction of the company with any of the companies in close relationship, with a value equal to or higher than 5% of the company's net assets (as stated in the latest financial report), is approved by the Board based on a mandatory opinion of the Audit Committee and fairly disclosed to the shareholders and potential investors, to the extent such transactions are events requiring disclosure.	x		
B.11	The internal audits should be carried out by a separate structural division (internal audit department) within the company or by hiring an independent third-party entity.	x		
B.12	The Internal Audit Department should functionally report to the BoD via the Audit Committee. For administration purposes and as part of the management obligations to monitor and mitigate risks, the Internal Audit Department should report directly to the Director General.	x		
C.1	<p>The company should publish the Remuneration Policy on its website. The Remuneration Policy should be formulated so as to allow the shareholders to understand the principles and arguments underlying the remuneration of the members of the Board and of the General Director. Any significant change occurred in the Remuneration Policy should be posted in due time on the company's website.</p> <p>The company should include in its Annual Report a statement on the implementation of the Remuneration Policy during the annual period under review.</p> <p>The Report on Remuneration should present the implementation of the Remuneration Policy for persons identified in this Policy during the annual period under review.</p>	x		
D.1	<p>The company should establish an Investors Relation Department - indicating to the public the responsible person/persons or the organizational unit.</p> <p>Besides the information required by the legal provisions, the company should also include on its website a dedicated Investor Relations section, both in Romanian and English, with all the relevant information of interest for investors, including:</p>	x		

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D.1.1	Main corporate regulations: the articles of incorporation, general meeting of shareholders procedure;		x partially	Items on the GMS organization are presented to shareholders at each meeting.
D.1.2	Professional CVs of the members of the company's governing bodies, other professional commitments of Board member's, including executive and non-executive Board positions in companies and non-profit organizations.	x		
D.1.3	Current reports and periodic reports (quarterly, semi-annual and annual reports) – at least those specified at item D.8 - including current reports with detailed information related to non-compliance with the Bucharest Stock Exchange Code of Corporate Governance;	x		
D.1.4	Information related to GMS: the agenda and supporting materials; the Board of Directors election procedure; the arguments in support of the proposal of candidates to the Board of Directors together with their professional CVs; shareholders' questions related to the agenda and the company's answers, including decisions taken;	x		
D.1.5	Information on corporate events (such as payment of dividends and other distributions to shareholders, or other events leading to the acquisition or limitation of rights of a shareholder) including the deadlines and principles applicable to such operations. Such information will be published within due course of time so as to allow investors to take investment decisions;	x		
D.1.6	The names and contact data of the persons who should be able to provide knowledgeable information on request;	x		
D.1.7	Corporate presentations (for example presentations for investors, presentations on quarterly results, etc.), financial statements (quarterly, semi-annual, annual), audit reports and annual reports.	x		
D.2	The company should have a policy for the annual distribution of dividends or other benefits to shareholders, proposed by the Director General and adopted by the BoD as the company's Guideline on net profit distribution.	x		

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	The principles of the policy on annual distribution of dividends to shareholders shall be published on the company's website.			
D.3	The company shall adopt a policy with respect to forecasts, whether or not made public. The Policy on forecasts should determine the frequency, period and content of the forecasts and should be published on the company's website.	x		
D.4	GMS rules should not restrict the participation of shareholders in general meetings and should not limit the exercise of their rights. The modification of rules will become effective no sooner than the following shareholders' meeting.	x		
D.5	The external auditors should attend those shareholders' meetings where their reports are presented.	x		
D.6	The BoD should submit to the GMS a brief assessment of the internal control and significant risk management systems, as well as opinions on matters to be submitted to the GMS for decision.	x		
D.7	Any professional, consultant, expert or financial analyst, may participate in the shareholders' meeting upon prior invitation from the BoD. Accredited journalists may also attend the GMS, unless the Chairman of the Board decides otherwise.	x		
D.8	The quarterly and semi-annual financial reports, in the Romanian and English languages, should include information on the key drivers influencing the change in sales, operating profit, net profit and other relevant financial indicators, on a quarter-on-quarter and year-on-year basis.	x		
D.9	The company should organize at least two meetings/conference calls with analysts and investors each year. The information presented on these occasions should be published on the company's website in the IR section at the date of the meetings/teleconferences.	x		

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D.10	If the company supports various forms of artistic and cultural expression, sport activities, educational or scientific activities, and considers that their resulting impact on the innovativeness and competitiveness of the company is part of its business mission and development strategy, the company should publish the policy guiding its activity in such field.	x		

Legend:

GMS	= General Meeting of Shareholders
BVB	= Bucharest Stock Exchange
BoD	= Board of Directors
CCG	= Code of Corporate Governance
ROMGAZ CCG	= Code of Corporate Governance of S.N.G.N. ROMGAZ S.A., as approved on January 28, 2016
CV	= Curriculum Vitae
ToR	= Terms of Reference