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ENDORSED
Dan Dragos DRAGAN
Chairman of the Board of Directors

To THE ORDINARY GENERAL MEETING OF SHAREHOLDERS OF S.N.G.N. ROMGAZ S.A.

REPORT
on the Approval of the 2021 Gross Dividend per Share, Payment Date
and Dividend Payment Methods

The legislative provisions on time-limits and payment methods of dividends as well as the value proposal for gross dividend per share to be submitted for approval to the General Meeting of Shareholders are shown below.

1. General legislative provisions

- ❖ Company Law No. 31 of November 16, 1990, republished, as subsequently amended and supplemented:
 - ✓ The General Meeting of Shareholders shall be required to „*consider, approve or modify the annual financial statements based on the reports presented by the Board of Directors [...] and determine the dividend*” – Article 111, par.(2), item a);
 - ✓ “*Dividends shall be distributed to associates pro rata to their participating interest in the paid-up share capital on a quarterly basis, optionally, based on interim financial statements and on a yearly basis after the adjustment by the annual financial statements, except as otherwise provided in the articles of incorporation. These may be optionally paid on a quarterly basis within the term set by the general meeting of associates or, as the case may be, by special laws, the adjustment of differences resulted from distribution of dividends during the year shall be made by the annual financial statements. Payment of differences resulting from adjustment shall be made within 60 days of the date of approval of the annual financial statements of the financial year ended*”- Article 67 par. (2).
- ❖ Law No. 24 of March 21, 2017 on issuers of financial instruments and market operations:
 - ✓ “[...] *The date for identifying the shareholders who shall benefit from dividends or other rights and who are affected by the resolution of the general meeting of shareholders shall be established by the latter. Such date shall be at least 10 business days subsequent to the date of the general meeting of shareholders*” - Article 87, par. (1);

- ✓ „Once the dividends are determined, the general meeting of shareholders shall also set the payment date of dividends to shareholders. Such payment date shall not exceed 6 months from the date of the general meeting of shareholders determining the dividends”- Article 87, par. (2);
- ❖ Government Ordinance No. 64 of August 30, 2001 on distribution of profit in state-owned companies or companies where the state is sole or majority owner, as well as in autonomous régies, as subsequently amended and supplemented :
 - ✓ “[...] National companies and companies where the state or an administrative-territorial unit is sole, majority or controlling shareholder shall be required to transfer the dividends due to shareholders within 60 days from the legally provided term for filing annual financial statements” - Article 1, par. (3)
- ❖ FSA Regulation No. 5 of May 10, 2018 on issuers of financial instruments and market operations:
 - ✓ „In case of dividends, the general meeting of shareholders shall set as payment date a business day no later than 15 business days from the record date but not later than 6 months from the date of the general meeting of shareholders for determining the dividends”- Article 178, par. (2);
- ❖ Order of the Ministry of Public Finance No. 58/2021 on the main aspects concerning the preparation and submission of annual financial statements and annual accounting reports of economic operators to the local offices of the Ministry of Public Finance and for regulating certain accounting issues;

2. Legislative Provisions on Payment Date

- ❖ Company Law No. 31/1990, republished, as subsequently amended and supplemented:
 - ✓ The payment date shall not exceed 6 months from the date of the general meeting of shareholders for approving the annual financial statements of the ended financial year, namely October 27, 2022.
- ❖ Law No. 24/2017 on issuers of financial instrument and market operations and FSA Regulation No. 5/2018 on issuers of financial instrument and market operations
 - ✓ The payment date shall not exceed 6 months from the date of the general meeting of shareholders for determining the dividends, namely October 27, 2022.
 - ✓ The payment date set by the General Meeting of Shareholders shall be a business day no later than 15 business days from the record date but not later than 6 months from the date of the general meeting of shareholders for determining the dividends, that is not later than October 27, 2022.
- ❖ Government Ordinance No. 64/2001 on distribution of profit in state-owned companies or companies where the state is sole or majority owner, as well as in autonomous régies, as subsequently amended and supplemented
 - ✓ The payment date shall not exceed 60 days from the legally set term for filing the annual financial statements. Given that the time limit for filing the annual financial

statements of the company is 150 days from financial year-end, the resulting payment date is July 29, 2022.

By corroborating the provisions of the applicable regulations above mentioned, **the payment date shall not be later than July 29, 2022.**

The date of July 27, 2022 is therefore proposed as payment date.

Therefore, taking into account the provisions of Article 178, par. (2) of the FSA Regulation No. 5/2018, given that **July 27, 2022** is the payment date, the resulting **record date** shall be **July 06, 2022** as the date for identifying the shareholders who shall benefit from dividends

Dividend payment is subject to the general provisions of limitations, with a period of prescription of three (3) years as of **July 27, 2022**.

3. Determination of the gross dividend per share

In consideration of the following:

- ✓ dividends due to the shareholders according to the 2021 profit distribution proposal amount to RON 1,395,229,088;
- ✓ dividends due to the shareholders from retained earnings distribution proposal amount to RON 69,376,032;
- ✓ dividends are distributed to shareholders pro rata to their equity interest to the share capital;
- ✓ the company's share capital is RON 385,422,400, split into 385,422,400 ordinary, nominal, indivisible shares each having a nominal value of RON 1,

therefore the value of the gross dividend is RON 3.8/share, of which RON 3.62/share relates to the 2021 profit and RON 0.18/share to retained earnings.

4. Determination of Dividend Payment Method

The dividends shall be paid in RON only to the shareholders registered in the Shareholders' Register (held by SC „Depozitarul Central” SA – Central Depository) on the Record Date set by the General Meeting of Shareholders.

The net value of dividends shall be calculated as follows:

- A) The gross value of the dividends due to each shareholder shall be calculated by multiplying the number of shares held on the Record Date by the value of the gross dividend per share, rounding up or down to two decimal places;
- B) the tax on dividends shall be calculated by applying the relevant tax level to the gross value of dividends calculated according to above item A), and the amount shall be rounded according to the legal provisions;
- C) the net value of the dividends is the difference between the gross value of the dividends and the relating tax on dividends.

The payment of dividends shall be made in compliance with the law.

The shareholders shall be informed of the payment details prior to payment start.

5. Requests for Approval

In view of all of the above, we submit for approval to the Ordinary General Meeting of Shareholders the following:

- 1) Gross dividend per share amounting to RON 3.8/share, of which RON 3.62/share relates to the 2021 profit and RON 0.18/share to retained earnings.
- 2) Payment of dividends due to shareholders on July 27, 2022.

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