



No. /

REPORT on the approval of gross dividend per share, dividend term of payment and dividend payment methods

Applicable Legislation

✎ Company Law no. 31 dated November 16, 1990 as amended:

- ✓ The General Meeting of the Shareholders (GMS) is obliged „to consider, to approve or to modify the annual financial statements based on the reports presented by the board of directors [...] and to set the dividend”-Art.111, par.(2), letter a);
- ✓ „The dividends are distributed to the shareholders proportionately to their equity interest to the paid share capital, provided that the articles of incorporation do not stipulate otherwise. Such are paid within the time limits set by the General Meeting of the Shareholders or, if applicable, during the term set by special laws, however, no later than 6 months from the date of approving the annual financial statements relating to the financial year under consideration” – Article 67, par. (2);

✎ Law no. 24 dated March 21, 2017 on issuers of financial instruments and market operations:

- ✓ „...the identification date of the shareholders who are going to benefit of dividends or other rights and in relation to whom the GMS resolution is going to produce effects is decided by the GMS. This date shall be by at least 10 business days subsequent to the date of the GMS setting the dividends”-Article 86, par. (1);
- ✓ „Once the dividends are set, the GMS shall also set the term of payment to the shareholders. Such term of payment shall not be longer than 6 months from the date of the GMS setting the dividends”- Article 86, paragraph (2);

✎ Government Emergency Ordinance no. 64 dated 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 amended:

- ✓ „... national companies and companies where the state or an administrative-territorial unit is sole, majority or controlling shareholder are obliged to transfer the dividends due to shareholders within 60 days from the legally provided term for filing annual financial statements”-article 1, paragraph (3)

✎ C.N.V.M. Regulation no. 1 dated April 6, 2006 on issuers and transaction of securities, as amended from time to time:

- ✓ „in case of dividends, the general meeting of shareholders shall set as date of payment a business day subsequent to the registration date by maximum 15 business days, but not later than 6 months from the date of GMS for setting the dividends”- Article 129^3, paragraph (2):

Capital social: 385.422.400 RON

CIF: RO14056826

Nr.ord.Registrul Comertului/an: J32/392/2001

RO08 RNCB 0231 0195 2533 0001 - BCR Medias

RO12 BRDE 3305 V024 6190 3300 - BRD Medias

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- ✎ MFP Order no.470/2018 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 Finance and amending and supplementing certain accounting regulations:

- ✓ "Submission [...] of annual accounting reports as at December 31, shall be made within 150 days after the calendar year-end" - Annex 1, section 1.5, paragraph (2).

Dividend per share

In consideration of the following elements:

- ✓ dividends due to the shareholders according to the 2017 profit distribution proposal amount RON 1,672,733,216.00;
- ✓ dividends due to the shareholders from retained earnings distribution proposal amount RON 250,524,560;
- ✓ dividends are distributed to the shareholders proportionately to their equity interest to the share capital; and
- ✓ 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,
- ✓ the Memorandum of the Ministry of Public Finances on: Mandating state representatives in the General Meeting of Shareholders/Board of Directors as the case may be, in national authorities, national companies and trading companies with full or majority state-owned capital, as well as in autonomous administrations in order to take all measures for distributing a minimum 90% share from the net profit of year 2017 as dividends/payments to the state budget" approved in Government meeting on February 8, 2018,

the value of the gross dividend is **RON 4.99/share** of which RON 4.34/share related to 2017 profit and RON 0.65/share related to retained earnings.

Term of payment

1) Law no. 31/1990

- the dividend payment deadline is 6 months from the date of GMS for approving the annual financial statements of the ended financial year/ for setting dividends, namely October 23, 2018.

2) Law no. 24/2017 and C.N.V.M. Regulation no. 1/2006

- the dividend payment deadline is 6 months from the date of GMS for approving the annual financial statements of the ended financial year/ for setting dividends, namely October 23, 2018.

3) Government Emergency Ordinance no. 64/2001

- the dividend payment deadline is 60 days from the legally set term for filing the annual financial statements. Given that the term for filing the annual financial statements of the company is 150 days after financial year-end, the dividend payout deadline is July 27, 2018.

4) C.N.V.M. Regulation no. 1/2006 - Article 129[^]3, paragraph (2):

- the dividend payment date established by GMS shall be a business day subsequent to the registration date by maximum 15 days, but not later than 6 months from the date of GMS for setting the dividends, therefore the record date

for identifying the shareholders who will benefit from dividends will be set on July 6, 2018, the maximum dividend payout term is July 27, 2018.

Corroborating the provisions of the above incident regulations, it results that the maximum dividend payout term is **July 27, 2018**.

Payment methods

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 Registration Date set by this GMS.

The net value of dividends shall be calculated as follows:

- i. the gross value of the dividends due to each shareholder shall be calculated by multiplying the number of shares held on the Registration Date by the value of the gross dividend per share, rounding up or down by two decimal;
- ii. the tax on dividends shall be calculated by applying the relevant tax level to the gross value of dividends calculated as per point i., the amount is rounded according to the legal provisions;
- iii. 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 making the payments.

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

- 1) Gross dividend per share is RON 4.99 of which RON 4.34 related to 2017 profit and RON 0.65 related to retained earnings;**
- 2) To start the payment of dividends due to shareholders on July 27, 2018.**

**PRESIDENT OF BOARD OF DIRECTORS
Dorin-Liviu Nistoran**

