

**THE MINISTRY OF ENERGY**  
**Minister's Office**

**To: Societatea Nationala de Gaze Naturale "ROMGAZ" SA**  
**Mr. Dumitru Chisalita, Chairman of the Board of Directors**

Having in view the call of the Ordinary General Meeting of Shareholders of Societatea Nationala de Gaze Naturale "ROMGAZ" SA on December 30 (31) 2016, the Ministry of Energy on behalf of the Romanian State as shareholder, holding 269,823,080 shares representing 70.0071% of Societatea Nationala de Gaze Naturale "ROMGAZ" SA share capital, subject to art.117<sup>1</sup> of the Company Law no.31/1990 *as subsequently amended and supplemented*, requests to add new items on the agenda, namely to debate and approve the following:

1. *To establish the fixed remuneration of the members of the board Mr. Buzatu Florin Danut and Mr. Stoicescu Florin Razvan, elected according to Resolution no.10 of November 15, 2016 of the Ordinary General Meeting of Shareholders, equal to the mean of the average monthly gross earnings for the last 12 months for the activity performed according the core business of the company, as per the salary range according to the classification of activities in the national economy, as provided by the National Institute for Statistics prior to their appointment;*
2. *To approve the director agreement/contract of mandate that will be concluded with the new members of the board of directors Mr. Buzatu Florin Danut and Mr. Stoicescu Florin Razvan, elected according to Resolution no.10 of November 15, 2016 of the Ordinary General Meeting of Shareholders;*
3. *To mandate a representative of the shareholders to sign the contract of mandate with Mr. Buzatu Florin Danut and Mr. Stoicescu Florin Razvan.*

Concurrently we submit for approval the following Resolution Draft:

"Further to the debates, "Romgaz" shareholders decide as follows:

1. *Establish the fix remuneration of the members of the board Mr. Buzatu Florin Danut and Mr. Stoicescu Florin Razvan, elected according to Resolution no.10 of November 15, 2016 of the Ordinary General Meeting of Shareholders, equal to the mean of the average monthly gross earnings for the last 12 months for the activity performed according the core business of the company, as per the salary range according to the classification of activities in the national economy, as provided by the National Institute for Statistics prior to their appointment;*
2. *Approve the director agreement/contract of mandate that will be concluded with the new members of the board of directors in compliance with the proposal of the shareholder the Ministry of Energy.*

3. *Mr. Buzatu Florin Danut and Mr. Stoicescu Florin Razvan, elected according to the Resolution no.10 of November 15, 2016 of the Ordinary General Meeting of Shareholders;*
4. *Approve to mandate the representative of the shareholder the Ministry of Energy to sign the contract of mandate with Mr. Buzatu Florin Danut and Mr. Stoicescu Florin Razvan. The contract shall be effective upon acceptance of the mandate by the new members of the board of directors.”*

Please find attached the director agreement proposed by the Ministry of Energy.

Respectfully yours,

Minister of Energy  
Victor Vlad Grigorescu

**DIRECTOR AGREEMENT NO. \_\_\_\_\_**

executed today \_\_\_\_\_

**I. Preamble**

*Whereas:*

- The Government Decision No. 1023/2011 on the establishment of Societatea Complexul Energetic Hunedoara – S.A.;
- The provisions of Government Emergency Ordinance No. 109/2011 on public companies corporate governance („GEO No. 109/2011”), as amended and supplemented;
- The provisions of Law No. 31/1990, Company Law, republished, as amended, („Law No. 31/1990”);
- The Articles of Incorporation of the company, as updated;
- The provisions of the Rules of Organisation and Operation of the Board of Directors approved by Resolution No. 2/November 19, 2012 of General Meeting of Shareholders (“The Rule”);
- The provisions of Art. 1913 and following, as well as Art. 2009 and following of the Civil Law;
- The Resolution of the Ordinary General Meeting of Shareholders of the company, No..... of ..... for approval of the agreement between company and company Directors.

*and whereas:*

- The Resolution of the Ordinary General Meeting of Shareholders No. .... as of .....appointing .....as member of the Board of Directors, who has expressly accepted such appointment, and who will exercise, together with the other members of the Board of Directors its duties provided by Law 31/1990, by Articles of Incorporation of the Company („The Articles of Incorporation”) and by GEO No. 109/2011;
- Law 31/1990, GEO No. 109/2011, as supplemented and amended, and the Articles of Incorporation require the members of the Board of Directors to be free of any legal labour relationship with the company during the term of their mandate;

the rights and obligations of the signing parties have to be established within the framework of a civil law legal relationship, in connection with the performance of Board member position, the parties hereby agree to conclude this director agreement, hereinafter called Director Agreement („Director Agreement’), in accordance with the free will expressed by the signing parties.

## II. Contracting Parties

**Art. 1. Societatea** .....a company managed in a one-tier system, having its headquarters at....., registered with the Trade Register Office of.....Court under number....., account IBAN....., opened at ....., represented by ....., acting as **principal** („The Company”), and  
.....Romanian national, born on....., domiciled in ....., identified with Identity Card No. ...., Personal Numeric Code .....acting as Director (“Director”)

## III. Definitions

**Art. 2.** As used in this Director Agreement, the terms listed below will have the following meaning:

- a. **Articles of Incorporation** – The Articles of Incorporation of Societatea Complexul Energetic Hunedoara S.A. (*The Company*), approved by the GMS of the *Company*, as valid at the date of this Director Agreement or as further modified/supplemented/reworded by resolution of Company’s GMS;
- b. **Applicable legal framework** – all Romanian legal provisions included in GEO no. 109/2011, as supplemented and amended, in Company Law no. 31/1990, as supplemented and amended, in GEO no. 79/2008, in Civil Law, in Fiscal Code, as well as in other laws related to this Director Agreement, which are applicable to the parties;
- c. **Conflict of interests** – any defined/definable situation or circumstance relative to the applicable legal framework and to the Company Rules of Organisation and Operation(ROO), where the direct or indirect personal interest of the Director interferes with the Company interest, in a way that affects or could affect the independence or fairness of Director’s business decisions or timely and objective fulfilment of his duties during the performance of his mandate on behalf of the Company;
- d. **Permanent inability to exercise the mandate/legal impediment** – (i) any circumstance which makes the Director unavailable for at least or more than 90 consecutive calendar days, and thus the Director is not able to fulfil his duties, (ii) preventive custody (iii) arrest of the Director, (iv) cancelation of the Resolution of *Company’s* (O)GMS appointing the Director, and others;
- e. **Remuneration** due to Director – means the remuneration composed of a monthly fixed component and a variable component established by resolution of the GMS, in compliance with provisions of Art. 153<sup>18</sup> of Company Law no. 31/1990, as modified and of Art. 37 of GEO No. 109/2011, as modified;
- f. **Force Majeure** – means any external event, unpredictable, invincible and inevitable, that could not have been foreseen at the effective date of this Director Agreement and which makes the performance and the fulfilment of the Director Agreement impossible; such events are considered the following: wars, revolutions, fires, floods or any acts of God, restrictions further to a quarantine, embargo, such list being declarative and non-exclusive. It is not considered a Force Majeure event an event such as those presented

above that does not make the performance impossible, even though it makes the fulfilment of one party's obligations extremely costly.

- g. **Business Decision** – means any decision for taking or not taking measures related to the governing of the Company;
- h. **Contingency** – means an unforeseeable event, which could not be foreseen and prevented by the Director; contingencies are considered to be: modification of Romanian legal, regulatory or fiscal framework that was effective at the date of execution of this Director Agreement and which encumbers the Company in excess;

#### ***IV. Scope of Agreement***

**Art. 3.** The Director is authorized by this Director Agreement to adopt together with the other Directors all the measures required to manage the Company, according to the provisions of the applicable law in force, as well as of the Company Articles of Incorporation and of this Director Agreement, within the scope of activity of the Company and in compliance with the exclusive competencies reserved by Law 31/1990, GEO no. 109/2011 and the Articles of Incorporation to the Board of Directors, the Chairman of the Board of Directors, the General Meeting of Shareholders and the managers of the Company.

**Art. 4.** In order to fulfil the scope of this Director Agreement, the Director will execute all acts required to administer Company's assets in the interest of the Company, in order to achieve its scope of activity, and will perform the duties established in this respect by the Articles of Incorporation and this Director Agreement.

**Art. 5.** The place of performance of this Mandate is the Company headquarters, as mentioned in Article 1 of this Agreement or the place where he acts as Company representative. The place of performance of the Authority can be modified by the Company and it can be established either at the Company branches headquarters or at a place established by the Company. The decision referring to the modification of the place of performance of the authority is communicated by the Company, according to the Rules of Organisation and Operation of the Board of Directors.

#### ***V. The Duration of Director Agreement***

**Art. 6.** The Director Agreement is concluded for a period of.....months from the appointment, starting on.....and it will be valid until .....or until the appointment of GMS, under the provisions of Government Emergency Ordinance No. 109/2011 on public companies corporate governance, as amended and supplemented, if the selection procedure is completed before the end of a.....month period, in accordance with Resolution no..... of the Extraordinary General Meeting of Shareholders. The Director Agreement can be renewed by resolution of GMS, only subject to appropriate fulfilment of the assignments/obligations undertaken by this Director Agreement.

#### ***VI. Director's Obligations***

**Art. 7.** Director will be bound to perform the following main obligations, **together with the other members of the Board of Directors:**

- 7.1.** to set activity and development guide/directions for the Company;
- 7.2.** to establish the Nomination and Remuneration Committee and the Audit Committee, according to the law in force;
- 7.3.** to establish accounting policies and financial control system and to approve the financial planning;
- 7.4.** to assign the Company management to one or more managers, appointing one of them as Director General, to revoke the managers and the Director General and to establish their remuneration subject to recommendation of the Nomination and Remuneration Committee; the managers and the Director General can be selected from the Directors who will become managers, or from outside the Board of Directors;
- 7.5.** to assess the activity of the Director General related both to the Contract of Mandate as well as to the compliance with and fulfilment of the management plan;
- 7.6.** to approve the Rules of Organisation and Operation of the Board of Directors;
- 7.7.** to establish the competencies assigned to the Company's managers manager, namely the competencies of the Director General and of other managers who have managerial competencies in the meaning of Law 31/1990, in order to perform Company's operations;
- 7.8.** to approve conclusion of any contracts, within the scope of the Articles of Incorporation, for which the competencies have not been assigned to the Director General or the managers;
- 7.10.** to elaborate an annual report on the activity of the Company, in compliance with the provisions of Art. 56 of GEO No. 109/2011, as amended and supplemented;
- 7.11.** to convene/or to approve the convening, as the case may be, of the General Meeting of Shareholders, to participate in the meetings of the General Meeting of Shareholders and to implement the resolutions of the General Meeting of Shareholders, to notify all shareholders on all acts or events that could have a significant impact on company's position.
- 7.12.** to submit annually to the Company General Meeting of Shareholders, within the term provided by the applicable law, the report on the Company's activity, balance sheet, profit and loss account of the respective year, to make recommendations on the allocation of profit and to approve the income and expenditure budget for the current year;
- 7.13.** to approve the management plan of the management (Director General and managers), to perform quarterly monitoring, and to require management plan revision, as the case may be, if such does not provide measures for achieving the objectives that are included in the managers and Director General's contract of mandate and it does not include the foreseen results that allow for the evaluation of performance indicators set in the mentioned contract;
- 7.14.** to establish the level of current bank loans, short and medium term commercial credits and approve the guarantees withdrawal/submission;
- 7.15.** to give the Director General or the negotiation committee the mandate to negotiate the collective labour agreement, and to approve and sign its final version.
- 7.16.** to file for insolvency of the Company, according to the law;
- 7.17.** to propose the General Meeting of Shareholders the increase of share capital when it is required for development of activity, establishing/dissolving new units/subunits, mergers, separations and incorporation of legal entities, with or without legal status, by association with other local/foreign persons;

**7.18.** to perform the assignments delegated by Company's General Meeting of Shareholders according to Law 31/1990, as amended and supplemented, as well as any other assignments provided by law or Articles of Incorporation.

**7.19.** to submit a quarterly report in the General Meeting of Shareholders, subject to the provisions of the Articles of Incorporation, on the governing activity, which includes information on the performance of contracts of mandate of managers, details related to operational activities, company's financial performance and company's accounting reports;

**7.20.** to approve the level of professional insurance of the Director General;

**Art. 8.** The Director will also have following obligations:

**8.1.** He will not be bound by a labour contract with the Company;

**8.2.** he will exercise his assignment faithfully, prudently and diligently, as a good Director, for the interest of the Company, and will not undertake any special obligations with regard to either one or the other of Company's shareholders related to the Company's activity;

The Director will not be in breach of the above mentioned obligation, if at the moment when he makes a business decision he is reasonably entitled to consider (i) that he acts on behalf of the Company and (ii) that he made the decision based on adequate information.

**8.3.** he will adopt all measures to protect Company's patrimony;

**8.4.** he will keep confidential the information and the business secrets of the Company, where he had access to by the documents presented to the Board of Directors, except for the situations when such disclosure is required by law or in relationship with public authorities and/or participation of the Director in a litigation referring to the Company's scope of activity.

**8.5.** he will avoid conflicts of interest related to the Company;

**8.6.** he will not conclude any legal documents with the Company, except those provided by law.

**Art. 09.** The Director, together with the other Directors, is obliged to inform the shareholders during the first General Meeting of Shareholders following the execution of the legal instrument, upon any transaction with the Directors or Managers, the Director General, the Directors or the employees, shareholders having control of the Company or a company controlled by the shareholders, as the case may be, and will make available to the shareholders the documents reflecting material data and information related to such transactions; this obligation is incumbent also upon transactions concluded with the spouse, relatives or in-laws up to the IV<sup>th</sup> degree inclusively.

**Art. 10.** The Director, together with the other Directors, is obliged to inform the shareholders during the first General Meeting of Shareholders following the execution of the legal instrument, upon any transaction concluded by the Company with another company which fulfils the conditions to be categorized as public company, or a public authority, if the transaction is in the amount provided by the law.

**Art. 11.** The Director, together with the other Directors, is obliged to submit quarterly to the General Meeting of Shareholders, in a special sub-chapter, the legal instruments concluded under Art. 09 herein, providing the following elements: the parties to the instrument, the date of execution and the nature of instrument, description of the scope, total value of the instrument, reciprocal debts, provided guarantees, terms and methods of payment and any other essential and material information related to such instruments, as well as any information required for establishing the effects of such instruments on the financial status of the Company.

**Art. 12.** The Director is not allowed to use for his own interest or to disclose to any unauthorized person any confidential or secret information referring to the Company. The Director undertakes, to this effect, to comply with all confidentiality rules provided in Annex 1 to this Director Agreement.

**Art. 13.** The Director will not use Confidential Information – as this concept is defined in Annex 1 - directly or indirectly, for his personal use or third party use, except when such use is required by law or by participation of the Director in an action at law.

**Art. 14.** The Director will fully comply with non-competition obligations provided in Annex 2 to this Director Agreement.

#### ***VII. Director's Rights***

**Art. 15.** The Director has the right to a monthly fixed allowance for performance of his assignments, but it will not exceed 12 months average monthly gross earnings of the branch in which the company operates, as communicated by the National Institute of Statistic prior to appointment.

The monthly fixed allowance is granted according to the following mechanism:

- The Chairman of the Board and the members who are appointed in at least 2 advisory committees of the Board will be paid the maximum monthly fixed allowance;
- Members of the Board who are appointed in at least one advisory committee of the Board will be paid 90% of the maximum monthly fixed allowance;
- Members of the Board who are not appointed in any of the advisory committees of the Board will be paid 85% of the maximum monthly fixed allowance.

**Art. 16.** Remuneration will be paid once a month, namely on the .... of the month, irrespective of the number of board meetings held during that month.

**Art. 17.** The expenses incurred by the Director for fulfillment of his mandate are paid on the basis of supporting documents, in the amount applicable to the Director General, including, without limitation: the accommodation, allowance, per-diem, transportation and other expenses related to the achievement of the mandate, and no matter if they were made locally or abroad, or use of inventory/fixed asset goods required for performance of activity.



**Art. 18.** The Director has the right to professional indemnity insurance. Payment of related insurance premiums, whose quantum is approved by the General Meeting of Shareholders, will be made by the Company and will not be deducted from Director's remuneration.

### ***VIII. Company's Rights***

**Art. 19.** The Company has the right to require the Director to perform his mandate in the exclusive interest of the Company and to be liable for the performance of the mandate in front of the Company.

**Art. 20.** The Company has the right to assess quarterly, semiannually and annually, by its representatives in the General Meeting of Shareholders, the activity of the Board of Directors members.

### ***IX. Company's Liabilities***

**Art. 21.** The Company undertakes to pay in due time all monies due to Director under this Director Agreement, including to withhold and to pay in due time the income tax and all mandatory contributions, tax or other kind, which are under Director's responsibility, on his account and behalf.

**Art. 22.** The Company undertakes to secure Director's full freedom in fulfilment of his mandate/assignments/liabilities, under the limits provided by the Articles of Incorporation, under this Agreement and applicable framework, as provided by Art. 2, letter b) of this Agreement.

**Art. 23.** The Company undertakes to secure necessary conditions for the performance of Director's activity.

### ***X. Parties Liabilities***

**Art. 24.** Non-fulfilment and/or unsatisfactory performance of liabilities undertaken by any party to this Director Agreement imply contractual liability of the party in default.

**Art. 25.** The Party who caused termination of this Director Agreement by culpable default and /or culpable unsatisfactory performance of assumed obligations is liable to the other party for all damages arising out of Director Agreement termination.

**Art. 26.** The Director is liable for culpable breach: (i) of the provisions under this Director Agreement, (ii) of the provisions of the resolutions adopted by Company General Meeting of Shareholders and (iii) of the provisions of the Articles of Incorporation.

**Art. 27.** The Director is not in breach of prudence and due diligence obligations and will not be considered liable when a business decision is made, if he has reasonable grounds to believe that he acts on behalf of the Company based on adequate information, unless a contingent event occurs, as it is defined.

**Art. 28.** The Company is responsible for the culpable breach of the obligations undertaken under this Director Agreement and will pay for the damages so caused.

#### ***XI. Force majeure***

**Art. 29.** The parties are held harmless in case of force majeure events, as defined in article 2, letter f) of this Director Agreement.

**Art. 30.** In case of a force majeure event, the parties will use joint endeavours in order to diminish the possible damages that would result further to such event.

**Art. 31.** The parties also commit themselves to mutually notify each other in writing within at most 5 (five) days from the occurrence of any force majeure event, and generally to inform each other and in due time on the potential obstacles that might lead to difficulties in achieving the scope of this Director Agreement.

#### ***XII. Amending the Director Agreement***

**Art. 32.** This Director Agreement may be amended only by the written agreement of the signing parties expressed in an addendum.

**Art. 33.** This Director Agreement shall be consistent with the applicable legal regulations issued subsequent to the conclusion of this Agreement.

#### ***XIII. Termination of the Director Agreement***

**Art. 34.** This Director Agreement terminates if:

- 34.1. the contract period expires;
- 34.2. the Director is immediately dismissed by the General Meeting of Shareholders due to the unjustified non-performance of the obligations provided for a certain stage;
- 34.3. the Director deceases;
- 34.4. the Company goes bankrupt or insolvent;
- 34.5. the signing parties agree thereto;
- 34.6. the Director resigns through no fault of the undersigned;
- 34.7. the occurrence of legal impediments as defined at article 2 letter d) herein, that prohibit the Director to take this position;

#### ***XIV. Disputes***

**Art. 35.** Any dispute between the parties related to the conclusion, performance, modification, termination or construction of the articles of this Director Agreement that cannot be settled amicably shall be submitted to competent Romanian courts.

## ***XV. Confidentiality obligation between the parties***

**Art. 36.** The Parties undertake to keep confidential all data, information and documents received from the other party and related to the performance of this Director Agreement.

**Art. 37.** The Parties may disclose information or documents related to the performance of this Director Agreement only to persons involved in its performance who, at their turn, will be bound by the obligation not to use the information for other purposes than those related to the performance of the Agreement, such persons being informed of this obligation by the signing party of the Agreement.

**Art.39.** The disclosure of information is not considered confidentiality obligation in the following cases:

- 38.1. if the information was known to the party before receiving it from the other party and if this can be proven;
- 38.2. if the disclosure was made after having the written agreement of the other party;
- 38.3. if the information was known on the date of its disclosure;
- 38.4. if the party disclosed such information in order to comply with legal provisions or with a court decision.

## ***XVI. Final provisions***

**Art. 39.** The Director declares that he is aware of the provisions of the Articles of Incorporation and of the Rules of Organisation and Operation of the Company's Board of Directors.

**Art. 40.** The Director declares that he does not fall under none of the incompatibility situations provided by G.E.O. no.109/2011 and by Law no.31/1990, or under the competition situation provided in Annex 2 to the Agreement.

**Art. 41.** Annexes 1-2 are an integral part of this Agreement.

**Art. 42.** This Director Agreement is governed by and construed in accordance with the provisions of the Romanian law. Related any issue expressly not mentioned herein, this Director Agreement is supplemented with the provisions of the Romanian Civil Code. Moreover, this Agreement is supplemented with the provisions of Law no. 31/1990 and of G.E.O. no.109/2011. This Director Agreement is not a labour contract and is not governed by labour law.

**Art. 43.** This Director Agreement constitutes the entire agreement between the parties and supersedes any previous, written or verbal, agreements between the parties related to the scope of this agreement.

**Art. 44.** If certain clauses of this Director Agreement become legally ineffective, the validity of the other Agreement provisions will not be affected. In such instances, the parties agree to renegotiate in good faith any legally ineffective clause, adding the renegotiated clause to the provisions of this Director Agreement.

**Art. 45.** All amendments mutually made by the parties subject to this Director Agreement will be made in writing and send by fax, e-mail, certified mail with acknowledgement of receipt or express courier at the addresses indicated at Article 1 of this Agreement. Depending on the specific situation, the parties will, reasonably and in good faith, choose the most suitable notification manner mentioned above, in such a way as to fulfil its scope and to lead to the fulfilment of the contractual obligations.

**Art. 47.** If at any time during this Director Agreement, one of the parties does not expressly insist on enforcing a certain provision of the Agreement, it does not mean that this party has relinquished such provisions or that it has waived its right to enforce such provisions.

In witness thereof we concluded today \_\_\_\_\_, in \_\_\_\_\_, this Director Agreement in 2 (two) original copies, therewith the parties declare that, they each received a copy thereof.

**The Company,**

**Director**

By: .....