

No. 9105 / March 27, 2014

REPORT on the Fulfillment of Performance Criteria and Objectives on December 31, 2013

Company shareholders approved in the Ordinary General Meeting of Shareholders of July 26, 2013 by Resolution No. 12 the Director's Agreement form to be concluded with the members of the Board of Directors.

The General Meeting of Shareholders approved by Resolution No. 16 of September 25, 2013 the Company Management Plan for 2013-2017, submitted and elaborated by the Board of Directors.

At the same time, the Board of Directors approved, by Resolution No. 1 of January 29, 2013 *"The Management Plan of the Director General of Societatea Nationala de Gaze Naturale "ROMGAZ" – S.A for the period of his mandate, namely 2013-2017"*.

Bearing in mind the provisions of art. 36, par. (1) of the Government Emergency Ordinance 109/2011 providing that *"the management plan has to be correlated with and to develop the governance plan of the Board of Directors"*, the performance criteria and objectives approved by the Directors' Agreement have been included as such in the Management Plan, which comprises also the vision of the Director General and the specific measures and general measures for fulfillment of strategic objectives.

The results of the measures and actions for fulfillment of the strategic objectives are monitored periodically, quarterly and annually by a series of **performance indicators and criteria**, as follows:

Capital social: 385.422.400 RON

CIF: RO14056826

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

RO08 RNCB 0231 0195 2533 0001 - BCR Mediaș

RO12 BRDE 3305 V024 6190 3300 - BRD Mediaș



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| Crt. No. | Indicator | M.U. | Performance criteria | Indicator | Weighting factor |
|----------|---|-------------------------|----------------------|-----------|------------------|
| 0 | 1 | 3 | 4 | 5 | 6 |
| 1. | EBITDA | thousand lei | increase | 4.50%/an | 0.25 |
| 2. | Revenue | thousand lei | increase | 6%/an | 0.20 |
| 3. | Labour productivityi | thousand lei/ person | increase | 6%/an | 0.10 |
| 4. | Operating expenses for 1000 lei operating revenue | lei | decrease | 0.60%/an | 0.10 |
| 5. | Gas in place (Geological resource volume) | million cm | increase | 1%/an | 0.10 |
| 6. | Gas production decline | % | constant | 1.5%/an | 0.15 |
| 7. | Overdue payments | thousand lei | constant | 0 | 0.10 |

Fulfilment of performance indicators and criteria during 2013 is shown in the tabel below:

| | M.U. | Average value 2010-2012 | Target value | Achieved value | Fulfilment rate | Weight |
|---|-------------------------|-------------------------|--------------|----------------|-----------------|---------------|
| EBITDA | thousand lei | 1,794,385.5 | 1,875,132.8 | 2,283,995.5 | 121.8 | 30.45 |
| Revenue | thousand lei | 3,876,116.1 | 4,108,683.1 | 3,894,267.3 | 94.8 | 18.96 |
| Labour productivityi | thousand lei/ person | 671.5 | 711.8 | 618.4 | 86.9 | 8.69 |
| Operating expenses for 1000 lei operating revenue | lei | 743.9 | 739.4 | 607.1 | 121.8 | 12.18 |
| Gas in place (Geological resource volume) | million cm | 1,624.0 | 1,640.2 | 2,060.0 | 125.6 | 12.56 |
| Gas production decline | % | -0.4 ¹ | -1.5 | -0.5 | | |
| | million cm | 5,663.3 ² | 5,578.3 | 5,650.8 | 101.3 | 15.20 |
| Overdue payments | thousand lei | 0 | 0 | 0 | 110.0 | 11.00 |
| Total | - | - | - | - | - | 109.04 |

Performance criteria and objectives fulfilment rate is **109.04%**.

¹ is the production decline in 2012, as compared to 2011

² is the production in 2012

The fulfilment of performance criteria and objectives have been influenced positively by an EBITDA that was higher by lei 409 million (+21.8%) than the target value, by operating expenses for 1000 lei operating revenue that were lower by lei 93.4 (21.8%), by the volume of discovered geological resource (gas in place) higher by 420 million cm (25.6%), by a gas production decline lower by 1%, and by the amount of outstanding payments which is "zero". Labour productivity and revenue criteria have not been fulfilled.

**CHAIRMAN
OF THE BOARD OF DIRECTORS
Aurora NEGRUT**

