

Board of Directors Profile and Candidate Profile

This draft of SNGN Romgaz SA Board of Directors profile (the largest natural gas producer and supplier in Romania) having its headquarters in Medias, C.I. Motas Square no. 4, trade registry no. J32/392/2001, VAT no. RO 14056826 is prepared in compliance with Government Ordinance no. 109/2011 on corporate governance of public companies as amended from time to time and Government Decision no. 722/2016 (Art. 18) for the approval of Enforcement Guidelines relating to specific provisions contained in Government Emergency Ordinance no. 109/2011 on corporate governance of public companies, namely the enforcement of guidelines on establishing selection criteria, drafting the short list of up to 5 candidates for each position, candidate ranking, final appointment procedure, as well as any other measure deemed necessary for the enforcement of Government Emergency Ordinance no. 109/2011 on corporate governance of public companies dated September 28, 2016.

According to the Enforcement Guidelines Art. 1, point 18, the board's profile is an identification of capacities, features and requirements to be collectively provided by the board considering the organizational background, the mission, the expectations expressed in the statement of expectations and the elements of company strategy that exist or need to be developed. The profile contains also the matrix of the board, which shows the board's collective capacities expressed by abilities and other eliminatory requirements to be individually and collectively fulfilled by the board's members. Also, in accordance with provisions contained in Art. 19 relating to the drafting of board members' profile, the following requirements may be taken into consideration, without any limitation thereto:

- a) minimum knowledge, skills and experience required for a successful implementation of the board member mandate;
- b) proper understanding of the job description enabling the development of a vision for the medium and long term;
- c) accountability, integrity and independence;
- d) required knowledge, skills and experience for constructive criticism, teamwork, communication, financial culture, decision-making and pattern detection contributing thereby to the board's activity;

As such, in connection with the provisions contained in the Enforcement Guidelines at Art. 23, par. (1), this profile draft relies on the following components:

- a) analysis of the company's contextual requirements, in general, and of the board's contextual requirements, in particular;
- b) board's profile matrix.

a) Analysis of contextual requirements

For the implementation of Art. 24 of the Enforcement Guidelines, the analysis of the company's contextual requirements, in general, and of the board's contextual requirements, in particular, is made based on:

- legislation and good practice recommendations;
- the company's strategic positioning in relation to Article 25, par. (1) of the Enforcement Guidelines, according to which the determination of the board's profile relies on: Statement of Expectations, medium and long term market and regulatory trends, business model and the company's *2018-2020 Development Strategy*;
- the Board of Directors consists of 7 members according to the provisions of GEO 109/2011, as amended from time to time, of Law 31/1990 (Company Act) as subsequently amended and supplemented, and of the company's Articles of Incorporation. At least two of the members must be graduates of economic or legal studies, with an expertise of at least 5 years in

economics, legal, accounting, audit or finances and no more than 2 members are allowed to be from the public officer category or from personnel category of other public supervisory bodies or other public authorities or institutions.

Also, the majority of the board is formed of non-executive and independent members, as specified at Art. 138² of Law 31/1990, as amended from time to time.

The board members' mandate is established by the Articles of Incorporations, giving the possibility to board members that have duly fulfilled their responsibilities to extend such mandate following an evaluation process. The mandate of board members appointed as a result of a mandate termination, irrespective of the termination form, shall coincide with the remaining term of the replaced board member. Also, a natural person may simultaneously exercise maximum 3 board member mandates and/or supervisory board member mandates in companies or public enterprises with headquarters located in Romania.

The customized SNGN Romgaz S.A. Board of Directors Profile must reflect the competencies, knowledge, skills and experience required for a good governance in relation to the contextual requirements and the company's objectives, reflected in the statement of expectations.

The profile of the current board: according to the analyses carried out, it was found that the current Board is formed of 3 economists, 3 engineers and 1 legal counsellor.

We find that the following structure of professional experience, knowledge, abilities and skills is optimum for the insurance of accountability and responsibility in the Board: two economists, one legal counsellor and four generalist managers.

REQUIREMENTS:

- a) minimum experience, skills and knowledge:
 - graduate with bachelor degree
 - 10 years of work experience
- b) knowledge of the job requirements; vision for the medium/long term
 - to be evaluated by the selection committee through the assessment of objectives contained in the statement of intent
- c) Accountability, integrity and independence
 - Affidavit regarding:
 - lack of conflict of interests
 - independence from any significant shareholder who might impair the objectivity of the decision-making process
 - legal/fiscal record
- d) required knowledge, skills, capacity for analysis and constructive criticism, communication, financial culture
 - to be assessed by the committee

The members of the Board shall carry out their mandate in a prudent and diligent manner, with loyalty and to the best interest of the company and shall not disclose the company's secrets and confidential information they have access to due to their position as board members. This obligation shall survive the termination of the Board mandate member.

b) The Board of Director Matrix

For the implementation of the Enforcement Guidelines Articles 28 para. (3) and 29, the scope of the numerical analysis in the matrix is to clarify the advantages and disadvantages, the strengths, the development areas and the Board's activity dimensions that can be improved, even if temporary, and must contain the following:

- a) definition of criteria and the indicators in relation to such;
- b) identification of mandatory and optional criteria;
- c) definition of a common rating scale for all criteria;
- d) weighting share for each criteria, by considering its importance;

- e) Grouping of criteria for comparative analysis;
- f) Establishing a minimum collective threshold for each criterion wherever required, if it exists or is applicable;
- g) Subtotals, totals, weighted totals and shares for criteria and for individual Board members.

Also, in accordance with the Enforcement Guidelines Articles 31-33 and Annex 1a, the Board Matrix differentiates between mandatory criteria and optional criteria required for a competency-based Board identified as a result of contextual requirements analysis, and contains a minimum collective level of the competency indicators threshold.

Board Member Profiles

The candidate's profile and his role derives from the Board of Directors profile established in accordance with the organizational context and in relation with the expected objectives as derived from the company's strategy.

Board Director 1 - Management Generalist Profile, who is required to comply with the following:

- Graduate with a Bachelor's degree in a relevant field for the company's business;
- Minimum 10 years of professional experience. Work experience in companies with a revenue of at least Euro200 million;
- Minimum 5 years' experience in management positions;
- Previous experience as a board member in a similar position;
- Specific knowledge in the energy industry;
- In-depth knowledge of the strategic process and the ability to evaluate the strategic options and risks, to identify the strategic priorities and contribute by submitting strategic directions to the executive management, with the aim of bringing value and growth for the company on a long-term basis;
- Organizational awareness – ability to understand the operation, structure and culture of the organization, but also the company's political, social and economic environment;
- Risk management: understanding of the importance to assess and mitigate the company's risks and a good knowledge of the methodologies and processes for fulfilling the risk management requirements;
- Experience in dealing with public, local and central authorities of Romania, as well as with the regulatory authorities in the energy field;
- Human capital management - knowledge and experience in the strategic management of human resources and the capacity to assist the Board in assessing the human resources strategies of the company in line with the company's vision, mission, values and objectives;
- A good understanding of the legal system and of the legal and regulatory environment where the company operates;
- Corporate governance knowledge;
- Personal skills;
 - ✓ Influence: networking ability and capacity to build good relationships inside and outside the organization in order to influence the decisions and results for the company's benefit and for future achievement of goals;
 - ✓ Conflict management: ability to transform the conflict into opportunities in order to creatively solve the issues and make decisions;
 - ✓ Interpersonal relationships: successfully relates with other people in various groups and situations promoting harmonious relationships at work;

- ✓ Negotiation: efficient in negotiating agreements, obtaining the desired results in a manner that shows respect and integrity;

Features:

- sound personal and professional reputation;
- ethics and integrity;
- independence

Board Director 2 – Economic Profile, who is required to comply with the following:

- Graduate with a Bachelor's degree in the economic field;
- Minimum 10 years of professional experience; Work experience in companies with a revenue of at least Euro 200 million;
- Minimum 5 years' experience in management positions;
- Previous experience as a member of a board of directors in a similar position;
- Specific knowledge in the energy industry;
- Experience in identifying business opportunities;
- Experience in financial control, financial analysis, treasury, financial reporting;
- Good knowledge of capital markets;
- Risk management: understands the importance of assessing and mitigating the organizational risks and has a good knowledge of the methodologies and processes for fulfilling the risk management requirements;
- Good understanding of the legal system of the legal and regulatory environment where the company operates;
- Corporate governance knowledge;
- Personal skills;
 - ✓ Influence: networking ability and capacity to build good relationships inside and outside the organization in order to influence the decisions and results for the company's benefit and for future achievement of goals;
 - ✓ Conflict management: ability to transform the conflict into opportunities in order to creatively solve the issues and make decisions;
 - ✓ Interpersonal relationships: successfully relates with other people in various groups and situations promoting harmonious relationships at work;
 - ✓ Negotiation: efficient in negotiating agreements obtaining the desired results in a manner that shows respect and integrity;

Features:

- sound personal and professional reputation;
- ethics and integrity;
- independence

Board Director 3 –Legal Profile, who is required to comply with the following:

- Graduate with a Bachelor's degree in the legal field;
- Minimum 10 years of professional experience; Work experience in companies with a revenue of at least Euro 200 million;
- Minimum 5 years' experience in management positions;
- Previous experience as a member of a board of directors in a similar position;
- Specific knowledge in the energy sector;
- Risk management: understands the importance of assessing and mitigating the organizational risks and has a good knowledge of the methodologies and processes for fulfilling the risk management requirements;
- Experience with issues related to the commercial law;
- Experience in dealing with public, local and central authorities of Romania, as well as with the regulatory authorities in the energy field;
- Corporate governance knowledge;

➤ Personal skills;

- ✓ Influence: networking ability and capacity to build good relationships inside and outside the organization in order to influence the decisions and results for the company's benefit and for future achievement of goals;
- ✓ Conflict management: ability to transform the conflict into opportunities in order to creatively solve the issues and make the decisions;
- ✓ Interpersonal relationships: successfully relates with other people in various groups and situations promoting harmonious relationships at work;
- ✓ Negotiation: efficient in negotiating agreements, obtaining the desired results in a manner that shows respect and integrity;

Features:

- sound personal and professional reputation;
- ethics and integrity;
- independence.