

April 2020

BOARD'S DECLARATION

on the Commitment to Develop and Implement the Internal Management Control System and the Risk Management Policy

The Board of Directors and the upper management have to ensure that internal control measures are established, assumed and implemented, as required for the development of the internal management control system, including setting up and maintaining a risk management system. The efficiency of the internal management control system shall be assessed by internal audits.

This monitoring role of the development of the internal management control system and, implicitly, the risk management system is assumed by the Board of Directors including by the Corporate Governance Code of SNGN Romgaz SA. Furthermore, annually, the members of the Board include comments on monitoring such issues in the Directors' Report.

By this declaration, the Board of Directors and the Audit Committee reiterates their commitment to support the development of the internal management control system and monitoring the efficiency of such.

Awareness of the objectives of the risk management process, as well as alignment to the latest practices in the field, in accordance with the legislation, standards and rules in force, related to such process, is a priority for the Company's management bodies.

At least the following legislative provisions and standards have been considered in drafting, implementing, developing and assessing the internal management control system and, implicitly, the risk management system for Romgaz: Order GSG¹ 600/2018 on approving the Internal/Management Control Code of Public Entities; GO 119/ 1999 on Internal Control and Financial Audit; Law 672/2002 on Internal Public Audit; international standards ISO 31010: 2010: "Risk Management – Risk Assessment Techniques" and ISO 31000: 2018: "Risk Management/Principles and Guidelines" and the Romanian Standard SR Guidelines 73: 2010: "Risk Management - Vocabulary".

As part of the developing process of the internal management control system, within the risk management process, the Company systematically analyses, at least once per year, the risks related to its objectives and activities, prepares risk mitigation plans and designates the responsible persons for implementing such plans. The process covers all activities of the organizational units and all management levels.

A key milestone in the development of this system was the year 2015, when the development directions of the internal management control were reconsidered, including establishment of a

¹ General Secretariat of the Government

closer and more coherent link with the other management control tools – the internal audit and the risk management system.

Another important milestone was the initiation of a reporting and monitoring system of the efficiency of the internal control system by the Board of Directors through the Audit Committee.

In 2018, by entry into force of Order 600, the steps initiated in 2015 have been continued and focus was put on Standard 8 - Risk Management and Standard 1 - Ethics and Integrity, namely transparency at organizational level.

Chairman of the Board of Directors

Stan - Olteanu Manuela - Petronela