Registration No. 9664 / 23.032021

To,

S.N.G.N. Romgaz SA Ordinary Meeting of Shareholders

NOTE

on the approval of S.N.G.N. Romgaz S.A. Remuneration Policy

The Law on issuers of financial instruments and market operations was amended by Law 158/July 27, 2020.

Pursuant to the provisions of Law 158/2020, effective as of August 28, 2020, Romgaz must draft a remuneration policy applicable to directors and managers and must submit it to shareholders' vote.

Moreover, the remuneration policy must be submitted to shareholders' vote for any significant amendment or at least every 4 years. The remuneration policy together with the date and voting results must be published on Romgaz website.

Law 158/2020 establishes the obligation to submit the policy for the approval of the annual ordinary general meeting of shareholders (namely the meeting in which financial statements are approved) as this meeting takes place, on a mandatory basis, each year, no later than 5 months from the closing of financial year.

However, in accordance with Art. II par. (2) of Law 158/July 27, 2020, provisions of Art. 92^1 (regulating the obligation concerning the remuneration policy) must be implemented before August 28, 2021 (issuers must comply with the obligations imposed by said law within 12 months from the date of entry into force of the law).

The remuneration policy imposed by Law 158/2020 provides for the remuneration of directors and managers with a full mandate of 4 years and not of interim directors and managers, as according to Art. 92^2 par. (8) and (9) it must take into consideration the objectives, criteria and performance indicators for directors and managers, while these elements are and can be established only for directors and managers with a full mandate.

Pursuant to GEO 109/2011, following selection of directors and managers for a period of four years, a governance plan is drafted based on which the OGMS establishes and approves the financial and non-financial indicators underlying the variable component of directors and managers.

The remuneration policy attached hereto provides minimum information regarding remuneration given that both directors and managers are appointed on an interim basis.

Following appointment of directors and managers for a period of 4 years, the policy shall be revised to include all elements imposed by the law including the performance indicators which form the basis of the variable component.

The Remuneration Policy was endorsed by S.N.G.N. Romgaz S.A. Board of Directors in the meeting dated March 23, 2021.

Respectfully yours,

CHIEF EXECUTIVE OFFICER
Aristotel Marius JUDE

On behalf of Corporate Governance Department
Lucica Nedelea

Endorsed,
Economic Department

Endorsed,
Legal Department

REMUNERATION POLICY

SNGN ROMGAZ SA

March 2021

ROMGAZ

Chapter 1. Preamble

SNGN ROMGAZ SA ("ROMGAZ" or the „Company") is a joint-stock company administrated in a unitary system in accordance with good corporate governance principles, transparency and responsibility towards its shareholders.

ROMGAZ mission is to produce and supply energy under quality, safety, continuity and flexibility conditions. ROMGAZ uses resources in a responsible and ethical manner in order to obtain profit on long term.

ROMGAZ aims at being an active, profitable and competitive player on the energy production and supply market.

ROMGAZ pursues development both on the local market and on regionally aiming at becoming an important player on the regional energy market.

Concurrently, ROMGAZ aims at providing the necessary human resources in order to carry out its development strategy under an increased dynamic of the labour market.

In order to comply with the requirements of the Bucharest Stock Exchange Code of Corporate Governance, the GEO 109/2011 and Law No 24/2017 as subsequently amended and supplemented, Romgaz decided to adopt and publish this Remuneration Policy.

At the time of drafting this remuneration policy, the directors and managers of the Company are appointed pursuant to Art. 64^1 and 64^2 of GEO 109/2011 on corporate governance of public enterprises.

Chapter 2. Purpose and Objectives of the Remuneration Policy

The purpose of the Remuneration Policy is to establish the principles and the remuneration framework applicable to ROMGAZ directors and managers while exercising their directors or, as the case may be, managers mandate.

The Remuneration Policy has the following objectives:

a) To establish clear remuneration thresholds
b) To establish the remuneration structure

Chapter 3. Approval of the Remuneration Policy

ROMGAZ Ordinary General Meeting of Shareholders approves the Remuneration Policy of directors and managers following each significant amendment and, in any event, at least once every 4 years.

Chapter 4. Board of Directors

The Board of Directors is responsible for carrying out all acts necessary and useful for the accomplishment of Company's scope of business except those reserved by law for the General Meeting of Shareholders.

The Board of Directors delegates ROMGAZ management powers pursuant to the applicable law and ROMGAZ Articles of Incorporation.

The Board of Directors has the following main competences that cannot be delegated to managers:

a) To set the Company's core business and development directions;
b) To set the accounting policies and the financial control system and to approve the financial planning;
c) To appoint and dismiss managers, including the CEO, and to establish their remuneration;
d) To prepare the annual Board of Directors' Report;
e) To organize the GMS and to implement its resolutions;
f) To file for the insolvency prevention and for insolvency of the Company;
~~g)~~ To draft rules for its own activity, for the activity of the GMS and of the advisory committees and of the managers;
h) To set up and dissolve secondary offices;
i) To grant bond loans with values not exceeding, individually or cumulatively with other bond loans in progress, the equivalent of EUR 100 million;
j) To grant corporate loans to companies where ROMGAZ is shareholder, with values not exceeding, individually or cumulatively with other corporate loans in progress, the equivalent of EUR 50 million;
k) Other competences that cannot be delegated according to the law.

Chapter 5. The Nomination and Remuneration Committee

The Nomination and Remuneration Committee assists the Board of Directors in carrying out its responsibilities n relation to the nomination and remuneration of directors and managers.

The Nomination and Remuneration Committee has the following main duties:

a) Drafts proposals to fill the positions of director;
b) Drafts and proposes the procedure to select candidates for the position of manager;
c) Recommends candidates for the position of manager;
d) Other duties defined by the Board of Directors.

Chapter 6. Remuneration Principles

The general principles underlying the remuneration policy of directors and managers are the following:

- ✓ engage, keep and motivate the best directors and managers;
- ✓ ensure long term sustainability of Company profits and activity and generate long term value;
- ✓ reward achievement of objectives;
- ✓ maintain competition on the remuneration market;
- ✓ bring remuneration in line with the recommendations on good corporate governance;
- ✓ promote transparency of remuneration and of the criteria for establishing remuneration;

- ✓ maintain a fair balance between the fixed allowance and the variable component of remuneration.

Chapter 7. Directors Remuneration Policy

Mandate Contract of Directors

The Ordinary General Meeting of Shareholders appoints and dismisses directors pursuant to the legal provisions and to the provisions of ROMGAZ Articles of Incorporation.

The rights and obligations of directors, as well as the incompatibility cases, are set out in the mandate contracts/directors agreements concluded with ROMGAZ, in ROMGAZ Articles of Incorporation and in the legal provisions.

The mandate contracts/directors agreements are concluded for 4 (four) years except for the cases provided for in the Articles of Incorporation or the law.

The director mandate terminates for the reasons and under the conditions provided by the mandate contract/directors agreement and/or by the law.

The mandate contracts/directors agreements of interim directors are concluded for a period of 4 (four) months with the possibility to extend them, for reasonable grounds, up to a maximum of 6 (six) months.

The mandate contracts of interim directors terminate:

a) upon director's renunciation of the mandate contract on grounds not attributable to him/her, by sending a notification no later than 10 days prior to the effective date of the termination and the Company may renounce this time limit;
b) upon director's dismissal by the Company, without prior notification and without the Company owing damages considering the interim nature of the mandate;
c) upon the expiry of the mandate;
d) rightfully, in other cases provided by law;
e) upon withdrawal/denial of ORNISS authorization;
f) by mutual agreement of the parties.

If the interim director is definitively unable to exercise his/her mandate/in lawful impediment, termination enters into force from the expiry of the 30 consecutive days of incapacity. In this regard, the director must promptly notify the Company on the physical incapacity/impossibility and to attach the corresponding evidence.

Non-executive Directors Remuneration

Remuneration of non-executive directors is established by the Ordinary General Meeting of Shareholders and is made up of:

a) a fixed allowance and

b) a variable component.

Taking into consideration the complexity of Romgaz activity and turnover, the fixed allowance of non-executive directors is established in compliance with GEO 109/2011 on corporate governance of public enterprises, to twice the average of the monthly gross average salary over the last 12 months for the activity carried out in accordance with ROMGAZ' main business, at the level of class of activity, in accordance with the classification of activities of the national economy as communicated by the National Institute of Statistics, prior to their appointment.

The variable component of non-executive directors is established based on financial and non-financial performance indicators negotiated and approved by the General Meeting of Shareholders which are not similar to the performance indicators approved for the executive directors, established in compliance with GEO 109/2011 on corporate governance of public enterprises and which are also aiming for the long term sustainability of the company and compliance with the principles of good governance.

The variable component for non-executive members cannot exceed a maximum of 12 monthly fixed allowances.

Executive Directors Remuneration

The executive directors remuneration is established by the General Meeting of Shareholders and consists of:

a) a fixed allowance and
b) a variable component.

Having in view ROMGAZ complex activity and turnover, the fixed allowance of non-executive directors is established, in compliance with GEO 109/2011 on corporate governance of public enterprises, to 6 (six) times the average of the monthly gross average salary over the last 12 months, for the activity carried out in accordance with ROMGAZ' main business at the level of class of activity, in accordance with the classification of activities of the national economy, as communicated by the National Institute of Statistics prior to their appointment.

The variable component of executive directors is established based on financial and non-financial performance indicators negotiated and approved by the General Meeting of Shareholders, which are not similar to the performance indicators approved for non-executive directors, established in compliance with GEO 109/2011 on corporate governance of public enterprises, and which are also aiming for the long term sustainability of the company and compliance with the principles of good governance.

The variable component for executive members cannot exceed a maximum of 12 monthly fixed allowances.

Revision of Directors Variable Component

The variable component of the executive and non-executive directors remuneration is revised annually, according to the level of achievement of the objectives provided in the governance plan and the level of fulfilment of the financial and non-financial performance indicators approved by the General Meeting of Shareholders, attached to the mandate contract.

Chapter 8. Managers (with mandate contract) Remuneration Policy

The Board of Directors assigns, totally or partially, ROMGAZ management powers, to one or more managers, appointing one of them as CEO.

The Board of Directors appoints the managers assigning them ROMGAZ management powers, in compliance with GEO 109/2011 on corporate governance of public enterprises and the provisions of Company Law No. 31/1990.

The managers are responsible for taking all measures related to ROMGAZ management, within the limits of ROMGAZ object of activity and in compliance with the exclusive competences of the Board of Directors and the Ordinary General Meeting of Shareholders, provided by law or by ROMGAZ Articles of Incorporation.

Mandate Contract of Managers

The mandate contract is concluded for a period of maximum four (4) years.

The managers mandate terminates in compliance with the mandate contract and/or the law.

The mandate contract may terminate due to one of the following causes:

a) Mandate expiry; fulfilment of the manager's mandate duration;
b) Director's dismissal by the Board of Directors;
c) Director's renunciation of the mandate;
d) Death, incapacity or ROMGAZ insolvency or bankruptcy;
e) mutual agreement of the Parties;
f) Permanent incapacity to exercise the mandate/occurrence of a legal impediment;
g) Other causes provided in the Articles of Incorporation or by law for mandate termination.

The mandate contract provides an indemnity for revocation without just cause.

In case of revocation for reasons not attributable to the manager, he/she has the right to be compensated by ROMGAZ for the period in which the mandate contract was no performed, regardless of the date of revocation, with an amount equal to the fixed monthly allowance for the remainder of the mandate contract execution period.

The payment of this compensation shall be made within the term provided in the mandate contract.

In case of revocation for reasons attributable to the manager, he/she shall have no right to any compensation for the period in which the mandate contract that was not executed.

Renunciation to the mandate contract can be done upon prior (written) notice to the Board of Directors, with at least 30 calendar days before the actual termination of the manager mandate.

CEO Remuneration

The CEO's remuneration is established by the Board of Directors and consists of:

a) a fixed allowance and
b) a variable component.

Having in view ROMGAZ complex activity and turnover, the fixed allowance of the CEO is established, in compliance with GEO 109/2011 on corporate governance of public enterprises, to 6 (six) times the average of the monthly gross average salary over the last 12 months, for the activity carried out in accordance with the Company's main business at the level of class of activity, in accordance with the classification of activities of the national economy, as communicated by the National Institute of Statistics prior to nomination.

The CEO's variable component may consist of a participation share in the Company's net profit, granting of shares, stock-options or an equivalent scheme, a pension scheme or another form of remuneration based on performance indicators.

Managers Remuneration, others than the CEO

Managers remuneration (with mandate contract), others than the CEO, is established by the Board of Directors and consists of:

a) a fixed allowance and
b) a variable component.

Having in view ROMGAZ complex activity and turnover, the fixed allowance of the managers (with mandate contract) is established, in compliance with GEO 109/2011 on corporate governance of public enterprises, to 6 (six) times the average of the monthly gross average salary over the last 12 months, for the activity carried out in accordance with the company's main business at the level of class of activity, in accordance with the classification of activities of the national economy, as communicated by the National Institute of Statistics prior to nomination.

The managers (with mandate contract) variable component, others than the CEO, may consist of a participation share in the Company's net profit, granting of shares, stock-options or an equivalent scheme, a pension scheme or another form of remuneration based on performance indicators.

Chapter 9. Final Provisions

The remuneration policy may be revised and/or updated as often as necessary and the amendment is significant and in compliance with the legal regulations.

Having in view that at the time of drafting this remuneration policy:
a) The Board of Directors is composed of interim directors;
b) The managers are appointed on a interim basis;
this remuneration policy shall be revised and/or updated upon:
a) Directors appointment in compliance with Article 29 of GEO 109/2011 on corporate governance of public enterprises;
b) Managers appointment in compliance with Article 35 of GEO 109/2011 on corporate governance of public enterprises.

In case of revision, the Remuneration Policy shall include a description and an explanation of all significant amendments and the manner in which shareholder's votes and opinions on the remuneration policy are taken into consideration.

This Remuneration Policy was approved by Romgaz Ordinary General Meeting of Shareholders on ……………………………..with a total number of …………….. votes.