

# ROMGAZ



**S.N.G.N. ROMGAZ S.A.**  
**Nomination and Remuneration**  
**Committee Internal Rules**

Reviewed 2023



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## Chapter 1. Preamble

The Nomination and Remuneration Committee assists the Board of Directors in carrying out its duties regarding selection of managers, remuneration of board members and managers and performance evaluation of the Board of Directors and of the executive management.

The Internal Rules of the Nomination and Remuneration Committee provides the structure, activities and duties, the rights and obligations of its members aiming at ensuring transparency and efficiency of its functioning.

This Internal Rules of the Nomination and Remuneration Committee is supplemented by: (i) the applicable legal provisions concerning corporate governance of public enterprises, (ii) the provisions of the Articles of Incorporation, (iii) the provisions of the Code of Corporate Governance of BVB, as well as by (iv) the provisions of other internal rules approved by Romgaz corporate bodies.

## Chapter 2. Definition of terms and expressions

For the purpose of this Internal Rules of the Nomination and Remuneration Committee, the following terms and expressions shall have the following meanings:

- a) **“articles of incorporation”** - Romgaz Articles of Incorporation<sup>1</sup>;
- b) **“board member”** - member of Romgaz Board of Directors;
- c) **“executive board member”** - a person who is both board member and manager of the Company;
- d) **“non-executive board member”** - a person who is board member but who is not, in the same time, a manager of the Company;
- e) **“GMS”** - General Meeting of Shareholders;
- f) **“AMEPIP”** - Agency for Monitoring and Performances Evaluation of Public Companies
- g) **“BVB”** - Bucharest Stock Exchange
- h) **“department”** - general name for department, division, office or any other organizational structure within Romgaz;
- i) **“executive management”** - manager/managers to whom the Board of Directors delegated the management of the Company.
- j) **“Board”** - Romgaz Board of Directors;
- k) **“Committee”** or **“NRC”** - the Nomination and Remuneration Committee;
- l) **„manager”** - a person to whom the Board of Directors<sup>2</sup> delegated the management of the Company and who concluded a mandate contract with the Company;
- m) **“Law 31/1990”** - Law 31/1990 on commercial companies as subsequently amended and supplemented;
- n) **“corporate management body”** - GMS, Board of Directors, manager/managers of the Company;
- o) **“GEO 109/2011”** - Government Emergency Ordinance no. 109/2011 on corporate governance of public enterprises as subsequently amended and supplemented, approved by Law 111/2016, as amended;
- p) **“Company website”** - www.romgaz.ro;
- q) **„legal provision/regulation”** - any applicable set of legal rules provided in a regulatory act published in the Official Journal of Romania - Part I - a;
- r) **“internal regulation”** - any rule provided in a document approved by a corporate management body of Romgaz;
- s) **“GMS and BoD Secretariat”** - organizational unit within Romgaz, with the status of department, which has duties concerning carrying out the necessary formalities for organizing the GMSs, BoD and advisory committees meetings;
- t) **„Secretary of the Committee”** - a person employed within the GMS and BoD Secretariat and appointed by the Board of Directors as Secretary of the Committee;
- u) **“Romgaz”** or **“the Company”** - Societatea Națională de Gaze Naturale ROMGAZ SA;

<sup>1</sup> Published on company's website under Investor Relations/Corporate Governance/Reference Documents

<sup>2</sup> Pursuant to the provisions of Article 143 of Company Law no. 31/1990, republished, as subsequently amended and supplemented

### Chapter 3. Purpose of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee is provided by the legislation in force (Law 31/1990, art. 140<sup>2</sup> and GEO 109/2011, art. 34) and is a requirement for companies listed on BVB.

The main purpose of the Committee is:

- a) to get involved in the recruiting and selection process of managers;
- b) to organise training sessions for board members;
- c) to make proposals for remuneration of board members and for board members, by complying with the remuneration policy sent by AMEPIP;
- d) to support the Board to evaluate its own performance as well as the performance of the executive management.

### Chapter 4. Composition of the Nomination and Remuneration Committee

The Committee shall consist of an uneven number of Board members.

The composition of the Committee shall be published on Company's website<sup>3</sup>.

The composition of the Committee shall meet the following criteria/conditions:

- a) all members shall be non-executive board members;
- b) the majority of the members shall be independent board members;
- c) the chairman of the Committee shall be an independent non-executive board member;
- d) the chairman of the Board shall be a member of the Committee;
- e) the Committee, as a whole, shall have a mix of skills, competences and knowledge that correspond to the duties within the competence of the Committee.

Taking into consideration the above mentioned criteria, the Board of Directors shall appoint the members of the Committee of whom one shall be appointed as Chairman of the Committee.

The Chairman of the NRC shall run the meetings of the Committee and shall represent the Committee in relation to the Board of Directors and other persons.

The membership in the Nomination and Remuneration Committee terminates by dismissal, resignation or by termination of the board member's mandate.

In case of termination of the membership or chairmanship of the Nomination and Remuneration Committee, the Board of Directors shall appoint another board member to occupy the vacancy.

During the mandate, the members of the Nomination and Remuneration Committee shall not hold other positions, capacities and shall not perform transactions that might be considered inconsistent with the mission of the Nomination and Remuneration Committee.

The membership in the Committee shall not preclude the members from participating in the activity of other Committees of the Board of Directors.

### Chapter 5. Competences of the Nominaton and Remuneration Committee

The Nomination and Remuneration Committee has the following main duties:

- a) Related to coordinating the nomination activity:

The Committee has an important role in the selection of managers, who are appointed by the Board of Directors.

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<sup>3</sup> Investor Relation/Corporate Governance/Board of Directors

Therefore, the Committee:

- a.1. shall assist the Board, or as the case may be, the independent expert, in establishing selection criteria of managers;
  - a.2. shall prepare the short list of candidates;
  - a.3. shall make recommendations to the Board, following the selection procedure.
- b) Related to coordinating the remuneration activity:
- b.1. shall formulate proposals for the General Meeting of Shareholders on the level of the remuneration of board members;
  - b.2. shall formulate proposals on the remuneration of managers within the general limits set by the GSM and the law;
  - b.3. shall elaborate and submit for the approval of the Board of Directors a Policy on the remuneration of board members and managers, which shall be published;
  - b.4. shall submit the Policy on the remuneration of board members and managers to the Board of Directors for endorsement and to the General Meeting of Shareholders for approval whenever a significant change is made and, in any event, at least once every 4 years;
  - b.5. shall elaborate an annual report on the remuneration and other benefits granted to board members and managers which shall be presented during the GSM approving the annual financial statements.
- c) Related to coordinating the evaluation activity:
- c.1. shall assist the Chairman of the Board in the process of evaluating the performances of the board members;
  - c.2. shall assist the Chairman of the Board in identifying the training and development needs of the board members;
  - c.3. shall evaluate, periodically or at least once a year, the independency of the members of the Board;
  - c.4. shall propose to the Board changes in the structure of the advisory committees when finding changes in the statute of the board members or other relevant matters;
  - c.5. shall assist the Board in the process of evaluating the performance of managers;
- d) Other duties and responsibilities:
- d.1. shall annually submit activity reports to the Board of Directors;
  - d.2. shall periodically revise the Internal Rules of the Committee and submit for the approval of the Board of Directors any changes it deems necessary;
  - d.3. shall self-evaluate its own performance and prepare an activity plan for the following year and submit it to the Board of Directors for approval.

## **Chapter 6. Meetings of the Nomination and Remuneration Committee**

The Committee shall meet periodically, at least four (4) times a year, as well as exceptionally, if necessary. The members of the Committee must be present and actively participate in the meetings.

### **6.1. The Secretariat of the Nomination and Remuneration Committee**

The Secretary of the Committee shall be appointed by the Board of Directors from the members of the Secretariat of the GSM and BoD on the recommendation of the Chairman of the Committee. The Secretary of the Committee shall draw up the minutes of meetings and decisions adopted and shall assist the Committee in carrying out its activities.

### **6.2. Convening the meetings**

The meetings of the Committee shall be convened by the Chairman of the Committee: (i) *ex officio* or (ii) upon request of at least two (2) members of the Committee.

The meetings of the Nomination and Remuneration Committee shall be held either by the actual meeting of members at the Company's registered office or at another location, as determined by the convening notice, or by teleconference or videoconference, if the Chairman of the Committee so decides. In case of meetings held by teleconference, the procedural elements contained in the Internal Rules of the Board shall be observed.

The meetings of the Committee shall be organized before the meeting of the Board of Directors scheduled for the current month in order to allow a timely preparation of the reports for the Board of Directors.

The Chairman of the Board may request the Nomination and Remuneration Committee to adopt decisions regarding certain documents by means of exchanging e-mails, facsimiles or letters. A written decision which is signed or approved by letter, e-mail, telegram or fax by all the members of the Committee shall be valid and shall take the same effect as a decision adopted during a meeting of the Committee.

The convening notice of each meeting of the Committee shall include at least: (i) the place of the meeting, indicating the address of the location or the modality in which the communication is carried out in case of teleconference or videoconference, (ii) the date and time of the meeting and (iii) the agenda of the meeting.

The agenda of each meeting shall be sent to all Committee members and to any other person whose participation is necessary, at least five working days before the date of the meeting. The informative materials relating to the meeting shall be sent, to the members of the Committee as well as, if applicable, to the other participants, within the same five days term. Said materials may be sent via e-mail.

The Nomination and Remuneration Committee may invite to the meeting any board member, manager or any persons, as it may deem necessary, who can contribute to carrying out its duties.

### **6.3. Conduct of Meetings**

The meetings of the Nomination and Remuneration Committee shall be presided over by the Chairman of the Committee.

The quorum required for validation of Committee meetings shall be constituted by at least half of the committee's members (including the Chairman of the Committee). The attendance of a member via video or audio means shall be considered valid for the purpose of determining the quorum.

Each member of the Committee shall have the right to cast one vote personally or through a representative regarding a decision of the Committee. In case of a tie, the vote of the Nomination and Remuneration Committee Chairman shall be decisive.

Direct vote may be cast by correspondence or by electronic means, as established by the Board of Directors.

Other aspects related to casting the vote, provided in the Internal Rules of the Board of Directors, shall also apply to the Committee's meetings.

In order to be valid, the decisions of the advisory committees shall cumulatively meet the following conditions: (i) the decisions must be taken in the presence of the majority of the committee's members and (ii) the decisions must be voted with the majority of the votes validly casted.

In case the Chairman of the Nomination and Remuneration Committee cannot exercise his/her attributions, he/she may authorize another person to exercise such attributions, including the right to vote.

### **6.4. Minutes and Notes of the Committee**

A Minutes of the Meeting shall be drafted at each meeting of the advisory committees and it shall provide the following: (i) the place and time of the meeting, (ii) first and last name of the present members, (iii) the decisions that were taken during the meeting, (iv) the number of votes received by each decision, and (v) upon request, the individual opinions.

The Minutes of the Meeting shall be signed by all members that attended the meeting, including by the Committee's Chairman.

Based on the Minutes of the Meeting, the Committee Note shall be issued, and this shall include all the decisions taken during the meeting. The Note shall be signed by the Committee's Chairman and it shall be delivered to the Board of Directors as well.

For each meeting of the Committee a file of the meeting shall be prepared and it shall include the following: (i) the documents related to the convocation, (ii) the documents presented during the meeting, supporting the items on the agenda, (iii) the Minutes of the Meeting and the Committee's Note, (iv) the power of attorney for casting the vote by representation, (v) the letters through which the vote by correspondence was casted and (vi) copies of the letters baring the vote via electronic means certified by the Secretary of the Board.

## **Chapter 7. Final Provisions**

This Internal Rules of the Nomination and Remuneration Committee was approved by Romgaz Board of Directors as of December 19, 2023.

The following annexes are part of this document: *Annex 1: Monitoring and Evaluation of the Nomination and Remuneration Committee Activity Model Report and Annex 2: Calendar for the Implementation of Recommendations. Stage of Implementation of Recommendations.*

Upon entry into force, once approved, this document shall be revised whenever necessary.

**ANNEX 1 - Monitoring and Evaluation of the Nomination and Remuneration Committee Activity Model Report****MONITORING AND EVALUATION OF THE NOMINATION AND REMUNERATION COMMITTEE ACTIVITY REPORT**

No. \_\_\_\_\_ / Date

**Composition of the Nomination and Remuneration Committee**

1. ...., Chairman
2. ...., Member
3. ...., Member
4. ...., Member
5. ...., Member

**Performed activities****1. Consultations**

Discussions and working meetings with the executive management of the Company shall be indicated, if these were needed; departments within the Company with which such Consultations were carried out shall be mentioned.

**2. Analyses**

The followings are specified: the analysed subject, supporting documents used in the analysis.

**3. Performed works**

The following are specified: title of the performed works: notifications, notes, letters, reports, studies, etc.

**4. Proposals, Measures, Recommendations**

Elaboration of proposals, measures, recommendations based on consultations, analyses and performed works. The above mentioned are the basis of drawing up the working forms: the Calendar for Implementation of Recommendations and Stage of Implementation of Recommendations (Annex 2).

**5. Dissemination list**

The following are included: persons, departments, management bodies to whom the reports of the Nomination and Remuneration Committee are sent, in full or in part (only measures, recommendations and proposals).

**The Nomination and Remuneration Committee (signatures)**

1. ...., Chairman
2. ...., Member
3. ...., Member
4. ...., Member
5. ...., Member



**ANNEX 2 - Calendar for Implementation of Recommendations, Stage of Implementation of Recommendations****CALENDAR FOR IMPLEMENTATION OF RECOMMENDATIONS  
made by the Nomination and Remuneration Committee**

No.	Date of the meeting	Recommendation	Implementation due date	Responsible for implementation

Secretary,

**STAGE OF IMPLEMENTATION OF RECOMMENDATIONS**

on .....

No.	Date of the meeting	Recommendation	Responsible for implementation	Stage of implementation on .....			
				Implemented	Date of implementation	Partially implemented	Not implemented

Secretary,