



ROMGAZ

2023
ANNUAL FINANCIAL REPORT
on the remuneration, benefits
and/or other advantages granted
to the Members of the Board
and Officers of
S.N.G.N. ROMGAZ S.A.

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2023 ANNUAL FINANCIAL REPORT on the remuneration, benefits and/or other advantages granted to Members of the Board and Officers OF S.N.G.N. ROMGAZ S.A.¹

This report is drafted in accordance with the following provisions:

- Art. 107 of Law No. 24/2017 on financial instruments and market operations issuers² respectively: *the issuer drafts a clear and comprehensible report providing a broad image on the remunerations, including all benefits, regardless of the form, granted or due individually to executives, including the ones new recruited and former executives, during the last financial year, according to the remuneration policy provided in Art. 106* and
- Art. 55 (3) of GO No. 109/2011 on public companies corporate governance³, respectively: *The Nomination and Remuneration Committee of the Board of Directors (...) elaborates an annual report on the remunerations and other benefits granted to directors and managers, members of the supervisory committee and members of the board, respectively, during the financial year*

to be presented and submitted SNGN ROMGAZ SA General Meeting of Shareholders⁴ approval, convened on April 25, 2024 and made public on ROMGAZ website, according to Art. 107 (7) of Law 24/2017, following the approval.

According to Article 107 (6) of Law 24/2017, this Report was prepared in line with the vote within the OGMS meeting of April 26, 2023, taking note of the *2022 Annual Financial Report on the remuneration and other advantages granted to Members of the Board and Officers of ROMGAZ*, with 99.2996% of the total valid votes cast.

This Report is supplemented by the information in Annual Consolidated Report and the Financial Statements available on ROMGAZ website - www.romgaz.ro section *Investors* → *Annual Reports* → 2023.

¹ Hereinafter, Report or The Report

² Hereinafter, Law 24/2017

³ Hereinafter, GEO 109/2011

⁴ Hereinafter, ROMGAZ GMS

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I. Report Premises

I.1. Applicable Legal and Internal Rules

For the presentation, structuring and analysis of information included in the Report, the following aspects were taken into account:

- a) **applicable legal provisions:**
 - Articles 106 and 107 of Law 24/2017;
 - Articles 55 (2) and (3) of GEO 109/2011;
 - Article 37 of GEO 109/2011, regarding remuneration of ROMGAZ⁵ BoD members;
 - Article 38 of GEO 109/2011, regarding remuneration of ROMGAZ Officers
 - Article 39 of GEO 109/2011, regarding benefits and/or other advantages granted to ROMGAZ BoD members and Officers;
 - Article 111, Article 142, Article 153¹⁸ of Law No. 31/1990 on companies.
- b) **Applicable ROMGAZ Internal Regulations and Rules:**
 - ROMGAZ Article of Incorporation, updated and approved by ROMGAZ EGMS Resolution No. 17/2023;
 - Internal Rules of the Nomination and Remuneration Committee, approved by Romgaz BoD on August 28, 2018, as reviewed and approved on December 19, 2023;
 - ROMGAZ Corporate Governance Code;
 - ROMGAZ Remuneration Policy, approved by GMS on April 28, 2022.
- c) **ROMGAZ GMS Resolutions**, relevant for the period under review (2023 financial year), and, respectively, Annex 1 to this Report - *GMS Resolutions on ROMGAZ BoD members mandates for the period under review*;
- d) **ROMGAZ BoD Resolutions** on Company Officers⁶ issued during the reporting period are included in Annex 2 - *ROMGAZ BoD Resolutions on the Officer mandates for the reporting period*.

I.2. Role and Functions of ROMGAZ Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) of ROMGAZ⁷ is an advisory committee set up under ROMGAZ BoD, with duties related to training of BoD members, remuneration of BoD members and of Officers in compliance with the remuneration policy, and assessment of BoD and executive management performance.

Following amendments to Law No. 187/2023, the Government Emergency Ordinance No. 109/2011 on corporate governance of public entities, and the Government Ordinance No. 639/July 27, 2023 on approving the enforcement guidelines of GEO No. 109/2011, NRC has no longer competencies in the BoD member selection process; such competencies are transferred to the Selection and Nomination Committee set up by administrative act of the public supervisory authority (PSA). In such context, ROMGAZ NRC Rules was reviewed and approved by BoD Resolution No. 116 of December 19, 2023.

In accordance with the reviewed ROMGAZ NRC Rules, the main purpose of the Committee is:

- a) involvement in the BoD member recruitment and selection process;
- b) to organise training sessions for the BoD members;
- c) to make proposals for the remuneration of BoD members and of Officers, by complying with the remuneration policy transmitted by *Agenția pentru Monitorizarea și Evaluarea Performanțelor Întreprinderilor Publice* (the Agency for Performance Monitoring and Evaluation of Public Entities) (AMEPIP);
- d) to support the BoD in assessing its own performance, as well as the performance of the executive management.

⁵ hereinafter, ROMGAZ BoD

⁶ CEO, Deputy CEO and CFO

⁷ hereinafter, ROMGAZ NRC

In terms of *remuneration activity*, ROMGAZ NRC:

- makes proposals for ROMGAZ GMS on the BoD members' remuneration level;
- makes proposals for the Officers' remuneration within the general limits set by ROMGAZ GMS and the law;
- elaborates BoD members' and Officers' Remuneration Policy, and submits such for the endorsement of ROMGAZ BoD and the approval of ROMGAZ GMS;
- submits the BoD members' and Officers' Remuneration Policy for endorsement to ROMGAZ BoD and for approval to the ROMGAZ GMS, with the occasion of each significant change, and at least every four years;
- drafts an *Annual Report on Remuneration, Benefits and/or other Advantages granted to BoD members and to Officers*, and such report shall be submitted to ROMGAZ GMS meeting when also annual financial statements are approved.

Following the selection procedure in accordance with GEO No. 109/2011 and appointment of the Board of Directors for a 4-year term mandate, ROMGAZ BoD Resolution No. 28 modified on March 20, 2023 ROMGAZ NRC composition, as shown in the table below:

ROMGAZ NRC Composition in 2023	
January 01 - March 19	March 20 - December 31
Sorici Gheorghe Silvian - Chairperson Batog Cezar - member Drăgan Dan Dragoș - member	Sorici Gheorghe Silvian - Chairperson Braslă Răzvan - member Drăgan Dan Dragoș - member

I.3. Status of Mandates of Directors and Officers for 2023 Financial Year

The status of on-going mandates of ROMGAZ BoD members and ROMGAZ Officers for the period under review (year 2023), is shown in *Annex 1* and *Annex 2* to this Report.

With respect to **ROMGAZ BoD members**, after reviewing information included in *Annex 1*, it can be concluded that during the financial year 2023:

- before March 15, 2023, the mandates of ROMGAZ BoD members were provisional, with an initial term of 4 months, and extended by another 2 months;
- as of March 16, 2023, following the selection procedure, the shareholders of the Company appointed BoD members for a 4-year term mandate.

With respect to **ROMGAZ Officers**, the information included in *Annex 2* shows that during 2023:

- before May 15, the mandates of ROMGAZ Officers members were provisional, with an initial term of 4 months, and extended by another 2 months;
- as of May 16, 2023, the BoD appointed three Officers for a 4-year term mandate.

During the interim mandates, Romgaz BoD members and Officers remuneration consisted exclusively of a fixed allowance.

For the 4-year term mandates, Romgaz shareholders approved by Resolution No.12 of September 11, 2023 the following:

- financial and non-financial performance indicators resulted from the Governance Plan,
- variable annual component of the remuneration of BoD members and Officers, as well as addenda for the non-executive BoD members,
- addendum to the Contract of Mandate of BoD members,
- threshold of the monthly fixed allowance for the executive BoD members and Officers,

- threshold of the annual variable component of the remuneration of the executive BoD members and Officers.

The variable remuneration of Officers has been the scope of addenda approved by ROMGAZ BoD Resolution No. 87 of September 19, 2023.

From the date of approval by ROMGAZ GMS (for BoD members), and, respectively, by ROMGAZ BoD (for Officers) of the addendum establishing the variable component until termination of the Contract of Mandate, for each mandate year, the variable component of remuneration shall be granted on a pro-rata basis for the time worked in the year based on the Contract of Mandate.

Payment of the variable remuneration is annual, within maximum 15 days from the approval by the General Meeting of Shareholders of the Company's audited financial statements and submission of the Nomination and Remuneration Committee's Annual Report.

Against this background, in 2023 financial year, ROMGAZ BoD members and Officers received remuneration for their performed activity only in form of a monthly fixed allowance; variable remuneration was not granted.

The Deputy Chief Executive Officer has concluded a contract of mandate for the BoD member position and a contract of mandate for the Officer position. He was strictly entitled to receiving payment for the fixed monthly component based on the contract of mandate for BoD member position.

Also, according to terminated and/or effective contracts of mandate in 2023, ROMGAZ BoD members and Officers received the equivalent value of rights representing **benefits and other advantages**, which must be recorded in the annual financial statements, according to article 39 of GEO no. 109/2011. For 2023 financial year, values are detailed by position in *Chapter II* of the Report.

Because of the aforementioned aspects, the Report presents remuneration and benefits or other advantages given to ROMGAZ BoD member and Officers exclusively in form of:

- value of fixed monthly component - as the only form of remuneration granted for fulfilling mandates in 2023, and
- value of benefits and/or other advantages stipulated in terminated or effective contracts of mandate, and paid during the reporting period.

II. Remuneration Report for 2023 Financial Year

II.1. Structure of Report

According to **Article 107** of Law 24/2017 corroborated with the provisions of **Article 55 (2) and (3)** of GEO no. 109/2011, information contained in this Report is structured by category:

- total remuneration split by components, the relative ratio of fixed component and of variable component, including:
 - explanatory note regarding on how the total remuneration complies with the adopted remuneration policy including how it contributes to the long-term performance of the Company;
 - information on the application of performance criteria;
- other rights, in form of benefits and/or advantages, which, according to the law, are not part of the remuneration of BoD members and Officers for performing the mandate;
- annual change in remuneration, issuer's performance and of the average remuneration based on full-time equivalent of issuer's employees who are not BoD members and Officers at least not for the past 5 financial years, presented together in a way that allows comparison;
- any remuneration received from any entity belonging to the same group;
- information on using the possibility to recover variable remuneration;
- information on contract term, negotiated termination notice period, amount of damages for unjust termination of mandate;
- number of shares and share options granted or offered, and the main conditions for exercising relating rights, including the exercising price and date together with any modification thereof;

- considerations justifying any annual bonus scheme or non-monetary benefits;
- additional or early retirement pension schemes, if any;
- information on any deviation from the procedure for the implementation of the Remuneration Policy.

II.2. Report Content

II.2.1. Total remuneration split by the relative ratio of fixed component and of variable component.

a) Remuneration of Company's non-executive BoD members

Fixed remuneration

Gross value of fixed allowance of non-executive BoD members:

- was established by ROMGAZ GMS resolutions for their appointment;
- complies with the threshold established in Chapter 6 - Remuneration of Non-Executive BoD members of ROMGAZ Remuneration Policy.⁸

Variable remuneration

Interim non-executive BoD members did not benefit from the variable component of the remuneration during the mandate term.

For the 4-year term mandates, the gross value of variable component of non-executive BoD members:

- was established by ROMGAZ GMS resolution for approval of financial and non-financial performance indicators;
- is compliant with the threshold established in Chapter 6 - Remuneration of Non-Executive BoD members of ROMGAZ Remuneration Policy.⁹

Calculation method of variable component of remuneration

Due annual variable remuneration is the product between the variable component of remuneration set in the addendum to the contract of mandate and the total degree of achievement of the performance indicators.

$$CV_n = CV \times GTI_n$$

where:

CV_n - variable component of remuneration due to BoD member in year "n", RON;;

CV - variable component of remuneration established by addendum to the contract of mandate, RON;

GTI_n - total degree of fulfilment of performance indicators in year "n".

$$GTI_n = \sum_{i=1}^{20} (I_{i_n} \times p_i)$$

where:

I_{i_n} - fulfilment degree of performance indicator "i" in year "n";

p_i - weighting coefficient relating to performance indicator "i".

⁸ namely, twice the average of monthly gross average salary over the past 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 the appointment.

⁹ namely, maximum 12 monthly fixed allowances.

Depending on the total degree of fulfilment of the performance indicators (TDA_n) the variable component is granted as follows:

- TDA ≥ 100%, the variable component is fully granted;
- 50% ≤ TDA < 100%, the variable component is granted proportionally;
- TDA < 50%, the board member could be revoked.

Below are financial and non-financial performance indicators and relating achievement degree for 2023:

1. Financial Indicators

Item no.	Indicator	Objective	Non-executive BoD members Weight	Degree of Achievement influenced with target established January-December 2023	Non-executive BoD members Weight in degree of fulfilment
1	Revenue	budget (reviewed)	4%	1.02	4.07%
2	EBITDA margin	minimum 41%	2%	1.91	3.83%
3	Operating expenses from RON 1,000 operating income	maintain budget level	3%	1.13	3.38%
4	Labour productivity (in value units)	budget	2%	1.06	2.12%
5	CAPEX	minimum 70% budget	3%	0.80	2.40%
6	Ratio between net debt and EBITDA	<4,5	2%	2.07	4.15%
7	Operating income margin	budget	2%	1.3	2.61%
8	Dividend payout ratio	minimum provided by the applicable regulations	2%	1.02	2.03%
Degree of fulfilment of financial indicators			20%		24.58%

2. Non-Financial Indicators

Item no.	Indicator	Objective	Non-executive BoD members Weight	Degree of Achievement influenced with target established January-December 2023	Non-executive BoD members Weight in degree of fulfilment
1	Natural gas production decline	maintaining the annual decline of maximum 2.5% as compared to 2022	2%	0.99	1.98%
2	Emissions in the application area 1t	reduction/maintenance of CO ₂ emissions directly generated by electricity generation plant	3%	1.01	3.03%

Item no.	Indicator	Objective	Non-executive BoD members Weight	Degree of Achievement influenced with target established January-December 2023	Non-executive BoD members Weight in degree of fulfilment
3	Fulfilment of gas supply obligation	100% of the contracted gas quantity	3%	1.00	3.00%
4	Customer satisfaction score	minimum 75%	10%	1.33	13.30%
5	Market share	higher than 40%	2%	1.60	3.20%
6	Average number of training hours per employee	minimum 8	3%	1.81	5.43%
7	Number of safety trainings	100% of the employees	3%	1.00	3.00%
8	Total frequency of recorded accidents	maximum 0.8%	4%	1.71	6.84%
9	Rate of independent members in the Board of Directors	higher than 55%	5%	0.93	4.65%
10	Number of BOD meetings	minimum 12	7%	4.33	30.31%
11	Attendance rate at BOD meetings	minimum 90%	6%	1.08	6.48%
12	Number of Audit Committee meetings	minimum 4 per year	6%	3.25	19.50%
13	Rate of women in executive positions	minimum 30%	8%	1.11	8.88%
14	Timely reporting of company performance indicators	full compliance with reporting deadlines	9%	1.00	9.00%
15	Implementation of the National Anti-Corruption System	timely implementation	9%	1.00	9.00%
Degree of fulfilment of non-financial indicators			80%		127.60%
DEGREE OF FULFILMENT OF PERFORMANCE INDICATORS FOR NON-EXECUTIVE BoD MEMBERS			100%		152.18%

In 2023, the degree of fullfilment of performance indicators for non-executive BoD members was 152.18%. Payment of due variable remuneration shall be made following the presentation of this report to the GMS and approval of Company's annual audited Financial Statements.

Details regarding the net remuneration/other benefits for ROMGAZ BoD members - 2023 financial year

Net total remuneration granted to all of Romgaz non-executive BoD members for 2023 financial year was RON 1,131,171 representing exclusively the fixed component, according to point I.3 of this Report.

Estimated net variable remuneration due to all of Romgaz non-executive BoD members for 2023 financial year is RON 902,472 in total.

Item no.	Name and surname	Fixed remuneration (RON)	Granted Variable remuneration (RON)	Estimated Variable remuneration (RON)	Daily allowance (RON)	*travel expenses (RON)
1	Drăgan Dan Dragoș	188,529	0	150,412	684	0
2	Jude Aristotel Marius**	0	0	0	0	0
3	Simescu Nicolae Bogdan	36,037	0	0	0	0
4	Cezar Batog	36,037	0	0	0	0
5	Balazs Botond	188,529	0	150,412	14,609	2,533.45
6	Sorici Gheorghe Silvan	188,529	0	150,412	0	0
7	Virgil Marius Metea	36,037	0	0	0	0
8	Nuț Marius-Gabriel	152,491	0	150,412	684	1,242.40
9	Braslă Răzvan	152,491	0	150,412	0	0
10	Stoian Elena-Lorena	152,491	0	150,412	1,420	0
	TOTAL	1,131,171	0	902,472	17,397	3,775.85

*travel expenses include transportation by private car, parking expenses, other travel expenses.

**during the reporting period, Mr. Jude Aristotel Marius was executive BoD member and also occupied the Deputy CEO position.

b) Romgaz officers/BoD members remuneration

Fixed remuneration

Both for the interim mandates, as well as the for the 4 year term mandates, the amount of the Officer's monthly gross fixed indemnity were approved by the appointing Romgaz BoD Resolutions and comply with the following:

- the regulated limit at Chapter 7 - Chief Executive Officer's remuneration in Romgaz Remuneration Policy¹⁰
- the regulated limit at Chapter 7 - Officers' remuneration, others than the Chief Executive Officer in Romgaz Remuneration Policy¹¹

Variable remuneration

ROMGAZ interim officers did not benefit of the remuneration variable component during the mandate contract.

For the 4 year term mandates, the Officers' remuneration variable component was established by addendums to the mandate contracts, approved by ROMGAZ BoD Resoution and:

- Complies with the limit set by ROMGAZ GMS Resolution approving the financial and nonfinancial performance indicators;¹²
- Complies with ROMGAZ remuneration Policy, Chapter 7 - 7.2. Chief Executive Officer's remuneration;

¹⁰ **6 times** the average of the monthly gross average salary over the last 12 month for work carried out in accordance with the main business registered by ROMGAZ, 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.

¹¹ **Up to 6 times** the average of the monthly gross average salary over the last 12 month for work carried out in accordance with the main business registered by ROMGAZ, 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

¹² **24 fixed monthly allowances** for the Chief Executive Officer and Deputy Chief Executive Officer and up to 12 fixed monthly allowances for the Chief Financial Officer

- Complies with ROMGAZ remuneration Policy, Chapter 7 -7.3. Officers' remuneration, others than the Chief Executive Officer.

The calculation method for variable component of the Officers on mandate contract is identical to the one for nonexecutive BoD members (see above).

The financial and nonfinancial performance indicators and their level of achievement in 2023 are detailed below:

1. Financial Indicators

Item No.	Indicator	Objective	Weight	Degree of Achievement influenced with target established January-December 2023	Weight in degree of fulfilment
1	Revenue	budget (reviewed)	10%	1,02	10,17%
2	EBITDA Margin	minimum 41%	5%	1,91	9,57%
3	Operating expenses RON 1000 operating income	maintain budget level	7,5%	1,13	8,46%
4	Labor productivity (in value units)	Budget recalculated	5%	1,06	5,29%
5	CAPEX	minimum 70% budget	7,5%	0,80	6,00%
6	The ratio between liabilities and EBITDA	<4,5	5%	2,07	10,36%
7	Operating income	budget	5%	1,30	6,51%
8	Dividend payout ratio	minimum provided by the applicable regulations	5%	1,02	5,08%
Degree of fulfilment of financial indicators			50%		61,46%

2. Nonfinancial indicators

Item No.	Indicator	Objective	Weight	Degree of Achievement influenced with target established January-December 2023	Weight
1	Natural gas production decline	maintaining the annual decline of maximum 2.5% as compared to 2022	5%	0,99	4,95%
2	Emissions in the application area 1t	reduction/maintenance of CO ₂ emissions directly generated by electricity generation plant	3%	1,01	3,03%
3	Fulfilment of gas supply obligation	100% of the contracted gas quantity	4,0%	1,00	4,00%
4	Customer satisfaction score	minimum 75%	10%	1,33	13,30%
5	Market share	higher than 40%	4,0%	1,60	6,40%

Item No.	Indicator	Objective	Weight	Degree of Achievement influenced with target established January-December 2023	Weight
6	Average number of training hours per employee	minimum 8	3%	1,81	5,43%
7	Number of safety trainings	100% of employees	3%	1,00	3,00%
8	Total frequency of recorded accidents	maximum 0,8%	3%	1,71	5,13%
9	Number of full-time equivalent employees	minimum 99% of the employees	3%	1,01	3,03%
10	Pay gap rate between female and male employees	Less than or equal to zero	3%	1,00	3,00%
11	Timely reporting of the company's performance indicators	full compliance with reporting deadlines	4%	1,00	4,00%
12	Implementation of the National Anti-Corruption System	timely implementation	5%	1,00	5,00%
Degree of fulfilment of nonfinancial indicators			50%		60,27%
DEGREE OF FULFILMENT OF PERFORMANCE INDICATORS EXECUTIVE BoD MEMBERS/ OFFICERS			100%		121,73%

In 2023 the performance indicators level of fulfillment for the officers/BoD members on mandate was 121,73%. Payment of the variable remuneration due will be made after presentation of this Report to the General Meeting of Shareholders, and approval of the Company's audited Annual Financial Statements.

ROMGAZ officers net remuneration detailed below - 2023 financial year

Total net remuneration of the Company's Officers for 2023 financial year was RON 1,655,649 representing fixed allowance exclusively, according to Chapter I.3.

Estimated net variable remuneration due to the Company's Officers for 2023 financial year is RON 1,827,193 in total.

Item No.	First and last name	Fixed remuneration (RON)	Granted Variable remuneration (RON)	Estimated Variable remuneration (RON)
1	Popescu Răzvan	583,412	0	756,080
2	Jude Aristotel Marius	583,609	0	756,080
3	Trânbițaș Gabriela	488,628	0	315,033
	TOTAL	1,655,649	0	1,827,193

II.2.2. Other rights, in the form of **benefits and/or advantages**, which, according to the law, are not part of the remuneration granted to the BoD members and officers for the performance of the mandate.

Provisions on granting benefits and/or other advantages for the mandate performance are included in the terminated and/or effective contracts of mandate in 2023 financial year. *The categories of benefits and/or other advantages* granted to the BoD members and ROMGAZ Officers represent:

- **For ROMGAZ BoD members:**
 - ✓ settlement of expenses related to the execution of the mandate (accommodation, daily allowance, transportation);
 - ✓ use of logistical support equipment (phone, tablet, laptop, car) needed for the mandate execution;
 - ✓ the right to benefit from a Directors&Officer Liability professional liability insurance, paid by the Company;
- **For ROMGAZ Chief Executive Officer:**
 - ✓ the right to benefit from professional liability insurance, paid by the Company;
 - ✓ the right to benefit from other forms of social and medical insurance;
 - ✓ the right to benefit from holiday leave;
 - ✓ corporate accommodation (including use/maintenance costs)¹³;
 - ✓ using the Company's communication systems (landline, mobile, fax, other electronic communication means);
 - ✓ providing transport for the execution of the mandate away from the main place of execution (car with driver);
 - ✓ payment/settlement of business travel expenses (accommodation, protocol etc.);
 - ✓ payment of business travel allowance, in the amount of 30% of the fixed monthly allowance/working day, as the case may be.
- **For ROMGAZ Deputy Chief Executive Officer:**
 - ✓ the right to benefit from professional liability insurance, paid by the Company;
 - ✓ the right to benefit from other forms of social and medical insurance;
 - ✓ the right to benefit from holiday leave;
 - ✓ corporate accommodation (including use/maintenance costs);
 - ✓ using the Company's communication systems (landline, mobile, fax, other electronic communication means);
 - ✓ providing transport for the execution of the mandate away from the main place of execution (car with driver);
 - ✓ payment/settlement of business travel expenses (accommodation, protocol etc.);
 - ✓ payment of business travel allowance, in the amount of 30% of the fixed monthly allowance/working day, as the case may be.
- **For ROMGAZ Chief Financial Officer:**
 - ✓ the right to benefit from a Directors&Officer Liability professional liability insurance, paid by the Company;
 - ✓ the right to benefit from other forms of social and medical insurance;
 - ✓ corporate accommodation (including use/maintenance costs) or, as the case may be, settlement of accommodation expenses in specialised facilities;
 - ✓ providing transport for the execution of the mandate (taking part in business events in the country/abroad, accommodation, transport, protocol etc.);
 - ✓ ensuring transport for the mandate execution (car with driver);
 - ✓ using the Company's communication systems (landline, mobile, fax, other electronic communication means);
 - ✓ payment/settlement of business travel expenses (accommodation, protocol etc.);
 - ✓ payment of business travel allowance, in the amount of 30% of the fixed monthly allowance/working day, as the case may be.
 - ✓ the right to medical leave, according to law;
 - ✓ the right to benefit from holiday leave.

¹³ The maximum amount approved by Romgaz BoD Resolution for rent and utilities for 2023 is EUR 2,500/net/month

Actual rights granted for the financial year 2023

a) Company's nonexecutive BoD members

In 2023, ROMGAZ nonexecutive BoD member were granted benefits representing *Daily allowance* in the total net amount of RON 17,397 and *Business Travel Expenses* including travel by personal car and other business travel related expenses in the total gross amount of RON 3,775.85.

b) ROMGAZ Officers

The benefits granted to ROMGAZ Officers during 2023 represent:

- Rent expenses: RON 28,339 net
- Utilities expenses: RON 5,010 net
- *Daily allowance*: RON 93,380 net

Status of benefits granted during 2023 is presented bellow:

Item No.	First and last name	Benefits/advantages awarded during 2023 financial year			
		Rent (RON-net amount)	Utilities (RON-net amount)	Daily allowance (RON-net amount)	*Travel expenses (RON-gross amount)
1	Popescu Răzvan	28,339	5,010	25,047	0
2	Jude Aristotel Marius	0	0	47,844	0
3	Trânbițaș Gabriela	0	0	20,489	0
	TOTAL	28,399	5,010	93,380	0

* Travel expenses include transportation by private car, parking fees, other travel expenses.

ROMGAZ BoD members and Officers benefited during 2023 of professional liability insurance, the insurance policy being in the amount of EUR 1,301,694/year, respectively RON 6,466,945.96/year.

II.2.3. Annual change in remuneration, issuers performance and of the average remuneration based on the full-time equivalent of the issuer's employees who are not BoD members and officers, at least not for the past 5 financial years, presented together in a way that allows comparison.

During 2019 - 2023 ROMGAZ BoD members and Officers did not benefit from a variable remuneration either because the performance indicators for the calculation of the variable component related to the 4 year mandates have not been approved, either because the mandates were interim mandates, either, even though the remuneration variable component for 4 year term mandates was approved, the payment thereof will be made in 2024, after the GMS approval of the company's annual audited Financial Statements and the presentation of the annual Report to the Remuneration and Nomination Committee.

During the 5 financial exercises, the total net remuneration granted to ROMGAZ BoD members and Officers is briefly presented bellow:

ROMGAZ BoD members

Year	Average annual remuneration (RON/year)	ROMGAZ average salary (RON/year)	Revenue (RON thousand)		Net Profit (RON thousand)	
			Romgaz Group*	Romgaz	Grup Romgaz*	Romgaz
2019	128,746	70,800	5,080,482	4,924,880	1,089,623	1,046,407
2020	136,167	78,480	4,074,893	3,926,034	1,247,904	1,278,885
2021	149,835	87,972	5,852,926	5,725,214	1,914,987	1,962,509
2022	162,859	93,348	13,359,653	13,071,969	2,546,712	2,531,945
2023	188,529	104,568	9,001,878	8,619,286	2,812,109	2,649,277

* Romgaz Group consists of SNGN Romgaz SA („Company”/„Romgaz”) as parent company and the subsidiaries SNGN Romgaz SA - Natural Gas Underground Storage Subsidiary Depogaz Ploiești SRL (“Depogaz”) and Romgaz Black Sea Limited, both 100% owned by Romgaz

ROMGAZ Chief Executive Officer

Year	Average annual remuneration (RON/year)	ROMGAZ average salary (RON/year)	Revenue (RON thousand)		Net Profit (RON thousand)	
			Romgaz Group*	Romgaz	Romgaz Group*	Romgaz
2019	391,463	70,800	5,080,482	4,924,880	1,089,623	1,046,407
2020	388,577	78,480	4,074,893	3,926,034	1,247,904	1,278,885
2021	415,128	87,972	5,852,926	5,725,214	1,914,987	1,962,509
2022	506,353	93,348	13,359,653	13,071,969	2,546,712	2,531,945
2023	583,412	104,568	9,001,878	8,619,286	2,812,109	2,649,277

* Romgaz Group consists of SNGN Romgaz SA („Company”/„Romgaz”) as parent company and the subsidiaries SNGN Romgaz SA - Natural Gas Underground Storage Subsidiary Depogaz Ploiești SRL (“Depogaz”) and Romgaz Black Sea Limited, both 100% owned by Romgaz

ROMGAZ Deputy Chief Executive Officer

Year	Average annual remuneration (RON/year)	ROMGAZ average salary (RON/year)	Revenue (RON thousand)		Net Profit (RON thousand)	
			Romgaz Group*	Romgaz	Romgaz Group*	Romgaz
2019	0	70,800	5,080,482	4,924,880	1,089,623	1,046,407
2020	118,650	78,480	4,074,893	3,926,034	1,247,904	1,278,885
2021	46,192	87,972	5,852,926	5,725,214	1,914,987	1,962,509
2022	196,195	93,348	13,359,653	13,071,969	2,546,712	2,531,945
2023	583,609	104,568	9,001,878	8,619,286	2,812,109	2,649,277

* Romgaz Group consists of SNGN Romgaz SA („Company”/„Romgaz”) as parent company and the subsidiaries SNGN Romgaz SA - Natural Gas Underground Storage Subsidiary Depogaz Ploiești SRL (“Depogaz”) and Romgaz Black Sea Limited, both 100% owned by Romgaz

ROMGAZ Chief Financial Officer

Year	Average annual remuneration (RON/year)	ROMGAZ average salary (RON/year)	Revenue (RON thousand)		Net Profit (RON thousand)	
			Romgaz Group*	Romgaz	Romgaz Group*	Romgaz
2019	322,317	70,800	5,080,482	4,924,880	1,089,623	1,046,407
2020	15,173	78,480	4,074,893	3,926,034	1,247,904	1,278,885
2021	427,384	87,972	5,852,926	5,725,214	1,914,987	1,962,509
2022	501,177	93,348	13,359,653	13,071,969	2,546,712	2,531,945
2023	488,628	104,568	9,001,878	8,619,286	2,812,109	2,649,277

* Romgaz Group consists of SNGN Romgaz SA („Company”/„Romgaz”) as parent company and the subsidiaries SNGN Romgaz SA - Natural Gas Underground Storage Subsidiary Depogaz Ploiești SRL (“Depogaz”) and Romgaz Black Sea Limited, both 100% owned by Romgaz

It should be noted that, subject to the aforementioned provisions concerning the exclusive granting of remuneration in the form of a fixed allowance, the amount of this allowance also underwent changes, both during a financial year (the situation showing the average annual amount) and for each year of the reference period.

Changes in the amount of the fixed allowance are due exclusively to the change in the reference value for its calculation, respectively *the average gross monthly salary for the activity carried out according to the main activity registered by ROMGAZ, at class level according to the classification of activities in the national economy, communicated by the National Institute of Statistics.*

II.2.4 Any remuneration received from any entity belonging to the same group

Not applicable.

II.2.5. Information on using the possibility to recover the variable remuneration

Not applicable. Pursuant to Chapter I.3. of the Report, in 2023, the variable remuneration was not granted.

II.2.6. Information on contract term, negotiated notice period, amount of damages for unjustified termination of the mandate contract

As stated in Chapter I.3., contracts concluded with ROMGAZ BoD members and officers during the reference period covered the performance of 4-month interim mandates extended by 2 months as well as of permanent 4-year mandates starting on March 16, 2023 for BoD members and on May 16, 2023 for ROMGAZ officers.

During 2023, there were no mandate contracts of ROMGAZ BoD members which were terminated before expiry and consequently no compensations were granted for early termination of a mandate.

Mandate contracts concluded in 2023 with ROMGAZ BoD members and officers provide conditions relating to the notice period and the amount of damages for unjustified termination of the mandate contract as follows:

- *for ROMGAZ BoD members:*
 - ✓ unjustified termination of mandate contract with the right to compensation from the Company;
 - ✓ the Company revokes the Board Member without a prior notification and without owing any damages, taking into account that the mandate is a temporary one¹⁴;
 - ✓ the Director is immediately dismissed by the General Meeting of Shareholders due to the unjustified non-performance of the obligations provided under the Director Agreement or Law¹⁵;
 - ✓ unilateral termination through no fault by sending a prior notice;
 - ✓ termination of mandate contract as a result of the permanent impossibility to exercise the mandate, upon prior notice given to the Company.
- *for ROMGAZ officers:*
 - ✓ unjustified termination of mandate contract with the right to compensation from the Company;
 - ✓ justified termination of mandate contract, effective immediately, without compensation from the Company;
 - ✓ unilateral termination of mandate contract with prior notification to ROMGAZ;
 - ✓ termination of mandate following the definite impossibility to perform/the occurrence of a legal impediment.

In 2023, upon the appointment of ROMGAZ officers for a 4-year mandate, the interim mandate contracts terminated before expiry by mutual agreement, in which case compensations for termination of mandate contract were not granted.

II.2.7. Number of shares and share options granted or offered as well as the main conditions for exercising related rights including the exercising price and date together with any modification thereof. Not applicable.

II.2.8. Considerations justifying any annual bonus scheme or non-monetary benefits. Not applicable.

II.2.9. Additional or early retirement pension schemes. Not applicable.

II.2.10. Information on any deviation from the procedure for the implementation of the Remuneration Policy.

There were no deviations from the implementation of ROMGAZ Remuneration Policy approved by ROMGAZ GMS Resolution during 2023.

To the extent the conditions determined by the interim nature of ROMGAZ BoD members and officers mandate allowed the application of ROMGAZ Remuneration Policy, the Company ensured enforcement of such provisions and of the applicable legal provisions.

¹⁴ Applicable to temporary mandate until 15.03.2023;

¹⁵ Applicable to 4 years mandate beginning 16.03.2023;

III. Conclusions

Pursuant to Law No. 187/2023 amending GEO No. 109/2011 on corporate governance of public companies, AMEPIP (the Agency for Monitoring and Evaluation of Performance of Public Companies) was established, with an important role in monitoring performance of public companies having duties and responsibilities related to establishing, approving and monitoring key performance indicators. To this effect, following operationalization, the Agency will monitor, assess and publish an annual report on the degree of fulfilment of performance indicators for each public company.

Periodic assessment of the performance of mandate contracts and achievement of the objectives set out in the Governance Plan, monitoring the fulfilment status of financial and non-financial performance indicators during the mandate are important for an efficient management and for ROMGAZ performance.

This Remuneration Report is approved by the Board of Directors during the meeting on March 21, 2024 and will be submitted to the annual GMS to vote on.

**CHAIRMAN of
the Nomination and Remuneration Committee**

Annex 1. GMS Resolutions on ROMGAZ BoD member mandates during the reference period

ROMGAZ GMS Resolution	Subject of ROMGAZ GMS Resolution	BoD members appointed pursuant to GMS Resolution
OGMS Resolution No. 7/September 13, 2022	<ul style="list-style-type: none"> • appoint ROMGAZ interim BoD members; • set the term of the interim BoD member mandate to 4 months (September 15, 2022-January 15, 2023); • set the monthly gross fixed allowance for interim BoD members; • approval of the form of mandate contract ; 	Mr. Drăgan Dan Dragoș Mr. Jude Aristotel Marius Mr. Batog Cezar Mr. Simescu Nicolae Bogdan Mr. Balazs Botond Mr. Sorici Gheorghe Silvian Mr. Metea Virgil Marius
OGMS Resolution No. 5/March 14, 2023	<ul style="list-style-type: none"> • extend of mandates of interim BoD members appointed pursuant to OGMS Resolution No. 7/September 13, 2022, by 2 months from the date of expiry (January 15, 2023 - March 15, 2023); • approve the form of addendum to the mandate contract regarding extension of the term; 	Mr. Drăgan Dan Dragoș Mr. Jude Aristotel Marius Mr. Batog Cezar Mr. Simescu Nicolae Bogdan Mr. Balazs Botond Mr. Sorici Gheorghe Silvian Mr. Metea Virgil Marius
OGMS Resolution No. 5/March 14, 2023	<ul style="list-style-type: none"> • select the BoD members starting with March 16, 2023; • set the mandate term of appointed BoD members to 4 (four) years; • set the monthly gross fixed allowance; • approve the form of mandate contract; 	Mr. Drăgan Dan Dragoș Mr. Jude Aristotel Marius Mr. Nuț Marius-Gabriel Mr. Brasla Răzvan Mr. Sorici Gheorghe Silvian Mr. Balazs Botond Ms. Stoian Elena-Lorena
OGMS Resolution No. 12/September 11, 2023	<ul style="list-style-type: none"> • approve the financial and non-financial performance indicators resulting from the Governance Plan; • approve the annual variable component of remuneration of non-executive BoD members; • approve the addendum to the mandate contract of BoD members, with the following subject: <ul style="list-style-type: none"> ➢ financial and non-financial performance indicators of BoD members; ➢ targets of financial and non-financial performance indicators of BoD members; ➢ the amount of the variable component of BoD members remuneration; ➢ the period for which the variable component is granted; • approve the monthly fixed allowance limit for executive BoD members and officers; • approve the limit of the annual variable component of executive BoD members and officers remuneration. 	N/A

ROMGAZ GMS Resolution	Subject of ROMGAZ GMS Resolution	BoD members appointed pursuant to GMS Resolution
OGMS Resolution No. 15/November 27, 2023	<ul style="list-style-type: none"><li data-bbox="424 365 1091 483">approval of the addendum to the mandate contract of BoD members covering the correction of errors identified in Annex 1 to the Addendum approved by OGMS Resolution No. 12/September 11, 2023;	N/A

Annex 2. ROMGAZ BoD Resolutions on BoD member mandates during the reference period

ROMGAZ GMS Resolution	Subject of ROMGAZ BoD Resolution	Mandate term/period
Chief Executive Officer		
Resolution No. 78/November 23, 2022	<ul style="list-style-type: none"> Appoint the Chief Executive Officer - Răzvan Popescu; Set the mandate term of the Chief Executive Officer; Set the monthly gross fixed allowance; 	4-month interim mandate: December 18, 2022 - April 18, 2023
Resolution No. 85/December 20, 2022	<ul style="list-style-type: none"> Approve the mandate contract of the Chief Executive Officer - Răzvan Popescu; 	N.A.
Resolution No. 32/March 23, 2023	<ul style="list-style-type: none"> Extend the mandate of the Chief Executive Officer - Răzvan Popescu; Conclude the addendum to the mandate contract on the extension of the term; 	Extension of mandate term by 2 months: April 19, 2023 - June 19, 2023
Resolution No. 55/May 15, 2023	<ul style="list-style-type: none"> Appoint the Chief Executive Officer - Răzvan Popescu; Set the mandate term of the Chief Executive Officer; Set the monthly gross fixed allowance; Approve the mandate contract; 	4-year mandate: May 16, 2023 - May 16, 2027
Resolution No. 57/May 16, 2023	<ul style="list-style-type: none"> Approve the conclusion of the addendum to the interim mandate contract of the Chief Executive Officer on the termination of the interim mandate contract by mutual agreement of the parties starting on May 16, 2023; 	N.A.
Resolution No. 87/September 19, 2023	<ul style="list-style-type: none"> Approve the conclusion of the addendum to the mandate contract of Chief Executive Officer on financial and non-financial performance indicators (approved pursuant to OGMS Resolution No. 12/September 11, 2023) used to set and grant the variable component of remuneration of Chief Executive Officer, the amount of the variable component of remuneration, the calculation and payment method thereof; 	N.A.
Resolution No. 115/December 19, 2023	<ul style="list-style-type: none"> Approve the conclusion of the addendum to the mandate contract of Chief Executive Officer on the modification of financial and non-financial performance indicators (approved pursuant to OGMS Resolution No. 12/September 11, 2023); 	N.A.
Deputy Chief Executive Officer		
Resolution No. 78/November 23, 2022	<ul style="list-style-type: none"> Appoint the Deputy Chief Executive Officer - Aristotel Marius Jude; Set the mandate term of the Deputy Chief Executive Officer; Set the monthly gross fixed allowance; 	4-month interim mandate: December 18, 2022 - April 18, 2023
Resolution No. 85/December 20, 2022	<ul style="list-style-type: none"> Approve the mandate contract of the Deputy Chief Executive Officer - Aristotel Marius Jude; 	N.A.
Resolution No. 33/March 23, 2023	<ul style="list-style-type: none"> Extend the mandate of the Deputy Chief Executive Officer - Aristotel Marius Jude; Conclude the addendum to the mandate contract on the extension of the term; 	Extension of mandate term by 2 months: April 19 2023 - June 19, 2023
Resolution No. 55/May 15, 2023	<ul style="list-style-type: none"> Appoint the Deputy Chief Executive Officer - Aristotel Marius Jude; 	4-year mandate: May 16, 2023 - May 16, 2027

ROMGAZ GMS Resolution	Subject of ROMGAZ BoD Resolution	Mandate term/period
	<ul style="list-style-type: none"> Set the mandate term of the Deputy Chief Executive Officer; Set the monthly gross fixed allowance; Approve the mandate contract; 	
Resolution No. 57/May 16, 2023	<ul style="list-style-type: none"> Approve the conclusion of the addendum to the interim mandate contract of Deputy Chief Executive Officer on the termination of the interim mandate contract by mutual agreement of the parties starting on May 16, 2023; 	N.A.
Resolution No. 87/September 19, 2023	<ul style="list-style-type: none"> Approve the conclusion of the addendum to the mandate contract of Deputy Chief Executive Officer on the financial and non-financial performance indicators (approved by OGMS Resolution No. 12/September 11, 2023) used to set and grant the variable component of remuneration of Deputy Chief Executive Officer, the amount of the variable component of remuneration, the calculation and payment method thereof; 	N.A.
Resolution No. 115/December 19, 2023	<ul style="list-style-type: none"> Approve the conclusion of the addendum to the mandate contract of Deputy Chief Executive Officer on the modification of financial and non-financial performance indicators (approved by OGMS Resolution No. 12/September 11, 2023); 	N.A.
Chief Financial Officer		
Resolution No. 85/December 20, 2022	<ul style="list-style-type: none"> Appoint the Chief Financial Officer - Gabriela Trânbițaș; Set the mandate term of the Chief Financial Officer; Set the monthly gross fixed allowance; 	4-month interim mandate: December 20, 2022 - April 20, 2023
Resolution No. 90/December 29, 2022	<ul style="list-style-type: none"> Approve the mandate contract of the Chief Financial Officer - Gabriela Trânbițaș; 	N.A.
Resolution No. 34/March 23, 2023	<ul style="list-style-type: none"> Extend the mandate of the Chief Financial Officer - Gabriela Trânbițaș; Conclude the addendum to the mandate contract on the extension of the term; 	Extension of mandate term by 2 months: April 21, 2023 - June 21, 2023
Hot. nr. 55/15 mai 2023	<ul style="list-style-type: none"> Numire Director Economic - Gabriela Trânbițaș; Stabilire durată mandat Director Economic; Stabilire indemnizație fixă brută lunară; Aprobare contract de mandat; 	4-year mandate: May 16, 2023 - May 16, 2027
Resolution No. 57/May 16, 2023	<ul style="list-style-type: none"> Approve the conclusion of the addendum to the interim mandate contract of Chief Financial Officer on the termination of the interim mandate contract by mutual agreement of the parties starting on May 16, 2023; 	N.A.
Resolution No. 87/September 19, 2023	<ul style="list-style-type: none"> Approve the conclusion of the addendum to the mandate contract of Chief Financial Officer on the financial and non-financial performance indicators (approved by OGMS Resolution No. 12/September 11, 2023) used to set and grant the variable component of remuneration of the Chief Financial Officer, set the amount of the variable component of remuneration, the calculation and payment method thereof; 	N.A.
Resolution No. 115/December 19, 2023	<ul style="list-style-type: none"> Approve the conclusion of the addendum to the mandate contract of the Chief Financial Officer on the modification of the financial and non-financial performance indicators (approved pursuant to OGMS Resolution No. 12/September 11, 2023); 	N.A.