

**ARTICLES OF INCORPORATION**  
**of S.N.G.N. ROMGAZ S.A.**  
***Filiala de înmagazinare gaze naturale DEPOGAZ PLOIESTI SRL***

S.N.G.N. "ROMGAZ" - S.A is a Romanian legal entity, having its registered headquarters in Medias, C.I. Motas Square, no. 4, Sibiu County, registered with Trade Registry of Sibiu Court of Law under number J32/392/2001, Sole Registration Number RO 14056826, represented by Mr. Volintiru Constantin Adrian, Romanian citizen, born on March 31, 1967 in Bucharest, domiciled in Bucharest, Mihail Sebastian St., no. 11, S30 bulding, Entry C, app. 69, Sector 5, holder of Identity Card series EP No. 003167 issued by DEPABD on January 12, 2012, personal identification number 1670331434515, acting as CEO according to Board of Director Resolution no. 45/Octomber 01, 2018.

*Of my voluntary decision and without any coercion or undue influence whatsoever I decided to establish a company in Romania under the following terms and conditions:*

**CHAPTER 1**  
**LEGAL FORM OF BUSINESS, NAME, DURATION, HEADQUARTERS**

**ARTICLE 1.1 Form of Business**

The company is a limited liability company having a sole owner, Romanian legal person, performing its activity under the Romanian law and this Articles of Incorporation.

Any change to the form of business shall be made only by decision of the sole owner, in accordance with the legal conditions and procedures.

The company holds rights and obligations and is liable in relation to third parties to the extent of its entire patrimony.

**ARTICLE 1.2 Name**

The undersigned establishes a company whose name is **SNGN ROMGAZ S.A. - FILIALA DE ÎNMAGAZINARE GAZE NATURALE DEPOGAZ PLOIESTI SRL** (*Underground Gas Storage Subsidiary*), according to the company name availability proof no. 2634 dated January 27, 2015 issued by the Trade Registry Office of Sibiu Court of Law.

The name, form of business, headquarters, trade registry number, sole registration number and share capital must be used on all documents – invoices, offers, orders, tariffs, prospects

and any other document used for commercial activity – issued by the company, except for fiscal receipts issued by electronic cash register, which shall bear the elements provided by the applicable legislation.

In case the company makes its own webpage, such information shall be published on the company's website.

Any change in the company's name is made only by the decision of the sole owner and only after the company name availability has been previously cleared.

#### **ARTICLE 1.3                      TERM**

The company's term of operation is undetermined.

#### **ARTICLE 1.4                      HEADQUARTERS**

The company's headquarters is in Ploiesti, Str. Ghe. Gr. Cantacuzino, no. 184, Prahova County.

By the sole owner's voluntary decision, the headquarters may be changed to any other place, in compliance with the applicable legal publicity and procedural provisions.

The company may establish secondary work locations at any other address, in any other places in Romania and abroad based on the sole owner's resolution, in compliance with the applicable legal provisions.

### **CHAPTER II SCOPE OF ACTIVITY**

#### **ARTICLE 2.1**

The company's scope of activity is:

- the main scope of activity is "Support activities for petroleum and natural gas extraction" corresponding to NACE Group 091

**main activity:**

- support activities for petroleum and natural gas extraction corresponding to NACE code 0910

**secondary activities:**

NACE code 5210 – Warehousing and storage

NACE code 7022 - Business and other management consultancy activities

NACE code 4221 – Construction of utility projects for fluids;

NACE code 7112 – Engineering activities and related technical consultancy;

NACE code 4321 – Electrical installation;

NACE code 7120 – Technical testing and analysis, including for natural gas;

NACE code 2562 – General mechanics operations;

NACE code 5224 – Handling activities

#### **ARTICLE 2.2**

For carrying out its scope of activity the company shall pay the taxes and commissions provided by the legislation in force. The company's scope of activity may be changed, either by extension or restraining, according to the sole owner's decision.

## **CHAPTER III SHARE CAPITAL, SOCIAL SHARES**

### **ARTICLE 3.1**

The subscribed and paid share capital of the company is RON 66,056,160 split into 6,605,616 social shares having a nominal value of RON 10/social share belonging entirely to the sole owner.

### **ARTICLE 3.2**

The share capital may be changed by the sole owner's decision, in compliance with the applicable legal provision.

### **ARTICLE 3.3**

The reduction of share capital may be made only after two months from the date the resolution was published in the Official Gazette of Romania, Part IV. Any creditor may raise objections within the term provided under article 62 par. (1) of Law no. 31/1990 on companies, as amended from time to time.

### **ARTICLE 3.4**

By the sole owner's resolution, the share capital may be increased in kind or in cash contributions. In case the increase of share capital is made by in kind contribution, the sole owner shall dispose an expertise for the assessment of the movable or immovable good. The newly issued social shares shall be entirely subscribed, free of any encumbrances.

### **ARTICLE 3.5**

The social obligations are guaranteed with the company's patrimony and shall not be encumbered by any liens or other personal obligations, and are indivisible. The sole owner is liable up to the amount of money representing the social shares it holds.

### **ARTICLE 3.6**

The partial or total assignment of social shares to third parties may be made by the sole owner's decision.

The assignment of social shares is recorded with the trade registry and with the company's shareholder's registry.

In order to be binding upon the company and third parties the assignment documents must be published in the Official Gazette of Romania, Part IV and recorded with the trade registry.

## **CHAPTER IV SOLE OWNER**

### **ARTICLE 4.1**

The sole owner has the following duties:

- To approve the annual financial statement, to allocate the profit, and to establish the company's global limits of indebtedness;
- To appoint, to revoke and to discharge from implementation the directors, and to decide and contract financial audit services, when such is not mandatory under the law;
- To amend the articles of incorporation;
- Any other duties as sole owner provided under the applicable legislation.

#### **ARTICLE 4.2**

The sole owner will ensure compliance with the following requirements, in order to comply with the mandatory terms and conditions provided under Art. 141 of Electric Power and Natural Gas Law 123/2012:

- the persons in charge with the management of the company shall not be members of the sole owner structures in charge for direct or indirect coordination of gas production and supply activity;
- the sole owner will provide conditions required for the persons in charge with company's management to act independently;
- the company will have decision making authority independent of the sole owner in relation to the assets required for operation and development of UGS facilities;
- the sole owner shall not give instructions to the company in relation to the management of current operations, nor to the particular decisions related to construction of upgrade/revamping of the UGS facilities which do not exceed the approved financial plan or any other equivalent document;
- the company shall prepare a conformity program, containing the measures to guarantee ruling-out the discriminatory practices and shall set specific obligations for the employees for achieving the independence objective.
- the company shall appoint a person /entity as conformity agent to properly monitor the compliance with the conformity program and shall submit to the competent authorities in December, every year, a report on the measures taken, report that will be published on the company's website.

### **CHAPTER V COMPANY'S GOVERNANCE OF BUSINESS**

#### **ARTICLE 5.1**

The company's directors shall be selected and appointed by the sole owner, in compliance with the law.

#### **ARTICLE 5.2**

The Board of Directors of S.N.G.N. ROMGAZ S.A. – Filiala de Înmagazinare Gaze Naturale Depogaz Ploiești SRL- shall be governed by 5 (five) persons, out of which one is appointed as Chairman of the Board of Directors, and they are selected under the GEO no. 109/2011 on the corporate governance of public companies.

### **ARTICLE 5.3**

The Board of Directors shall perform all acts that are required and useful to achieve the scope of business of S.N.G.N. ROMGAZ S.A. – Filiala de Înmagazinare Gaze Naturale Depogaz Ploiești SRL and convenes as often as it is necessary, but at least every three months.

### **ARTICLE 5.4**

The directors will exercise their competencies together, and such competencies can be delegated, provided they are not under the exclusive competence of the directors.

### **ARTICLE 5.5 Organization of the Board of Directors**

1. The Board of Directors elects from its members the Chairman of the Board. The Board of Directors may revoke the mandate of the Chairman at any time.
2. No person shall serve simultaneously as Chairman of the Board of Directors and manager of the Company, or exercise both the mandates of Chairman of the Board of Directors and manager of the Company.
3. When the Chairman of the Board is temporarily unable to fulfil his/her duties, the Board of Directors may appoint another Director to exercise the mandate of the Chairman of the Board.
4. For the time period when there are no appointed Chairman and/or a Chairman substitute or, even if appointed, they are not able to exercise the Chairman's mandate, such mandate shall be exercised by the eldest member of the Board who is able to exercise such mandate, as Chairman substitute.
5. All references herein to the Chairman of the Board of Directors shall also mean his/her substitute, to the extent the latter exercises the Chairman's mandate.
6. The Board of Directors shall appoint a Secretary who shall fulfil the registry and secretary works in connection with the Board's activity and shall support its activity.
7. The mandate of a Director and the mandate of the Chairman of the Board shall commence on the date provided in the appointment resolution or, in case such is not stipulated, on the first day following the resolution of appointing the person in charge with exercising the mandate of Director or Chairman of the Board of Directors, as the case may be.
8. The Director's mandate shall terminate upon its expiry, when revoked, upon his or her resignation, or for any other grounds of termination as provided by law, this Articles of Incorporation or the mandate contract.
9. The mandate of the Chairman of the Board of Directors shall terminate upon its expiry, when revoked, upon his or her resignation, and in all cases of termination of a Director's mandate.
10. The position of Director or Chairman of the Board of Directors becomes vacant upon termination of the mandate of Director or Chairman of the Board, as the case may be.
11. Vacancy of the positions of Director or Chairman of the Board shall be established by resolution of the Board of Directors.

12. When the position of Director becomes vacant before the expiry of the mandate, the newly appointed Director's mandate term shall be equal with the remaining term of its predecessor's mandate.
13. In case the Sole Owner decides on supplementing the number of Board members, the mandate duration of the first Directors appointed in the supplemented positions shall equal the remaining duration of the ongoing mandates as of the date of supplementing the number of Board members.
14. Appointment of a Director shall not be valid unless such person expressly acknowledges such appointment within 15 days of the appointment resolution or the date she or he has taken note of the appointment resolution, by written statement, submitted to the subsidiary.
15. Resignation of the mandate as Director or Chairman shall be notified to the Board of Directors by at least 30 days prior to the date intended to vacate the position by resignation, under the penalty of payment of compensation.
16. The Board of Directors delegates its competencies of governing the subsidiary to one or more managers appointing one of them as General Manager.
17. The Board of Directors shall have the following basic competencies that shall not be delegated to managers:
  - a. Establishing the subsidiary's core business and the development directions;
  - b. Approval of the subsidiary's Management Plan;
  - c. Establishing the accounting policies, the financial control system and the approval of financial planning;
  - d. Appointment and dismissal of the managers, including the General Manager and establishment of their remuneration;
  - e. Supervising the managers' activity;
  - f. Drafting the Board of Directors annual report;
  - g. Organising the General Shareholders Meetings and implementing its resolutions;
  - h. Filing requests for initiating proceedings to prevent insolvency and the subsidiary's insolvency;
  - i. drafting rules regarding its own activity, the General Shareholders Meetings and rules for the advisory committees and managers in compliance with legal provisions and these Articles of Incorporation;
  - j. Establishing or dissolution of secondary offices;
  - k. Other competencies of the Board of Directors that cannot be delegated in accordance with the law.
18. The General Manager shall be responsible for taking all measures relating to the management of the Company, within the scope of the Company's activity and in compliance with the exclusive competencies of the Board of Directors and of the General Meeting.

**ARTICLE 5.6 The Chairman of the Board of Directors shall have the following competencies:**

- a. To chair the General Meeting of Shareholders;
- b. To convene, establish the agenda and chair the Board of Directors meetings;

- c. To coordinate the Board of Directors activity;
- d. To supervise the activity of Company bodies;
- e. To represent the Board of Directors in the relationship with the managers of the Company;
- f. Other competencies provided by law or herein;

#### **ARTICLE 5.7 Convening the Board of Directors Meetings**

1. Meetings of the Board of Directors shall be convened by the Chairman: *ex officio*, upon the reasonable request of at least 2 Directors or upon the General Manager's request.
2. If a meeting of the Board of Directors is convened by Directors or by the Director General, the agenda shall be established by the requestors, and the Chairman shall have to comply with the request.
3. Meetings of the Board of Directors are usually held by meeting in person of the Directors at the registered office of the Company or in another location established by the convening notice.
4. Meetings of the Board of Directors may be also held by conference call or videoconference, under the terms established by the resolution of the Board of Directors.
5. The convening notice shall include the venue by indicating the address, the date, time and location of the meeting, the agenda and how voting rights may be exercised.
6. In the case provided at paragraph (5), the convening notice shall include the date and time of the meeting, the agenda, how the communication is to be made, and how the voting rights may be exercised.
7. The convening notice accompanied by materials related to the items on the agenda shall be submitted to the Directors not later than 5 days prior to the date set for the meeting of the Board of Directors.
8. The Board of Directors, while convened, may adopt resolutions on issues that are not included on the agenda proposed in the convening notice only in exceptional situations, justified by the emergency nature of such situation and by the Company's interest. The Board of Directors shall decide whether the exceptional nature of such situation and the Company's interest require adoption of resolutions during the respective meeting.
9. In exceptional situations, justified by the emergency nature and the Company's interest, the Board of Directors may take decisions by unanimous vote expressed in writing by the Directors even without convening a meeting. The Chairman of the Board of Directors shall decide whether the exceptional nature of such situation and the Company's interest require adoption of resolutions in writing without convening a meeting.

#### **ARTICLE 5.8 – Meetings of the Board of Directors**

1. Board meetings shall be chaired by the Chairman.



2. The Directors shall have to be present and participate actively in the meetings of the Board of Directors.
3. No decision shall be valid unless taken in a meeting where the majority of the Board members are present and with the majority of the valid casted votes.
4. Votes in the meetings of the Board of Directors may be casted directly or by representative.
5. Vote by representative may not be casted unless the representative is another Director under a special mandate.
6. For voting purposes, a Director may represent only one absent Director.
7. The direct vote may be casted by correspondence or by electronic means, under the conditions set by the resolution of the Board of Directors.
8. Each Director has the right to cast a single vote, directly or by representative, when a decision is taken by the Board of Directors.
9. In case of parity of votes, the Chairman's vote is decisive.
10. If in a certain business a Director has, directly or indirectly, an interest contrary to the Company's interests, the Director shall inform the other Directors and the Company's internal auditor, and he/she shall not take part in any deliberation related to such business. Such Director shall have the same obligation in case he/she is aware that, for a certain business, his/her husband/wife, relatives or in-laws up to the 4<sup>th</sup> degree inclusively are interested in such business.

**ARTICLE 5.9** - The Board of Directors shall have the following basic competencies but shall not be limited to:

- Establishes the core business and the development directions of the subsidiary;
- Verifies the internal control/management system
- Implements of accounting policies and performs the financial planning;
- Appoints and dismisses the managers and establishes their remuneration;
- Approves of the subsidiary management plan;
- Drafts the Board of Directors annual report
- Other competencies of the Board of Directors that cannot be delegated in accordance with the law.

**ARTICLE 5.10**

By the due care of the directors, the company must keep the statutory books of the company providing the owner's name and surname, the domicile, the contribution to the company's share capital, the transfer of social shares or any other changes with respect therefore.

The director/directors is/are liable to the company for:

- accuracy of payments;
- the actual availability of paid dividends;
- existence of books required by law and their accurate keeping;
- accurate fulfilment of the sole owner's resolutions;
- strict fulfilment of duties imposed by the law and by the Articles of Incorporation;



**ARTICLE 5.11**

The company's representation and governance is carried out by the directors together with the duties set by the sole owner.

**ARTICLE 5.12**

The company is governed for a period of 4 years, by full representation and governance powers.

**ARTICLE 5.13**

The Director's rights and obligations, as well as the incompatibility conditions, shall be provided in the Director's Agreement concluded with the company, in these Articles of Incorporation and in the applicable law on public companies.

**ARTICLE 5.14**

The Directors shall perform all the required and useful acts in order to fulfil the scope of activity of the company, except for those under the sole owner's powers as provided by the law.

**CHAPTER VI  
COMPANY'S ACTIVITY**

**ARTICLE 6.1**

The financial year starts on January 1 and ends on December 31 of each year. The first financial year shall commence on the company's establishment date.

**ARTICLE 6.2**

The company's personnel shall be employed in compliance with the applicable law.

**ARTICLE 6.3**

The company shall prepare financial statements and the profit and loss account and shall keep the company's accounting records according to the legal provisions.

**ARTICLE 6.4**

The company's profit is set in the annual financial statement approved by the sole owner.

**ARTICLE 6.5**

The company shall contract audit services in accordance with the applicable law.

**CHAPTER VII  
COMPANY DISSOLUTION AND WINDING-UP**

**ARTICLE 7.1**

The following effects the winding up of the company:

- expiration of the company's term;
- impossibility to fulfil the company's scope of activity or its fulfilment;
- the company is declared null;
- the sole owner's resolution;
- court resolution;
- bankruptcy;
- other causes provided by law.

#### **ARTICLE 7.2**

The company's dissolution, before the expiration of its term produces effects in relation with third parties only after the 30 days from the publishing in the Official Gazette of Romania Part IV.

#### **ARTICLE 7.3**

The dissolution and winding-up of a company with sole owner is made according to Company Law 31/1990 as amended from time to time.

### **CHAPTER VIII LITIGATION**

#### **ARTICLE 8.1**

The litigation between the company and legal or natural persons fall within the competence of courts of law.

#### **ARTICLE 8.2**

The litigation of the company arising from contracts concluded with legal or natural persons shall be settled by the competent court by applying the material Romanian law.

#### **ARTICLE 8.3**

The litigations of employees rising from labour relationships is settled in accordance with the Romanian labour-related legislation in force.

### **CHAPTER IX FINAL PROVISIONS**

#### **ARTICLE 9.1**

Provisions of these Articles of Incorporation will be supplemented by the applicable provisions of the Civil Code, Labour Code, Company Law no. 31/1990 as amended from time to time, and in the civil legislation in force.

**ARTICLE 9.2**

These Articles of Incorporation enter into force upon its signing by the sole owner and upon the company's award of legal personality, according to the law, representing the company's articles of incorporation.

**SOLE OWNER  
S.N.G.N. ROMGAZ S.A.  
Volintiru Constantin Adrian  
CEO**