



ROMGAZ

Societatea Națională de Gaze Naturale Romgaz S.A. - Mediaș - România



CURRENT REPORT

In compliance with Law no. 24/2017 regarding Issuers of Financial Instruments and Market Operations and F.S.A. Regulation no. 5/2018

Report date: **October 18, 2018**

Company name: **Societatea Nationala de Gaze Naturale ROMGAZ S.A.**

Address: **Medias, 4 Constantin I. Motas Square, Sibiu County - Romania, 551130**

Phone/fax no: **004-0269-201020 / 004-0269-846901**

Fiscal Code: **RO14056826**

LEI Code: **2549009R7KJ38D9RW354**

Trade Register registration number: **J32/392/2001**

Subscribed and paid in share capital: **385,422,400 RON**

Regulated market where the issued securities are traded: **Bucharest Stock Exchange (BVB), London Stock Exchange (LSE)**

Significant event to be reported:

- **Resolution of the Extraordinary General Meeting of Shareholders of S.N.G.N. ROMGAZ S.A. on October 18, 2018 (EGMS)**

The quorum conditions for the EGMS have been fulfilled according to the provisions of Article 15, paragraph 14 from S.N.G.N. ROMGAZ S.A. Articles of Incorporation and of Article 115, paragraph 1 from the Company Law no.31/1990.

Attached:

Resolution no. 12 of the Extraordinary General Meeting of Shareholders of S.N.G.N. ROMGAZ S.A. of October 18, 2018

**Chief Executive Officer,
Constantin Adrian VOLINTIRU**



Capital social: 385.422.400 lei

CIF: RO 14056826

Nr. Ord.reg.com/an : J32/392/2001

RO08 RNCB 0231 0195 2533 0001 - BCR Mediaș

RO12 BRDE 3305 V024 6190 3300 - BRD Mediaș



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RESOLUTION NO. 12/October 18, 2018**of the Extraordinary General Meeting of Shareholders
Societatea Nationala de Gaze Naturale „ROMGAZ” – S.A.**

**Registered office: Mediaș, 4 Constantin Motas square, Sibiu County, Romania,
registered with the Trade Register Office attached to Sibiu Law Court under no.
J32/392/2001, fiscal code RO 14056826**

On October 18, 2018, 2:00 pm (Romania time), the shareholders of Societatea Nationala de Gaze Naturale „ROMGAZ” – S.A., (hereinafter referred to as “the Company” or “ROMGAZ”) have joined at the Extraordinary General Meeting of Shareholders („EGMS”) of „ROMGAZ” at its first convening, at the headquarters of “ROMGAZ”, located in Mediaș, 4 Constantin Motas square, Sibiu County Romania, the conference room, the EGMS being opened by its Chairperson, Mr. Jude Aristotel Marius, as director of the company, authorised by Board of Directors Resolution No 41 from September 10, 2018 to exercise the duties of the Chairperson of the Board of Directors of Societatea Nationala de Gaze Naturale „ROMGAZ” – S.A., for the Extraordinary General Meeting of Shareholders on October 18, 2018.

In accordance with Article 129 of Law no. 31/1990, „ROMGAZ” shareholders appoint Mr. Susanu Nicu-Romeo as EGMS secretary.

Further to the debates, “ROMGAZ” shareholders, issues the following:

RESOLUTION**Article 1**

Approves the increase of share capital of SNGN Romgaz SA – Filiala de Inmagazinare Gaze Naturale Depogaz Ploiesti SRL by contribution in kind, made by the sole shareholder SNGN Romgaz SA, of current assets such as stocks of consumable materials, spare parts and inventory amounting to RON 16,056,160.

Article 2

Approves the issuance of 1,605,616 social shares, with a nominal value of RON 10/share, due to the contribution in kind of the sole shareholder SNGN Romgaz SA.

Article 3

Approves the amount of RON 2.20, representing the difference between the assessed value of stocks and the value of contribution, to be recorded in the reserves registered in the accounting of SNGN Romgaz SA – Filiala de Inmagazinare Gaze Naturale Depogaz Ploiesti SRL.

Article 4

Approves the amendment of Chapter III, SHARE CAPITAL, SOCIAL SHARES – Article 3.1 of the Articles of Incorporation of SNGN Romgaz SA – Filiala de Inmagazinare Gaze Naturale Depogaz Ploiesti SRL, to read as presented in Annex 1, as follows:

„The subscribed and paid share capital of the company amounts to RON 66,056,160, divided into 6,605,616 social shares, having a nominal value of RON 10/social share, held entirely by the sole shareholder.”

Article 5

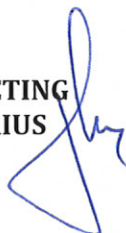
Authorises the Director General of SNGN Romgaz SA to sign the update and the proposed amendments to the Articles of Incorporation of SNGN Romgaz SA – Depogaz Ploiești SRL Natural Gas Underground Storage Subsidiary.

Article 6

Authorises the chairman and the secretary of the meeting to sign the resolution of the Extraordinary General Meeting of Shareholders.

The present Resolution was signed on October 18, 2018, in 4 (four) original copies.

CHAIRMAN OF THE MEETING
JUDE ARISTOTEL MARIUS



SECRETARY OF THE MEETING
SUSANU NICU-ROMEO



**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. Constantin Adrian Volintiru, Romanian citizen, born on March 31, 1967 in Bucharest, domiciled in Bucharest, Mihail Sebastian St., no.11, bl.S30, sc.C, et.1 ap.69, holder of Identity Card series EP No. 003167 issued by D.E.P.A.B.D on January 12, 2012, personal identification number 1670331434515, acting as Director General according to Board of Director Resolution no. 29/14.06.2018.

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

**CHAPTER 1
LEGAL FORM, 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 under the sole owner decision, 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 constitutes a company whose name is **SNGN ROMGAZ S.A. - FILIALA DE ÎNMAGAZINARE GAZE NATURALE DEPOGAZ PLOIESTI SRL** (*Underground Gas Storage Subsidiary*), according to the name availability proof no. 31767 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 field of activity is:

- the main scope of activity is Warehouse and Storage corresponding to NACE Group 521

- main activity:

NACE code 5210 Storage

- Secondary activities:

NACE code 0910 - Support activities for petroleum and natural gas extraction

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 under the legislation in force. The company's scope of activity may be changed, either extension or restraining, according to the sole owner's decision.

CHAPTER III SHARE CAPITAL, SOCIAL SHARES

ARTICLE 3.1

Upon establishment, the subscribed and paid share capital of the company is 66.056.160 lei 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

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

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 and to allocate the profit, and to establish the maximum gearing of the company;
- To appoint, to revoke and to release the directors, and to decide upon contracting 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 necessary conditions for the persons in charge with company 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 membership 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, such are not able to exercise the Chairman's mandate, such mandate shall be exercised by the eldest member of the Board, as Chairman substitute, who is able to exercise such mandate.
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 determined by resolution of the Board of Directors.
12. In case the position of Director becomes vacant before the expiry of the mandate, the newly appointed Director shall continue the 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 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 under the terms and limits provided under the law and these Articles of Incorporation.
17. The Board of Directors shall have the following basic competencies that may not be delegated to managers:
 - a. Establishing the core business and the development directions of the Company;
 - b. Approval of the Company Management Plan;
 - c. Establishing the accounting policies, the internal administration control system as well as approval of financial planning;
 - d. Appointment and dismissal of the managers, including the Director General and establishment of their remuneration;
 - e. Control of managers' activity;
 - f. Preparing the Board of Directors annual report;
 - g. Organising the meetings of the General Meeting of Shareholders, and implementing its resolutions;
 - h. Filing requests for opening proceedings to prevent insolvency and insolvency proceedings of the Company;
 - i. Elaboration of rules regarding the own activity and rules for advisory committees and managers so as not to contravene the provisions of law and these Articles of Incorporation;
 - j. Establishing or dissolution of secondary offices (branches, agencies, branch offices or any other work locations);
 - k. Other competencies of the Board of Directors that cannot be delegated in accordance with the law.
18. Director General 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. Chairs the General Meeting of Shareholders;
- b. Convenes, establishes the agenda and chairs the Board of Directors meetings;
- c. Coordinates the Board of Directors activity;
- d. Overlooks the activity of Company bodies;

- e. Represents 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 Director General'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 and time of the meeting, the agenda and how the 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 emergent 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 their emergent 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 an interest to the contrary to the Company's interests, directly or indirectly, the Director shall have to inform the other Directors and the internal auditor of such, 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 4th 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/managerial system
- Implements of the accounting policies, and establishes the financial planning;
- Appoints and dismisses the managers, and establishes their remuneration;
- Approves of the subsidiary management plan;
- Prepares the Board of Directors annual report
- Control of managers' activity;
- 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 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 within 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 under the Director's Agreement concluded with the company, under these Articles of Incorporation and under 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 upon the date of the establishment of the company.

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. The company will organize the auditor's services in accordance with the applicable law.

CHAPTER VII COMPANY DISSOLUTION AND WINDING-UP

ARTICLE 7.1

The following effect 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 void;
- 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 Law 31/1990 on companies as amended from time to time.

CHAPTER VIII LITIGATION

ARTICLE 8.1

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

ARTICLE 8.2

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

ARTICLE 8.3

The litigation of employees arising from legal relationship of labour 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 contained in the Civil Code, in the Labour Code, in Law no. 31/1990 on companies 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.
Director General
Volintiru Constantin Adrian**