



**REGULATION
FOR THE ORGANIZATION AND OPERATION
OF THE BOARD OF DIRECTORS
ROMPETROL RAFINARE S.A.**

Updated on May 4th, 2022

According to Decision no. 1
Adopted by the Board of Director of Rompetrol Rafinare S.A. on May 4th, 2022



GENERAL PRINCIPLES

By applying for the position of Director of ROMPETROL RAFINARE S.A. (hereinafter referred to as "RRC" or "the Company"), and by accepting the mandate, any person undertakes to perform this mandate in accordance with the following **GENERAL PRINCIPLES**:

Acceptance and performance of the director's mandate gives rise to the obligation to perform all the operations required by the law and the Articles of Incorporation of the Company to carry out the business object of ROMPETROL RAFINARE S.A.

The director's mandate shall be performed with professionalism, good faith, honesty and loyalty to ROMPETROL RAFINARE S.A.

In performing the mandate, directors are obliged to provide to ROMPETROL RAFINARE S.A. all their professional knowledge to contribute to the development and efficiency of the company's activity.

Directors undertake, for the entire duration of their mandate, not to provide for themselves or for a third party any competitive activity in the oil and/or natural gas field and not to hold the position of director or executive director in other competing companies from the above-mentioned business segment, except when such mandate/functions/positions are performed/occupied within KMG International Group member companies.

Directors must perform their obligations and rights in accordance with the legal provisions, in particular those relating to the mandate and the Companies Law No. 31/1990 as updated as well as Law no. 24/2017 on issuers of financial instruments and market operations, republished. In the performance of their duties, the directors shall represent exclusively the interests of ROMPETROL RAFINARE S.A.

Directors acknowledge and accept unconditionally that the confidentiality obligation regarding the data and information concerning ROMPETROL RAFINARE S.A. and its activity, which they acquire in the performance of the mandate, is an essential legal obligation.

Preamble

- a) This Regulation was update unanimously by the members of the Board of Directors on the date of May 4th, 2022, and entered into force, in the updated form, on the date of the approval of the update.
- b) This Regulation supplements the legal provisions that are applicable to the Board of Directors in accordance with the Romanian law and the Articles of Incorporation. If there is any divergence between this Regulation, on the one hand, and the Romanian law and/or the articles of incorporation, on the other hand, the applicable provisions shall prevail in the following order: (i) the Romanian law; (ii) articles of incorporation; (iii) this Regulation.



- c) If one or more of the provisions of this Regulation are or become invalid, this does not affect the validity of the remaining provisions. The Board of Directors may replace invalid provisions with valid provisions, the effect of which, having regard to the content and purpose of this Regulation, is predominantly similar to that of invalid provisions.

CHAPTER I

NOMINATION AND REVOCATION OF THE BOARD OF DIRECTORS

Art. 1.

(1) ROMPETROL RAFINARE is administered in a unitary system by a Board of Directors (hereinafter referred to as "BOD" or "the Board") and is constituted in accordance with the provisions of the Articles of Incorporation of the Company. The Directors are elected by the Ordinary General Meeting of Shareholders (hereinafter "OGMS"), at the proposal of the Board of Directors or the shareholders.

Art. 2.

(1) The director's mandate shall be for a period of 4 years (unless they resign or are revoked by the OGMS prior to the expiration of their mandate), unless the OGMS establishes a lower duration of the mandate with the designation of the director. Upon expiration, the mandate may be renewed unless otherwise provided in the articles of incorporation.

(2) Each director shall expressly accept the performance of the director's mandate.

(3) During the performance of the mandate, the BOD members may be remunerated for this quality with a monthly indemnity established by a decision adopted by the OGMS.

(4) During the mandate, the BOD members may not conclude an employment contract with ROMPETROL RAFINARE. If the directors were nominated from among the Company's employees, their individual employment contract shall be suspended as of the date of acceptance of the mandate, during the performance of the position of director.

Art. 3.

(1) The nomination for a position within the BOD shall contain information on the nominated person such as full name, profession, studies, curriculum vitae etc.

(2) In case of vacancy of one or more of the positions of director, the other directors in the presence of at least 5 (five) members and with the "for" vote of at least 5 directors, shall nominate one or more provisional directors, until the OGMS, which will discuss the election and nomination of new directors on the vacancies.

(3) If the vacancy of a director's mandate determines the decrease of the number of directors under the legal minimum, the remaining directors shall immediately convene the ordinary general meeting of shareholders to fill the number of members of the Board of Directors.



The length of time for which the new member of the Board of Directors is elected to fill the vacancy shall be equal to the remaining time until the expiry of the current mandate of the Board of Directors.

Art. 4.

(1) Each member of the Board of Directors shall submit a declaration of independence based on the criteria set out in Art. 138² par. 2. of the Companies Law No. 31/1990 and a declaration of independence based on the criteria set out in section A.4. of the Corporate Governance Code of the Bucharest Stock Exchange ("BSE") both at the time of his/her nomination for election or re-election and when any change in his/her status occurs, indicating the elements on the basis of which he/she is considered to be independent in character and judgment.

(2) The members of the Board of Directors shall submit to the Company for publishing on the RRC's website the CV and information on executive and non-executive positions held in the board of non-profit companies and institutions. This information should be updated whenever changes occur.

CHAPTER II

ORGANIZATION AND OPERATION

Art. 5.

(1) The Board of Directors consists of 7 members who elect from among themselves the President of the Board.

(2) The President of the Board of Directors shall be elected for a term which may not exceed its director's mandate and may be revoked at any time by the Board of Directors. Except for the clearly defined organizational tasks, the duties, obligations and rights of the BOD President are those established for each member thereof.

(3) The President shall coordinate the work of the Board and report thereon to the General Meeting of Shareholders. It shall supervise the good functioning of the Board, convene it, establish the agenda of the meetings, ensure that the members of the Board are properly informed of the items on the agenda and chair the meetings of the Board.

Art. 6.

(1) The meetings of the BOD shall be held at least every three months and shall be chaired by the BOD President or by a substitute appointed by him.

(2) The meetings of the BOD shall be convened by (i) the BOD President or (ii) at the motivated request of at least two of the directors, who are obliged to indicate the agenda and prepare the materials corresponding to the proposed topics. In the situation referred to at point (ii), the convening and the information/presentation materials shall be submitted to the



President of the Board at least 7 (seven) days before the proposed date for the convening.

- (3) The date, time and place of the next meeting may be established at the previous meeting.
- (4) Meetings shall be usually held at the company's headquarters, or at any place of business or location communicated by the convener.
- (5) The meeting agenda shall be established by the President. If the BOD is convened at the request of at least 2 (two) of its members, the agenda shall include at least the points established by the requesting Directors.

Any director may request that certain issues be included in the agenda. The request to this effect must be submitted to the President by the requesting Director at least 7 (seven) days before the meeting in which the request will be considered. Depending on the nature of the request, the BOD may approve (i) the discussion of additional points in the present meeting; or (ii) the discussion of the points at a later meeting; or (iii) a reasoned refusal to include in the agenda the points requested by the director.

If a director's request to include certain points on the agenda is rejected, the refusal decision must be approved by at least 3 directors.

- (6) In any of the situations referred to in paragraph (1) above, the convening of the BOD meeting shall be transmitted to the members of the Board **at least 3 (three) days before the proposed date for the meeting** by specifying the date, time, place, agenda and presentation materials. The convening of the Board meeting shall be transmitted to each member of the Board in writing, by fax, e-mail or by other legal notification means, to the address, fax number or e-mail address communicated by each BOD member upon taking office or at any later date in the event of any modification, each BOD member having the obligation to immediately notify the BOD Secretary of any changes or updates to its contact details. The notice period shall not include the day of transmission and the day of the meeting.
- (7) The members of the executive management and the internal auditors (if any) shall be convened at the meetings of the Board of Directors at the proposal of the President of the Board of Directors or of other directors.

Art. 7.

- (1) The agenda of the BOD meetings, the proposed date, and the documents submitted to analysis shall be brought to the attention of the BOD members by the RRC BOD Secretary.
- (2) If the agenda contains topics proposed by RRC BOD members, the initiator of each of them must be specified.

Art. 8.

- (1) The BOD actively deliberates in the presence of at least 5 members out of a total of 7 members. By presence is meant both physical presence and intellectual presence by teleconferencing and/or videoconference, as well as correspondence sent by post/courier or



fax, and representation by another BOD member. A BOD member can only represent one other member.

(2) For the adoption of a decision, the proposal must be approved by a simple majority of votes, regardless of the number of directors attending the meeting, subject to the necessary quorum.

(3) Members of the Board of Directors shall have access to any data and information relating to the business of the company, to the extent that they are necessary for the documentation and adoption of informed decisions presented at the meetings in which they participate.

Art. 9.

(1) The BOD may validly deliberate, without fulfilling the convening formalities, if all directors are present and agree with it.

Art. 10.

(1) By way of derogation from Art. 6, the BOD President or at least two directors may propose the adoption of urgent decisions by electronic mail (e-mail) and the BOD members may express their vote in writing within 24 hours of the submission of the request and the possible relevant information and/or documents.

In such cases, the BOD decisions shall be made by written vote of its members, without the need for a meeting of that body.

Art. 11.

(1) The vote of the members of the Board of Directors is open, equal and direct.

(2) The vote of the President of the Board of Directors is decisive, in case of parity, if the President is not the Chief Executive Officer. In case of parity of votes and if the President does not have the decisive vote, the voted proposal shall be deemed rejected.

Art. 12.

(1) In the event that a decision cannot be reached in the BOD meetings on a particular matter under the competence of the BOD, provided that the decision is mandatory, the matter shall be debated and approved by the general meeting of shareholders, who shall decide in this respect.

(2) In such situation, the meeting of the general meeting of shareholders shall be convened within a term to be determined by the BOD, in compliance with the legal procedures in force at that time regarding the convening of the meeting.

Art. 13.

(1) The debates in the BOD meetings are recorded in minutes written by the BOD Secretary.

(2) The minutes shall be signed by the President (or the BOD member acting for president) and by the Secretary.



(3) With the consent of the directors present and/or represented, the audio-video recording of the BOD meeting may be used.

(4) The record of the minutes, as well as the possible audio/video recordings of the sessions, are kept by the BOD secretary and may be consulted by the directors at the Company's headquarters.

Art. 14.

(1) The President of the Board appoints a secretary from among its members or officials and/or lawyers of the Company.

Art. 15

(1) The BOD secretary shall carry out his/her activity in accordance with Law 31/1990 republished, with the subsequent amendments, and with the laws and regulations applicable to the capital market and the BOD decisions and shall have the following duties:

1. To ensure the preparation, organization and conduct of the BOD sessions;
2. To prepare the agenda of the monthly/quarterly meeting on the basis of the draft proposed by the BOD President;
3. To prepare the meeting papers containing the documents submitted for analysis in the BOD meeting and to send the directors an entire set of these documents 3 days before the meeting, except for documents containing confidential information or those whose disclosure may damage the company, which will be made available to BOD members under special conditions; such documents may be made available to the Directors on the day of the meeting before the commencement of the meeting and must be returned to the Secretary immediately after the meeting.
4. To draft the decisions of the Board based on the debates in the BOD meetings;
5. To ensure a viable system for transmitting the BOD decisions to those charged with carrying out the decisions.
6. To monitor the level of accomplishment of the decisions at the due date by informing the BOD President and, where appropriate, the BOD members.

Art. 16.

(1) The remuneration of the members of the Board of Directors or any other advantages may be granted to the directors only in accordance with the decision of the ordinary general meeting of shareholders and the legal provisions in force.



CHAPTER III

DUTIES AND COMPETENCES OF THE BOARD OF DIRECTORS AND OF THE PRESIDENT OF THE BOARD OF DIRECTORS

Art. 17.

The Board of Directors has duties established by Law No. 31/1990 as updated, the Articles of Incorporation of the company, as well as other duties established by the general meetings of shareholders, namely, the following:

- a) To establish the main directions of business activity and development;
- b) To nominate and revoke the directors of the Company and supervise their activity;
- c) To prepare the annual activity report;
- d) To comply with the decisions of the general meetings;
- e) With the exception of the legal acts for the adoption/conclusion of which, according to the mandatory provisions of the law, approval by the General Meeting of Shareholders is necessary, to approve the adoption/conclusion on behalf of the company of legal acts whose object exceeds the value of:
 - i) USD 50.000.000 in the case of legal acts relating to the supply of crude oil and the distribution of refined products;
 - ii) USD 20.000.000 in the case of legal acts concerning other than crude oil supply and the distribution of refined products, approval of participation in the setting up of companies with a contribution exceeding this limit, other documents with patrimonial content exceeding this limit;
- f) To approve the organizational structure of the company;

Art. 18.

The duties of a member of the Board of Directors, who also fulfills, if applicable, the position of Chief Executive Officer, in addition to those resulting from his/her duties as a director, are as follows:

1. Ensures and is responsible for conducting the economic and financial activity of the Company for both the direct duties and those entrusted to the executive directors;
2. Has full powers to represent the Company in acts of a non-patrimonial nature and is empowered to sign with full legal effect in the name and on behalf of the Company, representing and engaging the Company in relations with third parties, natural persons, legal entities or authorities within the limits of the mandate entrusted by the Company. If the company engages in acts of a patrimonial nature, the representation of the Company is delegated, in accordance with the provisions of art. 143 of Law 31/1990 on commercial companies, to the Chief Executive Officer and the Chief Financial Officer. The Chief Executive Officer is responsible for taking all measures related to the management of the Company, within the scope of the Company's business object and in compliance with the exclusive competences reserved by the law or by the Incorporation Articles to the Board of Directors and the General Meeting of Shareholders.
3. Coordinates and monitors the implementation of development strategies and policies set by the Board of Directors;



4. Draws up and amends the organizational chart of the company and submits it periodically to the approval of the Board of Directors;
5. Complies with the reporting requirements established by the Financial Supervisory Authority and of the regulated market on which the securities issued by the company are traded and draws up and signs the current reports required by the applicable law;
6. Solves any other matter which the Board of Directors has established.
7. Ensures that the Company complies with all the reporting and transparency obligations established by Law No. 24/2017 on Issuers of Financial Instruments and Market Operations, republished, Law No. 297/2004 on the capital market, Law No. 31/1990 on commercial companies, regulations, instructions, decisions issued by the Financial Supervisory Authority and/or the Bucharest Stock Exchange.

CHAPTER IV

OBLIGATION OF CONFIDENTIALITY

Art. 19.

- (1) By accepting the mandate of ROMPETROL RAFINARE SA director, each member of the Board of Directors undertakes to observe the loyalty and confidentiality obligations regarding any information, data, acts and/or facts concerning the activity performed by ROMPETROL RAFINARE SA, of which the member became aware in performing the duties of director.
- (2) The obligation of confidentiality also subsists after the termination of the position of director of the Company.
- (3) Directors are relieved of responsibility for the confidentiality obligation if the confidential information and privileged information they have access to become public by other legal means.

CHAPTER V

CONSULTATIVE COMMITTEES

Art. 20.

- (1) The Audit Advisory Committee is formed within the RRC Board of Directors and consists of only non-executive directors. At least one member of the Audit Committee must have experience in applying accounting principles or financial audit.
- (2) The Audit Advisory Committee shall perform the duties provided for within this Committee's remit by the legislation governing the statutory audit of the financial statements. The Audit Committee should consist of three members and the majority of members should be independent. The Audit Committee assists the Board of Directors in fulfilling its responsibilities



regarding the integrity of the Company's financial statements, the financial reporting process, the internal control and risk management system, the internal and external audit process, the internal and external auditor's qualifications and independence, and the process of monitoring compliance with laws and regulations and any code applicable to the Company.

(3) The Advisory Committees (e.g., the Nomination and Remuneration Committee) other than those mentioned in paragraph (2) above, which may be constituted by the Board of Directors, shall consist of at least 2 (two) members of the Board and at least one member of each Advisory Committee should be a non-executive director. The actual number of members of each Advisory Committee shall be determined by decision of the Board of Directors.

(4) Each of the advisory committees set up within the RRC Board of Directors shall draw up its own rules of organization and operation which shall be subject to the approval of the RRC BOD.

(5) The Board of Directors shall decide on the additional duties of the Audit Committee as well as on the duties of the other Advisory Committees which it establishes.

(6) Each Advisory Committee shall have a Chair and a designated secretary from among the RRC employees with duties in the field of activity of the respective committee. The Chair of the Audit Committee must be an independent non-executive member.

(7) The Advisory Committees are in charged with conducting investigations and drafting recommendations for the Board of Directors in the fields of activity and shall regularly report to them on their work.

(8) At the proposal of the chairs or members of the Advisory Committees, the Board of Directors may approve the co-operation of permanent independent external experts, natural or legal persons, specialists in the fields of activity of the Consultative Committees, and assisting their members in their work, as well as the remuneration of these experts.

CHAPTER VI

LIMITS OF THE MANDATE. LIABILITY OF DIRECTORS

Art. 21.

(1) In the performance of their mandate, the directors who, in an operation, have a direct or indirect interest in the Company or in an operation are aware that their spouse or relatives or affiliates up to the fourth degree inclusive are interested, must notify the other directors and auditors accordingly and not take part in any deliberations concerning the operation. The director who fails to comply with these provisions is responsible for the damage accrued to the Company.



- (2) The Company is not liable for all things done by the director beyond the limits of his/her powers, unless it has ratified those actions expressly.
- (3) Directors are forbidden to abuse the position of director of the company by resorting to unfair or fraudulent acts which have as object or effect a harm to the interests of the Company and/or the rights of the securities and other financial instruments held, as well as the prejudice of their holders.
- (4) Directors possessing privileged information are forbidden to use that information to acquire or dispose of, or for the intent to acquire or dispose of, on their own account or on behalf of a third party directly or indirectly, of the financial instruments to which that information relates.
- (5) Directors who possess privileged information are forbidden to use that information to gain economic advantages of any kind, on their own or on behalf of a third person, directly or indirectly.

CHAPTER VII

CONFLICT OF INTEREST MANAGEMENT AND INITIATED TRANSACTIONS

Art. 22.

- (1) The member of the Board of Directors shall make decisions in the Company exclusive interest and shall not take part in the debates and decisions that can create a conflict of interests between the persons and the Company's interests.

Art. 23.

- (1) Every member of the Board of directors shall ensure that he/she avoid a direct or indirect conflict of interest with the Company. In case such a conflict occurs, he/she abstain from the debates and the voting related to those matters (including by not being present where this does not render the meeting non-quorate).

CHAPTER VIII

RESTRICTIONS

Art. 24.

- (1) It is forbidden for any member of the Board of Directors to request or acquire, to be taken from the Company's headquarters or to be transferred to another location outside the Company's headquarters, data or information in material form, respectively copies of documents or documents of any nature, in paper, magnetic, e-mail, fax formats or in any other means of storage and/or copying, except for the materials submitted for study for the Board's deliberations, and which is returned after the meeting, as well as documents, data and information intended for the public, by law and by the internal regulations and norms of the Company.



CHAPTER IX

FINAL AND TRANSITORY PROVISIONS

Art 25.

- (1)** Any person designated as director must assume in writing that it accepts and agrees with the content of this Regulation and that it will comply with the provisions of this Regulation. The Declaration of Acceptance is given in Annex 1 to this Regulation.
- (2)** Subject to compliance with the imperative requirements of the law and the Articles of Incorporation, the Board of Directors may, at its discretion, decide unanimously not to comply with this Regulation.
- (3)** This Regulation is governed by the Romanian law. The courts of the Company's headquarters have exclusive jurisdiction to solve any divergence arising from the adoption, interpretation, execution, and/or validity of this Regulation.

**Chairman of the Board of Directors Rompetrol Rafinare S.A.
YEDIL UTEKOV**

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Updated by the Board of Director Decision no. 1 of May 4th, 2022