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



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Chapter 1. Preamble

1.1 By applying for the position of Director of ROMPETROL WELL SERVICES S.A. (hereinafter referred to as “RWS” 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 WELL SERVICES S.A.
- The director's mandate shall be performed with professionalism, good faith, honesty and loyalty to ROMPETROL WELL SERVICES S.A.
- In performing the mandate, directors are obliged to provide to ROMPETROL WELL SERVICES 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.
- In the performance of their duties, the directors shall represent exclusively the interests of ROMPETROL WELL SERVICES S.A.
- Directors acknowledge and accept unconditionally that the confidentiality obligation regarding the data and information concerning ROMPETROL WELL SERVICES S.A. and its activity, which they acquire in the performance of the mandate, is an essential legal obligation.

1.2 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.

1.3 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 2 Nomination and revocation of the board of directors

2.1 ROMPETROL WELL SERVICES 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.

2.2 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 shorter 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.

2.3 Each director shall expressly accept the performance of the director’s mandate.

2.4 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.

2.5 During the mandate, the BOD members may not conclude an employment contract with ROMPETROL WELL SERVICES. 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.

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

2.7 In case of vacancy of one or more of the positions of director, the other directors in the presence of at least 3 (three) members and with the “for” vote of at least 3 directors, shall nominate one or more provisional directors, until the OGMS, which will discuss the election and nomination of new directors on the vacancies.

2.8 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.

2.9 Each member of the Board of Directors must submit an independence declaration based on the criteria provided by art. 138²(2) of the Company Law no. 31/1990, and another independence declaration based on the criteria provided by point A.4. of the Code of Corporate Governance of BSE, both at the moment they are nominated to be appointed or reappointed and the moment when a change of their status occurs. They also are obliged to point out the issues on which base they consider themselves to be independent as to their characters and judgments.

2.10 The members of the Board of Directors shall give the Company their CVs and information about their executive and non-executive positions held in the Board of other companies and nonprofit institutions with the purpose of being published on RWS website. This information has to be updated every time when changes occur.

Chapter 3 Organization and operation

3.1 The Board of Directors consists of 5 members who elect from among themselves the Chairman of the Board.

3.2 The Chairman 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 Chairman are those established for each member thereof.

3.3 The Chairman 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.

3.4 The meetings of the BOD shall be held at least every three months and shall be chaired by the BOD Chairman or by a substitute appointed by him.

3.5 The meetings of the BOD shall be convened by (i) the BOD Chairman 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 Chairman of the Board at least 2 (two) days before the proposed date for the convening.

3.6 The date, time and place of the next meeting may be established at the previous meeting.

3.7 Meetings shall be usually held at the company's headquarters, or at any place of business or location communicated by the convener, Attendance at the meeting means being either physically present, or intellectually present by teleconference, videoconference, as well as through mail sent by post, courier, or fax with the clearly legible name and signature; both the presence in person or the representation by another member of the Board.

3.8 The meeting agenda shall be established by the Chairman. 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.

3.9 Any Director may request that certain issues be included in the agenda. The request to this effect must be submitted to the Chairman by the requesting Director at least 2 (two) 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.

3.10 In any of the situations referred to in art. 3.5 above, the convening of the BOD meeting shall be transmitted to the members of the Board at least 1 (one) 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.

3.11 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 Chairman of the Board of Directors or of other Directors.

3.12 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 RWS BOD Secretary.



3.13 If the agenda contains topics proposed by RWS BOD members, the initiator of each of them must be specified.

3.14 The Board of Directors' meetings shall be held in the presence of at least half of the total number of members, whereas the resolutions shall be valid only if adopted by the vote of the majority of the attending members. In case of equality of votes, the Chairman's vote will be decisive. Attendance at the meeting means being either physically present, or intellectually present by teleconference, videoconference, as well as through mail sent by post, courier, or fax with the clearly legible name and signature; both the presence in person or the representation by another member of the Board. An attending member can represent only one absent member.

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.

3.15 The BOD may validly debate, without fulfilling the convening formalities, if all directors are present and agree with it.

3.16 By way of derogation from Art. 3.10, the BOD Chairman 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.

3.17 The vote of the members of the Board of Directors is open, equal and direct. The vote of Chairman of the Board of Directors is decisive, in case of parity, if the Chairman is not the General Manager. In case of parity of votes and if the Chairman does not have the decisive vote, the voted proposal shall be deemed rejected.

3.18 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.

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.

3.19 The debates in the BOD meetings are recorded in minutes written by the BOD Secretary. The minutes shall be signed by the Chairman (or the BOD member acting for Chairman) and by the Secretary. With the consent of the directors present and/or represented, the audio-video recording of the BOD meeting may be used. 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.

3.20 The Chairman of the Board appoints a secretary from among its members or employees and/or lawyers of the Company.

3.21 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:

- (i) ensures the preparation, organization and the conduct of the meeting of the Board of Directors, from an administrative viewpoint;
- (ii) writes the agenda of the meetings based on the project given by the Chairman of the Board of Directors/ two BoD members or the General Manager;



(iii) transmits electronically to the BoD members at least 1 (one) days before the meeting, a whole set of documents submitted to the approval/endorsement/information of BoD members, except for the documents that include confidential information or those whose disclosure could prejudice the Company; such documents shall be made available to the managers on the meeting a day before it starts, and they shall be returned to the secretary when the meeting ends.

(iv) prepares the meeting portfolios with the documents that are to be submitted to the approval/endorsement/information of the BoD members;

(v) writes the minutes of the meetings and the decision related to the agenda issues of the BoD meetings.

(vi) ensures a valid transmission system of the Board of Directors decisions to those who are responsible for their application.

3.22 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 4 Duties and competences of the board of directors and of the chairman of the board of directors

4.1 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 documents for the approval/signing of which it is necessary, in accordance with the mandatory requirements of the law, to have the approval of the general meeting of shareholders, to adopt and sign on the company's behalf the legal documents for amounts between USD 500,001 and 10,000,000; the approval is necessary in the case of one commercial transaction executed by one and/or several separate contracts if the cumulated value of such contacts exceeds the respective amount;
- f) To approve the organizational structure of the company;
- g) To appoint and/or remove the persons appointed as representatives of the company before banks, having the right of the first signature, respectively of second signature; the rules of joint signatures shall be applied correspondingly for all the payments made for and on behalf of the company.
- h) To approve the contract terms of any type of loans from banks and/or financial institutions, as well as from any type of legal entity;
- i) To approve the company's interim financial statements, in accordance with the law;
- j) To approve the company's marketing strategy and investments plan, as well as the annual budget (investment expenditures and operational expenditures), following the joint proposal made by the General Manager and the Finance Manager;
- k) to file the request for the company's insolvency, in accordance with Law no. 85/2014 regulating the insolvency procedure;



Chapter 5 Obligation of confidentiality

5.1 By accepting the mandate of ROMPETROL WELL SERVICES 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 WELL SERVICES SA, of which the member became aware in performing the duties of director. The obligation of confidentiality also subsists after the termination of the position of director of the Company.

5.2 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 6 Consultative committees

6.1 The Audit Committee is formed within the RWS 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.

6.2 The Audit 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.

6.3 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.

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

6.5 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.

6.6 Each Advisory Committee shall have a Chair and a designated secretary from among the RWS 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.

6.7 The Advisory Committees are 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.

6.8 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 7 Limits of the mandate. Liability of directors

7.1 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.

7.2 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;

7.3 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.

7.4 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.

7.5 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 8 Management of the conflicts of interest

8.1 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 person and the Company's interests.

8.2 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).

8.3 The wording "conflict of interest" means, further to the cases provided in Law no. 31/1990 (art. 144 ^ 3, 144 ^ 4, 150) and also any situation which refers to the patrimony or to the personal interests of a member of the Board of Directors or his/ her spouse, relatives and in-laws up to the fourth degree, and who are directly or indirectly related to the scope of activity of ROMPETROL WELL SERVICES S.A. and/ or its patrimony.

3.4 Each member of the Board of Directors at the time of the nomination for election and every year thereafter, as well as when there is any change in one's status must file a declaration using the form in Annex. 1, of this Regulation

Chapter 9 Restrictions

9.1 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, 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.



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Chapter 10 Final provisions

10.1 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.

10.2 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.

10.3 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.

This Regulation was adopted unanimously by the members of the Board of Directors by Resolution no.2 as of February 25, 2019, and entered into force on the date of its adoption.

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Chairman of the Board of Directors

Saduokhas Meraliyev



A N N E X no. 1

**DECLARATION
regarding the Conflict of Interest**

The undersigned _____, with residence in _____ identified with BI/CI (identity card) serial number _____ and having CNP (personal identification number) _____, member of/candidate for the Board of Directors of AEROSTAR SA Bacau, I hereby declare on my own responsibility: 1. I am/ am not an independent member of the Board of Directors as: a. I am/ am not the General Director/ Executive Director of the company or of another company under its control and I have not held such a position during the last five (5) years; b. I am/ am not an employee of the company or of another company under its control and I have not held such a position during the last five (5) years; c. I receive/ do not receive and I received/ did not receive an additional compensation or other benefits from the company or from another company under its control, except as provided for the position of non-executive Director; d. I am/ am not or I was/ was not employed or I have/ do not have or I had/ did not have in the previous year a contractual relation with a significant shareholder of the company, a shareholder who controls more than 10% of the voting rights, or with a company controlled by such shareholder; e. I have/ do not have and I had/ did not have in the previous year a business or professional relation with the company or with another company under its control, either directly, or as a customer, partner, shareholder, member of the Board of Directors/ administrator, General Director/ executive director or employee of a company if, by its substantial nature, such relation can affect my objectivity; f. I am/ am not and I was/ was not, in the last three years, the internal or external auditor, partner or employed associate of the current external financial auditor or of the internal auditor of the company or of a company under its control; g. I am/ am not the General Director/ Executive Director of another company, where another General Director / Executive Director of the company is non-executive Director (administrator); h. I was/ was not non-executive director of the company on a period longer than twelve years;

1. I have/ do not have family ties with a person in the situations provided in paragraphs a. and d.
2. I have other relatively permanent engagements and professional obligations, including executive and non-executive positions in the Boards of Directors of certain companies and non-profit institutions, as follows: _____

3. I have the following relations with the shareholders who directly or indirectly hold shares representing more than 5% of the voting rights:



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4. Any other situations which could be considered conflicts of interest in the meaning of the law and/or regulations of the Financial Supervisory Authority (FSA)/ Bucharest Stock Exchange (BSE):

5. I have read the provisions of the regulation for the organization and operation of the board of directors of ROMPETROL WELL SERVICES S.A. and I undertake to comply with them exactly.

Signature,

Date: