



SECRETARIATUL GENERAL AL GUVERNULUI

**DRAFT**

**THE PROFILE OF THE BOARD OF ADMINISTRATION OF THE  
NATIONAL GAS TRANSMISSION COMPANY  
TRANSGAZ S.A.**

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## **1. BACKGROUND**

According to the provisions of art. 1, item 15 of Annex 1 to the Government Decision no. 639/2023 on the approval of the Methodological Rules for the implementation of the Government Ordinance no. 109/2011 on the corporate governance of public enterprises, the profile of the Board of Administration aims at the process of identifying the capabilities, traits and skills that it must have at a collective level, taking into account the organizational context, the mission, the requirements expressed by the shareholders in the Letter of Expectations and the strategic objectives regarding the development of its activity and its performance.

The profile of the Board of Administration is based on: the analysis of the contextual requirements, the Letter of Expectations of the public supervisory authority drawn up in consultation with the shareholders representing more than 5% of the share capital, the strategy of the public enterprise and of the sector to which the company belongs.

The Board of Administration profile is developed in a transparent, systematic and rigorous manner to ensure that the necessary capabilities are identified to form the best and most effective board and the best candidates for the Board of Administration are identified.

In accordance with art. (2) of GD no. 639/2023, the profile of the Board of Administration has to comprise the following elements:

- mandatory and optional selection criteria;
- common evaluation matrix for the set criteria;
- weighting of each criterion according to its importance;
- grouping of criteria for benchmarking;
- collective minimum threshold for each mandatory selection criterion, where applicable.

## **2. ANALYSIS OF CONTEXTUAL REQUIREMENTS**

S.N.T.G.N. Transgaz S.A. is the technical operator of the National Natural Gas Transmission System and ensures the fulfilment under conditions of efficiency, transparency, safety, non-discriminatory access and competitiveness of the national strategy established for the domestic and international transport of natural gas, dispatching of natural gas, research and design in the field of natural gas transport in compliance with the legislation and the national and European quality, performance, environment and sustainable development standards.

By ANRE Order no. 3/January 22, 2014 regarding the approval of the certification of the National Natural Gas Transmission Company Transgaz S.A. as transmission system operator of the National Natural Gas Transmission System, the National Natural Gas Transmission Company Transgaz S.A. was established

to be organized and operate pursuant to the "independent system operator" model.

The strategic projects for the development of the natural gas transmission network, such as BRUA phase 1 (Bulgaria-Romania-Hungary-Austria gas pipeline), the Ungheni-Chisinau gas pipeline, the investments made in the N-E part of the country, the Black Sea-Podișor natural gas transmission pipeline, taking over the entire activity for the operation, maintenance, dispatching and transmission of natural gas from the Republic of Moldova, expanding the national network to facilitate access to all regions of the country are concrete evidence of the investments made or to be made by the company to increase the degree of interconnectivity and EU integration.

Regarding the modernization of the natural gas transmission infrastructure, S.N.T.G.N. Transgaz S.A. started an extensive process of digitization and modernization of the transmission network, with the aim of increasing operational efficiency and safety, investments in digitalized monitoring and control systems allowing real-time operation, proactive risk management and increasing infrastructure resilience.

The projects that the company managed to implement, investing in the development, modernization and expansion of the National Natural Gas Transmission System as well as in the bilateral energy relationship with the neighbouring states, together with the strategic objectives targeted for the next decade, highlight more and more Romania as an important landmark on the European and international energy map. Over the years, S.N.T.G.N. Transgaz S.A. has become a strategic player in the energy field, with recognition on the regional, European and international market. Today, the company is the 4th largest transmission and system operator in the European Union, according to the length of the pipeline network it manages.

### **3. VISION**

S.N.T.G.N. Transgaz S.A. intends to consolidate its international recognition and leadership position in the energy sector, to integrate Romania into a European natural gas transmission network, making a sustainable contribution to the diversification of energy sources, to the increase of the Romanian economy's competitiveness, to the increase of the company's performance and its alignment with modern standards of performance and corporate governance, to the maximization of existing and future opportunities.

### **4. MISSION**

Responsible fulfilment of the public service mission, secure operation of the National Gas Transmission System, high quality services, secure connection to the NTS under non-discriminatory and transparent conditions for all network users and European integration of the national gas market.

The mission of S.N.T.G.N. Transgaz S.A. aims at, without being limited to, the following:

- safe and economically efficient operation of the NTS;
- rehabilitation, modernization and development of the NTS in the main consumption directions;
- interconnection of the NTS with the natural gas transmission systems of the neighbouring countries;
- development of new natural gas transmission infrastructure for the transmission of gas from alternative sources in compliance with national and European regulations in this field;
- ensuring non-discriminatory access to the NTS;
- improving organizational culture, developing climate, opportunities and professional performance;
- implementation of natural gas sector regulations;
- optimizing the informatization/digitization of the natural gas transmission activity, elaboration of draft legislative acts and actions to support them;
- business excellence by continuing to apply corporate governance principles and best practices.

## **5. STRATEGY**

Romania is in the process of joining the Organization for Economic Co-operation and Development (OECD), the most important objective of the country, after joining the European Union and NATO, and one of the government's priorities in this period is to improve the corporate governance of all public enterprises in Romania, by implementing the principles developed by the OECD.

The need to optimize corporate governance in public enterprises is based not only on economic, but also on technical, social and environmental reasons. Romanian state-owned companies are important vectors of economic recovery and revival, of state budget balancing, as their operations, creditworthiness and liquidity have a broad influence on the economy as a whole, through their multiplier effect. At the same time, however, the government's objectives of good management of state interests also mean better monitoring of performance, a focus not only on financial aspects, but also on aspects of good governance, transparency and integrity.

The presence of the state as a shareholder in public enterprises must be an active one, motivated by the need for continuous information and to ensure transparent and responsible corporate governance based on the expectations regarding the needs that the state has to fulfil, namely: control over natural resources, natural monopoly, public service, strategic commercial reasons, especially since the state has to act in the public interest, for the benefit of all citizens of the country.

The Romanian Government believes that, through a rational, balanced, prudent and result-oriented policy in the management of its interests in the economy and, above all, through a corporate governance framework in line with OECD principles, the State can substantially improve its role as a shareholder.

Among the main objectives included in the Program for Governance to strengthen the role of the State as a shareholder and to ensure the sustainability of this process in the medium and long term are the following:

- strengthening corporate governance in state-owned enterprises in order to improve their performance;
- alignment with relevant international standards, with a focus on OECD corporate governance standards; the adoption of these standards is desirable both from the point of view of modernizing the management of public enterprises and as an important step towards Romania's OECD membership target;
- the implementation of corporate governance principles in public enterprises, namely: ethics and integrity, professionalism and performance; transparency and predictability, accountability and decision delineation; increasing the level of professionalism and performance of management in public enterprises by applying the best corporate governance models and practices;
- ensuring a sustainable financial and operational performance of public enterprises through the implementation of reform 9 of the NRRP - Improving the procedural framework for the implementation of corporate governance principles in state-owned enterprises. ; the implementation of the reform aims at increasing the efficiency and profitability of public enterprises, transparency in monitoring their performance and, last but not least, transparent and competitive procedures for the selection of members of the boards of administration/supervisory boards; implementation of measures to ensure energy security in the context of EU policy lines aimed at decarbonization and reduction of greenhouse gas emissions and its strengthening in terms of fuel and natural gas supply by establishing a system for maintaining mandatory stocks in accordance with European legislation;
- promoting investment in energy, in particular in clean energy;
- Romania's commitment through the NRRP to phase out coal-based energy production by 2032;
- investments in the extension of the natural gas transmission and distribution network, with a focus on the implementation of smart transmission and distribution networks;
- participating in European initiatives to encourage the development of hydrogen technologies to reach the threshold of economic competitiveness and large-scale deployment, with a key contribution to energy security and supporting the attraction of investment in modern technological solutions that have reached maturity and have been sufficiently tested to operate in an economically efficient way;
- the creation of a competitive, transparent and predictable regulatory environment, based on substantive public consultation, as a foundation for free and competitive energy markets;
- achieving a modern system of governance in the energy sector by acting on the depolitization and independence of regulators and state-owned companies, on the simplification of the bureaucratic circuit towards transparency and digitalization, in order to have corporate governance and competency at all levels;

- creating a transparent, stable and coherent legislative and regulatory framework;
- maintaining support to the Republic of Moldova in electricity and natural gas;
- achieving an industry with minimal environmental impact to mitigate climate change, addressing challenges such as reducing industrial greenhouse gas emissions, energy and resource efficiency through cleaner technologies, green industrial approaches and increased environmental awareness programs;
- implementation of the reforms committed to in the National Recovery and Resilience Program, in particular the improvement of institutional capacity, corporate governance, and the achievement of European decarbonization targets;
- implementation of the objectives undertaken through the Recovery and Resilience Mechanism to create the institutional and financial framework for the implementation of projects under the 6 pillars: green transition; digital transformation; smart, sustainable and inclusive growth; social and territorial cohesion; health and institutional resilience; children, youth, education and skills.

Considering all of the above, the main strategic objectives pursued by S.N.T.G.N. Transgaz S.A. are the following:

- **continuation of the activity/investment projects** regarding the rehabilitation, modernization and development of the NTS on the main consumption routes; interconnection of the NTS with the natural gas transmission systems of neighbouring countries; development of new natural gas transmission infrastructure to Western Europe; ensuring non-discriminatory access to the NTS; ensuring and strengthening energy security; diversification of natural gas supply sources and transmission routes; optimization of the energy infrastructure;
- **operational effectiveness** - implementing smart transmission networks; digitalization of the operational processes; ensuring sustainable financial and operational performance of the company; implementing participative management in all areas of the company's activities; developing organizational culture and improvement of professional performance; integrating good corporate governance principles and practices into the business model;
- **sustainable/durable development** in the context of the European Union's programmatic guidelines aimed at decarbonization and reduction of greenhouse gas emissions; implementation of the measures in the company's Decarbonization and Climate Strategy; increase energy efficiency by implementing an energy management system (ISO 50001); participation in European initiatives to encourage the development of hydrogen technologies, transmission of natural gas and hydrogen mixtures.

## 6. THE RESPONSIBILITIES OF THE BOARD OF ADMINISTRATION

SNTGN TRANSGAZ S.A. will be managed by a Board of Administration which will have general competence, except for the matters reserved to the General Meeting of the Shareholders according to the

Articles of Incorporation and to the law.

## **7. THE PROFILE OF THE BOARD OF ADMINISTRATION OF SNTGN TRANSGAZ SA**

The Profile of the Board of Administration comprises a set of responsibilities, competences, capabilities, traits and skills that the Board should collectively possess, taking into account the organizational context, the mission, the requirements expressed in the letter of expectations and the elements of organizational strategy that are in place or need to be developed.

S.N.T.G.N. Transgaz S.A. has a unitary management system and is managed by a Board of Administration. It has the general competence to perform all acts necessary for the successful accomplishment of the company's core business, except for the matters which are within the competence of the General Meeting of Shareholders as provided in the updated Articles of Incorporation, or the applicable laws. The management of S.N.T.G.N. Transgaz S.A. is ensured by a Board of Administration consisting of a majority of non-executive and independent directors, within the meaning of Article 1382 of the Companies Act no. 31/1990, republished, as amended and supplemented, civil servants, senior civil servants and other categories of staff within the supervising public authority or within other public authorities or institutions cannot be considered independent.

When determining the number of members of the Board of Administration, the principles provided by Law no. 202/2002, republished, as amended, providing that at least one third (1/3) of the total administrators shall be women and at least one third (1/3) of the total administrators shall be men have to be complied with; The Board of Administration cannot consist exclusively of people of the same gender. The Board of Administration is composed of 5 members who guarantee the effectiveness of the ability to supervise, analyse and evaluate the company's activity, as well as the fair treatment of shareholders. It is the main supervisory body of the company's activity and functions as a decision buffer between the executive management of the company represented by the directors and its shareholders.

The structure of the Board of Administration of S.N.T.G.N. Transgaz S.A. ensures a balance between executive and non-executive members, so that no one person or small group of persons can dominate the Board's decision-making process.

Decision-making within the company will remain a collective responsibility of the Board of Administration, which will be held jointly and severally liable for all decisions taken in the exercise of its powers. The resignation of independent administrators shall be accompanied by a detailed statement of the reasons for such resignation.



The members of the Board of Administration will continuously update their skills and improve their knowledge of the company's business and best corporate governance practices to fulfil their role. According to the provisions of Law 31/1990, the relationship between the members of the Board of Administration and the company is governed by the provisions relating to the mandate and the special rules contained in the relevant legislation.

In the event of a vacancy on the Board of Administration, the election of a new member is carried out in accordance with the conditions provided for by the law. The period for which the new director is elected to fill the vacancy shall be equal to the remaining term of office of his predecessor. At the same time, only one member of the Board of Administration may be a civil servant or a staff of the public supervisory authority or of other public institutions or authorities.

Moreover, candidates may be nominated if they do not simultaneously hold more than 2 mandates as administrator and/or member of the Board of Administration in public companies or public enterprises, in accordance with the provisions of Article 33 of the Government Ordinance no. 109/2011, in conjunction with the provisions of Article XII para. (1) of GEO no. 34/2023 on fiscal-budgetary measures, the extension of certain deadlines, as well as for the amendment of normative acts.

Also, in accordance with good corporate governance practices, ensuring a mix of professional competences of the members of the Board of Administration determines a greater efficiency of its decision-making activity and optimizes the managerial capacity to respond competitively to the diverse and complex needs of S.N.T.G.N. Transgaz S.A., given the dynamic and highly complex context in which the company operates.

In this light, the members of the Board of Administration shall fulfil the following contextual requirements:

- have a strategic vision of the company's role, its positioning in the market, the constraints it faces, risk management;
- have the ability to act competently, professionally and in accordance with the legislation applicable to the sector of activity, in the best interests of the company and its performance;
- have the necessary qualifications and skills to be able to correctly and effectively assess the company's operations and policies and the determination to make the best decisions;
- have the ability to quickly identify and operationalize optimal solutions that respond effectively to the technical, financial, economic and social constraints the company faces, where appropriate;
- have the ability to analyse contextual dynamics and make the right/optimal decisions in a timely

manner in the best interest of the company;

- be able, through appropriate decisions and actions, to inspire the whole organization to strive to achieve strategic objectives;
- have the ability to effectively oversee managerial actions on the development of organizational culture, organizational climate and the entire corporate communication strategy;
- to have the ability to oversee the effective functioning of the company's management systems and processes, optimizing their performance.

In addition to the contextual requirements, skills, knowledge and experience, the members of the Board of Administration shall also fulfil the following traits and conditions:

- have the necessary knowledge, skills and experience to successfully fulfil their mandate as administrator;
- know the responsibilities of the position and be able to formulate medium and long-term visions;
- be able to take responsibility towards the management and demonstrate independence;
- demonstrate integrity, honesty and transparency in relations with other members and with the company;
- have the necessary knowledge, skills and experience in constructive criticism, teamwork, communication, analysis and synthesis, financial literacy, decision making and identifying optimal solutions to contribute to the company's decision-making;
- understand the importance of assessing and mediating organizational risks and be familiar with risk management methodologies and processes.

The Board of Administration shall be composed in such a way that it has relevant experience in the areas that reflect the company's activity and anticipates its potential challenges in the coming years.

### **Participation requirements**

#### **Common participation requirements for all positions of member of the Board of Administration:**

- a) are Romanian citizens or citizens of other EU Member States, provided they have their domicile or residence in Romania;
- b) are fluent in Romanian (written and spoken);
- c) they are not in any conflict of interest that would make them incompatible with the exercise of the capacity as member of the Board of Administration of the company for which they have applied;
- d) they are not in any of the situations referred to in Art. 12 para. (3), Art. 30 para. (9) and Art. 36 para. (7) of GEO 109/2011, as amended;
- e) have no entries in the tax and criminal record - art. 16, C - other criteria, b) of GD no. 639/2023

- f) have not been convicted by a final court judgment for having committed an offense against humanity, against the state or against the authority, corruption and service offenses, offenses against the administration of justice, forgery, offenses against property, offenses provided for by Law no. 656/2002 for the prevention and sanction of money laundering, as well as for the establishment of measures to prevent and combat the financing of terrorism, as amended and supplemented, or for offenses provided for by Law no. 85/2014 on insolvency prevention and insolvency proceedings, committed with an intent that would make him/her incompatible with the exercise of the office;
- g) have not been engaged in political police as defined by law;
- h) have full capacity to exercise the office;
- i) are medically fit
- j) fulfil the criteria required by Government Ordinance no. 109/2011 on the corporate governance of public enterprises, as amended and Government Decision no. 639/2023;
- k) demonstrate integrity by assuming the conditions to obtain the ORNISS certificate at the level requested by the company (Law no. 182/2002 on the protection of classified information, of the National Standards for the Protection of Classified Information in Romania, approved by Government Decision no. 585/2002, and of the Rules on the Protection of Classified Information of the North Atlantic Treaty Organization in Romania, approved by Government Decision no. 353/2002)
- l) have higher education and experience in the field of engineering, economics, social or legal sciences or in the field of activity of S.N.T.G.N. Transgaz S.A. at least 7 years and at least 10 years' total seniority;
- m) at least 5 years' cumulated experience in administration/management/management within public or private entities and in the management of autonomous companies or autonomous bodies.

**II. Specific requirements for the participation of members of the Board of Administration, of which:**

- A. For the position of member of the Board of Administration of financial auditor or at least 3 years' experience in statutory audit or within Audit Committees:
  - a) is qualified as a financial auditor according to a document issued by the competent authority of Romania, another Member State, a member state of the European Free Trade Association, Switzerland or the United Kingdom of Great Britain and Northern Ireland, according to the law or a person who has at least 3 years of experience in statutory audit, acquired through participation in statutory audit assignments in Romania, another Member State, an EFTA State, Switzerland or the United Kingdom of Great Britain and Northern Ireland or in audit

committees of the administrative/supervisory boards of public interest companies/entities:

- b) university degree in engineering, economics, social, legal sciences or in the field of activity of S.N.T.G.N Transgaz S.A. graduated from a higher education institution;
- c) minimum 7 years' professional experience in the field of the graduated studies provided for at b) and at least 15 years' total seniority;
- d) at least 5 years of cumulative experience in administration/direction/management in public or private entities and in the management of companies or autonomous bodies.

B. For 4 positions of member in the Board of Administration:

- a) university degree in engineering, economics, social sciences, law, in the field of activity of S.N.T.G.N. Transgaz S.A. graduated from a higher education institution;
- b) minimum 7 years of professional experience in the field of the studies graduated provided for at a) and at least 15 years' total seniority;
- c) at least 5 years' cumulated experience in administration/management/management in public or private entities and in the management of autonomous companies or autonomous bodies.

For at least two of the positions of the Board of Administration, candidates having at least 3 (three) years of experience in administration/management acquired in public or private entities operating in the company's main field of activity shall be nominated.

### **Selection criteria**

Selection criteria are competences and traits required for candidates to be able to successfully fulfil the role they have been assigned. Selection criteria are mandatory criteria which have to be met by all candidates and are differentiated in groups and sub-groups and optional, competency-based, criteria that have been identified by analysing the contextual requirements, as follows:

#### **A. Competences:**

##### **a) competences specific to the sector of activity of the public enterprise:**

- Ability to analyse the context in which the company operates and assess possible constraints/risks of the environment in which it operates;
- Ability to assess the alignment of the company's management systems with the requirements of the current industry-specific standards and regulations;

##### **b) Strategic importance professional competences:**

- Capacity and experience in strategic planning and monitoring of investment activity;
- Leadership;
- Expertise in analysing and evaluating activity through budgetary control mechanisms;

- Ability to identify and manage risks;
- Experience in negotiations, social dialogue, institutional and interpersonal communication;
- c) Corporate governance competences:**
  - Knowledge of good practice and corporate governance principles
- d) Social and personal competences:**
  - Interpersonal communication in line with job requirements;
  - Corporate and institutional communication;
  - Representation skills.
- e) National and international experience**
  - Experience in dealing with public and regulatory authorities in the public enterprise's field of activity
  - Experience in forming, coordinating and developing teams/collectives of staff and succession planning within them
  - Experience in audit/audit committees, managerial internal control and risk management, economic, legal, safety and national security;
  - Experience in dealing with European institutions in the field of activity of the public enterprise
  - Experience in carrying out investments or projects in the area of activity of the public enterprise
- f) specific powers and restrictions for civil servants or other categories of staff within the supervising public authority or other public authorities or institutions:**
  - Management competences
- g) Other according to the public enterprise's specifics:**
  - Experience in performance monitoring;
  - Masters, PhD, MBA or postgraduate degree;
  - Experience in communication and investor relations;
  - Experience in the energy sector;
  - Experience in implementing strategic regional energy investment projects.

## **B. Traits:**

- (a) personal and professional reputation;
- (b) integrity;
- (c) independence;
- (d) political exposure;
- (e) interpersonal communication skills;
- (f) ability to take strategic decisions
- (g) capacity for interinstitutional collaboration.

### **C. Other criteria:**

- Economic and financial results of the companies in which the candidate has exercised the mandate of administrator or director;
- Entries in their tax and criminal records;
- Gender criteria;
- Involvement in attracting funding from internal and external sources for the development of the business;
- Experience in managing companies in the gas transmission sector listed on the stock exchange;
- Ability to implement new, innovative technologies and solutions for the optimization and modernization of public enterprises in the gas transmission sector.

### **Alignment with the Letter of Expectations:**

- Clearly sets out the objectives to be achieved in the mandate;
- Presents personal profile in direct correlation with these objectives;
- Makes coherent assessments of the specific challenges the company/body faces in relation to its context;
- Formulates relevant objectives that meet operational performance expectations;
- Formulates relevant objectives that meet expectations for financial performance;
- Formulates relevant targets that meet expectations for the quality of service and energy infrastructure management;
- Formulates relevant objectives that meet expectations regarding the investment policy applicable to the public enterprise;
- Formulates relevant targets that meet expectations for debt reduction;
- Formulates relevant objectives that meet expectations regarding the dividend/net profit policy applicable to the public enterprise;
- Formulates relevant objectives meeting expectations in the area of ethics, integrity and corporate governance;
- Proposes indicators that it considers appropriate for monitoring the performance of the public enterprise during its term of office, linked to the objectives formulated;
- Presents an overview of the possible constraints, risks and limitations to be faced in achieving the proposed objectives and the strategy for reducing/exceeding them.

## **8. PROFILE MATRIX OF THE BOARD OF ADMINISTRATION**

The profile of the Board of Administration differentiates between mandatory selection criteria and optional selection criteria, based on the competencies that have been identified following the analysis of the contextual requirements, according to the provisions of Art. 15 para. (1) of Annex 1 to H.G. no.

639/2023 for the approval of the Methodological Norms for the application of G.E.O. no. 109/2011 on corporate governance of public enterprises.

At the same time, in accordance with the provisions of Annex 1a of the aforementioned methodological rules, the profile of the Board is drawn up on the basis of a table listing the measurable competences, traits and collective minimum thresholds and those that should ideally be met by Board members, individually and collectively, together with the skills, knowledge, experience and other attributes of the current members and potential candidates.

**The selection criteria, established in accordance with the provisions of HG no. 639/2023, have an accepted minimum individual score of 3 points for the mandatory criteria, except for the mandatory criteria where the minimum collective threshold is set at 80%, for which an accepted minimum individual score of 4 points is set, according to the scoring grid from 1 to 5:**

Score	Level of competence	Description
N/A	Not applicable	It is not necessary to apply or demonstrate this competence.
1	Basic	Has an understanding of basic knowledge.
2	Intermediary	Has a level of experience acquired through basic training and/or some similar experience. This level of competence requires the support of people with expertise. - Understands and can correctly use terms, concepts, principles and issues related to this competence. - Knows and uses applicable legislation, regulations and guidelines.
3	Competent	Is able to perform the functions associated with this competence. The support of persons with expertise may sometimes be required, but usually demonstrates this ability independently. - Applied this competence in the past with minimal external support. - Understands and is able to analyse the implications of changes in processes, policies and procedures in the sector.
4	Advanced	Performs the tasks associated with this skill without external support. Is recognized within their organization as an expert in this competence, is able to provide support and has advanced experience in this competence. - Has provided practical/relevant ideas, resources, and practical insights related to process or practice development at the board governance and senior executive levels. - Is able to interact and have constructive discussions with executive leadership as well as train others in the application of this competence.
5	Expert	He is known as an expert in this sector to provide support and identify solutions to complex problems related to this area of expertise. - Demonstrated excellence in applying this skill across multiple boards and/or organizations. - Is perceived as an expert, leader and innovator in this competence by the board, organization and/or other organizations.

**PROFILE MATRIX OF THE BOARD OF ADMINISTRATION OF SNTGN TRANSGAZ S.A.**

			Current					Nominated								
Criteria	Mandatory (Mand.) or Optional (Opt.)	Share	Administrator 1	Administrator 2	Administrator 3	Administrator 4	Administrator 5	Administrator 1	Administrator 2	Administrator 3	Administrator 4	Administrator 5	Total	Weighted total	Collective minimum threshold	Collective current threshold
<b>Rating 1 = Beginner; Rating 2 = Intermediate; Rating 3 = Competent; Rating 4 = Advanced; Rating 5 = Expert</b>																
<b>A. COMPETENCES</b>																
<b>1. Sector-specific competences of the public enterprise</b>																
1.1 The ability to analyse the context in which the company operates and assess the possible constraints/risks of the environment in which it operates	Mand.														80%	
1.2 Ability to assess the alignment of the company's management systems with the requirements of current industry specific standards and regulations	Mand.														80%	
<b>2. Professional competences of strategic importance</b>																
2.1 Capacity and experience in strategic planning and monitoring of investment activity	Mand.														80%	
2.2 Leadership	Mand.														70%	
2.3 Expertise in analysing and evaluating activity through budgetary control mechanisms	Mand.														80%	
2.4 Risk identification and management capacity in energy companies	Mand.														70%	



2.5 Experience in negotiations, social dialog, institutional and interpersonal communication	Mand.														60%	
<b>3. Corporate governance skills</b>																
3.1 Knowledge of good practice and corporate governance principles	Mand.														80%	
<b>4. Social and personal competences</b>																
4.1 Interpersonal communication to the level of position requirements	Mand.														60%	
4.2 Corporate and institutional communication	Mand. Mand.														70%	
4.3 Representation capacity															70%	
<b>5. National and international experience</b>																
5.1 Experience in dealing with public authorities, regulatory and supervisory authorities in the company's field of activity;	Opt.															
5.2 Experience in training, coordinating and developing teams/collectives of staff and succession planning within them;	Opt.															
5.3 Experience in the fields of audit/audit committees, managerial internal control and risk management, economic, legal, national security and safety;	Opt.															
5.4 Experience in relations with the European institutions in the field of activity of the public company;	Opt.															
5.5 Experience in investments or projects in the company's field of activity;	Opt.															

<b>6. Specific powers and restrictions for civil servants or other categories of staff within the supervisory public authority or other public authorities or institutions</b>																
6.1 Leadership skills	Mand.															80%
<b>7. Other, depending on the specificity of the public enterprise;</b>																
7.1 Experience in the performance monitoring activity	Mand.															80%
7.2 Graduate of Master, PhD, MBA or postgraduate studies;	Opt.															
7.3 Experience in communication and investor relations;	Opt.															
7.4 Experience in the energy sector;	Opt.															
7.5 Experience in implementing strategic regional energy investment projects.	Opt.															
<b>Subtotal competences</b>																
<b>Weighted subtotal competences</b>																
<b>B. TRAITS</b>																
1. Personal and professional reputation	Mand.															100%
2. Integrity	Mand.															100%
3. Independence	Mand.															80%
4. Political exposure	Mand.															20%
5. Interpersonal communication skills	Mand.															60%
6. Ability to take strategic decisions	Mand.															80%
7. Ability to collaborate inter-institutionally	Mand.															60%
<b>Subtotal traits</b>																
<b>Weighted subtotal traits</b>																
<b>C. OTHER CRITERIA</b>																
1. Economic and financial results of the companies in which the candidate has	Mand.															80%

exercised the mandate of administrator or director																
2. Gender diversity	Mand.														20%	
3. Entries in tax and criminal records	Mand.														100%	
4. Involvement in attracting funding from internal and external sources, for the development of the activity carried out	Opt.															
5. Experience in the management of listed gas transmission companies	Opt.															
6. The ability to implement new, innovative technologies and solutions for the optimization and upgrading of public enterprises in the gas transmission sector	Opt.															
<b>Subtotal other criteria</b>																
<b>Weighted subtotal other criteria</b>																
<b>ALIGNMENT WITH THE LETTER OF EXPECTATIONS</b>																
1. Clearly sets out the objectives to be achieved in the next mandate	Mand.														70%	
2. Presents the personal profile in direct correlation with these objectives	Mand.														70%	
3. Formulates coherent assessments of the specific challenges facing the company in relation to its context	Mand.														70%	
4. Formulates relevant objectives that meet operational performance expectations	Mand.														70%	
5. Formulates relevant targets that meet expectations of financial performance	Mand.														70%	
6. Formulates relevant targets that meet expectations for service quality and energy infrastructure management	Mand.														70%	
7. Formulates relevant objectives that meet the investment policy expectations of the public enterprise	Mand.														70%	
8. Formulates relevant targets that meet expectations for debt reduction	Mand.														70%	

9. Formulates relevant objectives that meet the expectations of the dividend/net profit policy applicable to the public enterprise	Mand.															70%
10. Formulates relevant objectives that meet expectations in the area of ethics, integrity and corporate governance	Mand.															70%
11. Proposes indicators that it deems appropriate for monitoring the performance of the public enterprise during its mandate, linked to the objectives formulated	Mand.															70%
12. Presents an overview of the possible constraints, risks and limitations to be faced in achieving the proposed objectives and the strategy to mitigate/exceed them	Mand.															70%
<b>Subtotal Alignment with the Letter of Expectations</b>																
<b>Weighted subtotal Alignment with the Letter of Expectations</b>																
<b>Total</b>																
<b>Weighted total</b>																
<b>Ranking</b>																

## CRITERIA USED IN THE MATRIX - DESCRIPTION AND ASSOCIATED INDICATORS

The criteria used in the matrix are described and associated with indicators, which are used to assess the sitting members of the Board as well as new candidates/candidates for renewal of the mandate.

### A. COMPETENCES

#### C1. Company sector specific competences

*1.1 Ability to analyse the context in which the company operates and to assess the possible constraints/risks of the environment in which it operates.*

Description: knows the sector in which the company operates, including trends and forces shaping the industry, future developments, relevant business models and strategies, and can articulate the company's competitive positioning in relation to other players in the sector.

Indicators:

- familiar with the strategies and business models appropriate to the sector in which the company operates;
- knows who the key industry players are and how they relate to each other;
- understands the competitive landscape and how it influences the organization and the sector as a whole;
- keeps abreast of current and future trends, developments and forces (social, political, technological, scientific, scientific, environmental, economic, etc.) shaping the industry;
- shares industry knowledge and perspectives with other board members in support of the decision-making process can benchmark corporate performance indicators to industry trends.

*1.2. Ability to assess the alignment of the company's management systems with the requirements of current industry-specific standards and regulations.*

Description: the ability to take the necessary steps to have a reliable quality management system implemented and certified or recertified in the organization, which is known and used throughout the organization.

Indicators:

- knows and encourages awareness of quality standards;
- analyses, updates and optimizes the quality management system;
- promotes and applies continuous improvement tools;
- contributes to the certification or recertification of the quality management system;
- acts on recommendations resulting from quality audit findings;

- ensures the allocation of resources necessary for the operation of the quality management system

## **C2. Professional competences of strategic importance**

### *2.1 Capacity and experience in strategic planning and monitoring of the investment activity.*

Description: the ability to formulate strategic objectives leading to the achievement of the organization's mission and vision and to develop action plans to achieve these strategic objectives.

Indicators:

- understands the competitive forces that drive strategic choices;
- formulates short, medium and long-term strategic objectives;
- forecasts the resources needed to achieve these objectives;
- forecasts expected results.

### *2.2 Leadership*

Description: the ability to get the members of the organization he/she leads to follow him/her unconditionally, to achieve the expected results by motivating and empowering employees to go beyond their performance limits to turn an operational objective into a cause to which all employees contribute with great commitment.

Indicators:

- evaluates the performance of its employees and uses the result of the evaluation both to reward them appropriately, to make promotion decisions and to motivate them to self-improvement;
- often uses personal example;
- has good persuasiveness;
- inspires its staff in their professional development;
- provides direction and is a driving force in the organization;
- protects its team and employees in cases of organizational conflict;
- is a promoter of change;
- is an example of integrating organizational values.

### *2.3 Expertise in analysing and evaluating activity through budgetary control mechanisms.*

Description: the capacity to turn a strategic plan into a budget, to consolidate and cascade budgets, to ensure consistent budget execution.

Indicators:

- actively participated in the annual budgeting activity;
- experience in budget execution;
- budgetary control skills;
- experience in setting decision-making limits in budget execution at institutional level.

#### *2.4 Capacity to identify and manage risks in energy companies.*

Description: the ability to take the necessary steps to ensure that the organization implements a reliable system to continuously identify potential risks and to prevent their occurrence and reduce their impact.

Indicators:

- takes a systemic approach;
- correctly understands the potential risk assessment matrix;
- enables the organization to map risks;
- enables the organization to create an effective system to mitigate both identified incidence and impact;
- enables the organization to certify its risk management system.

#### *2.5 Experience in negotiations, social dialog, institutional and interpersonal communication*

Description: acts consistently in order to meet the social interest of the company.

Indicators:

- continuously highlights and communicates about the social interest that is the common ground between the company's business interests and the interests of employees;
- takes an active part in social dialog actions - information, consultation, social negotiation.

### **C3. Corporate governance competences**

#### *3.1 Knowledge of best practice and corporate governance principles.*

Description: has a knowledge of good corporate governance practices and principles, is familiar with the legislation and government policies relating to the governance of state-owned enterprises and understands the importance of managing public resources in a transparent and effective manner

Indicators:

- is familiar with the principles, concepts and practices of good corporate governance.

### **C4. Social and personal competences**

#### *4.1 Interpersonal communication at the level of job requirements.*

Description: the ability to communicate verbally, non-verbally and paraverbally accurately, fluently and coherently, to relate, argue and persuade.

Indicators:

- is able to express his/her ideas fluently and coherently;
- is appropriately attired for the messages conveyed;
- demonstrates that he/she actively listens to his/her interlocutors;

- uses wording wisely;
- uses the questioning technique correctly;
- is able to initiate, maintain and develop relationships based on trust;
- uses the process of persuasion correctly.

#### 4.2 *Corporate and institutional communication*

Description: the preparation and transmission, through the appropriate channels, of information and official documents clearly and accurately drawn up within the company or externally in relations with various other entities.

Indicators:

- produces clear and consistent documents;
- has the ability to synthesize and present information of all kinds in a balanced and accurate manner;
- is able to correctly choose and use various institutional media channels.

#### 4.3 *Representation capacity*

Description: the ability to represent the company in the various environments with which it is in contact, to publicize the achievements and good practices developed within the company, contributing to conveying a good image of the company and increasing its visibility.

Indicators:

- speaks positively about the company;
- takes every opportunity to share the achievements and good practices of the company with others;
- takes a stand when it notices defamatory information about the company;
- contributes with its personal brand to strengthening the brand of the company, both outside the company in various professional circles and inside the company in relations with various social dialog partners.

### **C5. National and international experience**

#### *5.1 Experience in dealing with public authorities, regulatory and supervisory authorities in the company's field of activity.*

Description: gained experience in dealing with public authorities, regulatory and supervisory authorities in the field of activity of the company Transgaz S.A.

Indicators:

- previous experience in dealing with public authorities, regulatory and supervisory authorities in the field of activity of the Company Transgaz S.A.

#### *5.2 Experience in building, coordinating and developing teams/collectives of staff and succession planning within them.*



Description: in previous roles had direct involvement in the formation, coordination and development of staff teams/collectives and succession planning within them.

Indicators:

- responsibilities for training, coordinating and developing staff teams/collectives and succession planning within them.

*5.3 Experience in audit/audit committees, managerial internal control and risk management, economic, legal, safety and national security.*

Description: in previous roles has gained experience in audit/audit committees, managerial internal control and risk management, economic, legal, safety and national security.

Indicators:

- experience in the fields of audit/audit committees, managerial internal control and risk management, economic, legal, safety and national security clearly presented in the CV or other documents attached.

*5.4 Experience in relations with the European institutions in the field of activity of the public enterprise.*

Description: in previous roles gained experience in dealing with the EU institutions.

Indicators:

- experience in relations with the European institutions clearly presented in your CV or other attached documents.

*5.5 Experience in investments or projects in the company's field of activity*

Description: in previous roles had direct involvement in the implementation of major investment projects.

Indicators:

- responsibilities for participation in investment projects clearly outlined in the CV or other attached documents.

## **C6. Specific competences and restrictions for civil servants or other categories of staff within the supervising public authority or other public authorities or institutions.**

*6.1 Leadership competences*

Description: Business management competences or competence in the effective management of departments.

Indicators:

- planning and prioritizing the current activity;
- finding solutions and delivering results.

## **C7. Other, depending on the specificity of the public enterprise.**

### *7.1 Experience in the performance monitoring activity.*

Description: understands the board's responsibilities for monitoring management performance and monitors the organization's compliance with its legal, ethical or social responsibilities.

Indicators:

- contributes to the board's monitoring of management performance in relation to key business outcomes;
- understands the organization's legal, ethical and social responsibilities and monitors compliance with them;
- monitors the management structure's relationship with key external stakeholders;
- assists the board in engaging with stakeholders through appropriate methods for determining, responding to, and reporting on material economic, legal, ethical, social and environmental, economic, legal, and material interests.

### *7.2 Graduate of Master, PhD, MBA or postgraduate studies.*

Description: can be seen from an analysis of the documents describing and certifying the course of the studies completed.

Indicators:

- evidence of master's, doctorate, MBA or postgraduate studies.

### *7.3 Experience in communication and investor relations*

Description: in previous roles has been directly involved in the communication and investor relations process.

Indicators:

- representation and liaison responsibilities with the various specified stakeholders as outlined in the attached documents.

### *7.4 Experience in the energy sector*

Description: in previous roles has gained experience in the energy sector.

Indicators:

- experience in the energy sector clearly presented in the CV or other attached documents.

### *7.5 Experience in implementing strategic regional energy investment projects.*

Description: in previous roles gained experience in implementing regional strategic energy investment projects.

Indicators:

- experience in the implementation of strategic regional energy investment projects clearly presented in the CV or other attached documents

## **B. TRAITS**

### **T1. *Personal and professional reputation***

Description: Ability to behave in a manner appropriate to the position.

Indicators:

- the candidate has not been convicted of an intentional criminal offense;
- the candidate has not been deprived of his/her liberty or been given a preventive measure involving deprivation or restriction of liberty in criminal proceedings where investigations are being conducted into the intentional commission of a criminal offense;
- the candidate has not been given an additional penalty and/or an accessory penalty of disqualification from the practice of professional activities;
- the candidate has not been the subject of a security measure prohibiting him from exercising the profession;
- the candidate has not been subject to disciplinary or administrative sanctions by other Romanian or foreign authorities, institutions or bodies in the field of activity of the company, for professional matters;
- the candidate has not been subject to any restrictions to carry out activities in the field of activity of the company by Romanian or foreign authorities, institutions or bodies in the field of activity of the company.

### **T2. *Integrity***

Description: Ability to conduct oneself with integrity, honesty and transparency towards others and the authority.

Indicators:

- understands and fulfils the duties and responsibilities of a board and maintains knowledge of them through training;
- places the interests of the organization before all others;
- treats sensitive and confidential information with due discretion and in accordance with the terms of the mandate contract.

### **T3. *Independence***

Description: The ability to have some independence from authority.

Indicators:

- designs action plans to implement strategies;
- supports points of view with arguments when challenged with divergent views;
- requests clarification and further information in clarifying divergent views.

### **T4. *Political exposure***

Description: The ability to have some independence from the authority.

Indicators:

Rating	1	2	3	4	5
Political exposure	Very exposed				Without exposure

**T5. *Interpersonal communication skills***

Description: Demonstrates clarity and coherence of speech, adapting verbal behaviour to the speaker so that mutual understanding is facilitated. Demonstrates brevity and logic, can communicate complex messages easily, is open, direct and expresses opinions with respect for the other person.

Indicators:

- shows interest in the interlocutor, regardless of his/her status and function, communication is conducted in a respectful manner;
- makes himself/herself easily understood and the language is optimally balanced between technical and non-technical;
- is coherent and logical in both speech and writing;
- improves communication within the organization by giving feedback and takes a constructive approach when receiving feedback.

**T6. *Ability to take strategic decisions***

Description: The ability to make decisions, identify opportunities and take action to solve problems for profit.

Indicators:

- identifies solutions to better leverage available resources and presents solutions with passion;
- is committed to continuous improvement in the level of resource performance;
- demonstrates achievement of proposed objectives.

**T7. *Ability to collaborate inter-institutionally***

Description: Ability to maintain an open and cooperative environment to achieve desired results in a manner that demonstrates respect and integrity.

Indicators:

- easily gains trust;
- can get concessions without damaging relationships;
- is effective in establishing relationships;
- invests the time and energy to get to know those with whom they need to interact.

### C. OTHER CRITERIA

1. *The economic and financial results of the undertakings in which the candidate has been director or manager.*

Description: The documents making up the application file, any replies to requests for clarification and the declaration of intent show the economic and financial results of the undertakings in which the candidate has been a director or manager.

1   2   3   4   5

Negative net profit (loss)

Positive net profit

2. *Diversity of gender*

Description: Diversity of gender

<b>Score</b>	<b>Description</b>
<b>M</b>	Male
<b>F</b>	Female

3. *Tax and criminal records*

Description: mandatory criterion

Indicators:

- Has no entries on his or her tax or criminal record that would prevent him or her from being appointed for the position for which he or she is applying;

4. *Involvement in attracting funding from internal and external sources for the development of the activity*

Description: It has managed to attract funding from internal and external sources for the development of its activity

Indicators:

- is able to assist in the preparation of a funding application;
- can identify alternative sources of funding

5. *Experience in managing listed companies in the gas transmission sector.*

Description: In his previous roles he was directly involved in the management of listed gas transmission companies.

Indicators:

- representation and reporting responsibilities in the management of listed companies in the natural gas transmission sector, as set out in the attached documents.

**6. Ability to implement new, innovative technologies and solutions for the optimization and modernization of public enterprises in the gas transmission sector.**

**Description:** Ability to identify and do the necessary due diligence for the company to implement new technology systems and solutions in order to constantly increase the value of the company's shares.

**Indicators:**

- has the necessary capacity to make those organizational decisions necessary to optimize the company's overall results which, properly communicated, lead to increased shareholder value.

## **ALIGNMENT WITH THE LETTER OF EXPECTATIONS**

**A1.** *Clearly sets out the goals he will have to achieve in his next mandate.*

**Description:** refers to the strategic objectives in the Letter of Expectations, operationalizes them, taking care to follow the rules for developing SMART objectives.

**A2.** *Presents his/her personal profile in direct correlation with these objectives.*

**Description:** Summarizes in a succinct but comprehensive way the qualities he/she has acquired in the course of his/her professional career, linked to the objectives specified in writing and to the contextual requirements.

**A3.** *Makes coherent assessments of the specific challenges facing the company/body in relation to its context*

**Description:** Coherently describes the market, legislative, economic, social and financial context of the company, making a fair correlation between this context and the company's previous track record, showing what specific challenges it is likely to face during its next mandate and how he/she will address them.

**A4.** *Formulates relevant objectives that meet operational performance expectations.*

**Description:** Recognizes the company's operational context in relation to the market, competition and some relevant operational practices and formulates SMART operational objectives.

**A5.** *Formulates relevant targets that meet financial performance expectations.*

**Description:** Understands the company's financial context in relation to the market, competition and some financial practices and formulates SMART financial objectives.

**A6.** *Formulates relevant targets that meet expectations for quality of service and energy infrastructure management.*

**Description:** It assesses the company's service quality situation with regard to how the company's energy infrastructure is managed in relation to the market, competition and some

industry practices and formulates SMART targets on the cost of quality, the number of quality incidents and asset management.

**A7.** *Formulates relevant objectives that meet the investment policy expectations of the public enterprise.*

Description: Takes note of company needs and APT's expectations on the investments to be made in the next mandate and defines SMART objectives at each stage of the company's investment plan for the next mandate.

**A8.** *Formulates relevant objectives that meet expectations for debt reduction.*

Description: Takes note of the level of receivables at the beginning of the mandate and presents concrete, realistic and feasible actions to reduce them, formulating SMART objectives in this direction for each year of the mandate.

**A9.** *Formulates relevant targets that meet the dividend/net profit policy expectations of the public enterprise.*

Description: Formulates SMART objectives for dividends and payments to the state budget due by the company during the next mandate period.

**A10.** *Formulates relevant objectives that meet expectations in the area of ethics, integrity and corporate governance.*

Description: Contributes with his/her own convictions to the establishment of principles of ethics, integrity and morality and to the formulation of the principles of good corporate governance of the company, defining SMART objectives in this respect for each year of its mandate.

**A11.** *Proposes indicators that he/she deems appropriate for monitoring the performance of the public enterprise during the mandate period, linked to the formulated objectives.*

Description: Correlates objectives that meet shareholders' expectations with performance indicators, for which it indicates realistic targets.

**A12.** *Presents the picture of possible constraints, risks and limitations to be faced in achieving the proposed objectives and the action plan to reduce/eliminate them.*

Description: Reviews the constraints generated by the societal context, the risks stemming from them, assesses them in terms of their likelihood of occurrence and their impact, and indicates realistic counter-measures.