

Letterhead of the General Secretariat of the Government

To: THE NATIONAL NATURAL GAS TRANSMISSION COMPANY TRANSGAZ S.A.

Attn: Mr. Ion STERIAN, Director-General

CC: Mr. Nicolae MINEA, Chairman of the Board of Administration

Dear Sirs,

Considering the provisions of:

- Art. 11 (6) of GEO no. 68/2019 on the establishment of measures at the level of the central public administration and for the amendment of normative acts, according to which the exercise of rights and the fulfilment of obligations arising from the capacity of the Romanian state as shareholder of the National Natural Gas Transmission Company Transgaz S.A. is ensured by the General Secretariat of the Government,
- Article 105(3) of Law No. 24/2017 on issuers of financial instruments and market operations, republished, in conjunction with the provisions of Art. 117¹ of the Companies Law No. 31/1990, republished, as amended,

and taking into account:

- Resolution No. 8/19.11.2025 of the Ordinary General Meeting of the Shareholders of S.N.T.G.N. Transgaz S.A. approving the financial, non-financial, and non-commercial performance indicators for 2025-2029;
- Approval Notice No. 1010/25.11.2025 issued by the Agency for Monitoring and Evaluating the Performance of Public Enterprises the National Natural Gas Transmission Company "Transgaz" S.A. regarding the key financial and non-financial performance indicators resulting from the Management Plan 2025-2029, previously approved by Agency for Monitoring and Evaluation of Performance of Public Enterprises, approved by the Resolution No. 8/19.11.2025 of the Ordinary General Meeting of the Shareholders ,
- The topics included in the agenda of the Ordinary General Meeting of the Shareholders dated **17/18 December 2025,**

The General Secretariat of the Government requests you to add the following item to the agenda of the Ordinary General Meeting of the Shareholders convened for 17/18 December 2025:

1. Approval of the conclusion of the Addendum to the Mandate Contracts of the non-executive administrators of the National Gas Transmission Company Transgaz S.A. on the key financial and non-financial performance indicators resulting from the Management

Plan 2025-2029, endorsed and approved and the empowerment of a representative of the majority shareholder, the General Secretariat of the Government, to sign, on behalf of the Company, the addenda to the mandate contracts of the non-executive administrators of the National Gas Transmission Company Transgaz S.A.

Draft resolution:

1. With ____ votes **For**, representing ____% of the total number of expressed votes and with ____ votes **Against**, representing ____% of the total number of expressed votes, **approves/does not approve** the conclusion of the Addendum to the Mandate Contracts of the non-executive administrators of the National Gas Transmission Company Transgaz S.A. on the key financial and non-financial performance indicators resulting from the Management Plan 2025-2029, endorsed and approved and the empowerment of a representative of the majority shareholder, the General Secretariat of the Government, to sign, on behalf of the Company, the addenda to the mandate contracts of the non-executive administrators of the National Gas Transmission Company Transgaz S.A., in the form submitted by Letter No. / / / of the General Secretariat of the Government.

A total of ____ shareholders, having ____ votes, adopted the `Abstention` position on this item.

We also enclose the template of the Addendum to the Mandate Contracts of the non-executive administrators of the National Gas Transmission Company Transgaz S.A.

Yours sincerely,

Ștefan Radu OPREA

SECRETARY GENERAL OF THE GOVERNMENT

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**Addendum no. ____ to
The Mandate Contract no. ____ dated ____**

Considering the provisions of:

- Company Law 31/1990, republished, as amended, hereinafter referred to as **Law 31/1990**;
- Law No. 158 of October 17, 2025, amending and supplementing Government Emergency Ordinance No. 109/2011 on corporate governance of public enterprises;
- Government Emergency Ordinance No. 109/2011 on the corporate governance of public enterprises, as subsequently amended and supplemented, hereinafter referred to as "**GEO No. 109/2011**";
- Government Decision No. 639/27.07.2023 approving the Methodological Norms for the application of Government Emergency Ordinance No. 109/2011 on the corporate governance of public enterprises, hereinafter referred to as "**GD No. 639/2023**";
- Government Ordinance 26/2013 on strengthening financial discipline at the level of economic operators where the state or administrative-territorial units are sole or majority shareholders or hold directly or indirectly a controlling stake, as amended;
- Art. 1.913 and the subsequent articles, and Art. 2.009 and the subsequent articles of Law 287/2009 on the Civil Code, as amended;
- Government Emergency Ordinance no. 68/2019 on the establishment of measures at the level of the central public administration and for the amendment and supplementation of normative acts,

as well as the following:

Resolution of the Ordinary General Meeting of Shareholders of S.N.T.G.N. Transgaz S.A. no. 8 dated 19.11.2025, approving the financial, non-financial, and non-commercial performance indicators for the period 2025-2029;

The COMPLIANT opinion no. 1010 of 25.11.2025 for the National Natural Gas Transmission Company TRANSGAZ S.A. regarding the key financial and non-financial performance indicators resulting from the 2025-2029 Management Plan, previously approved by AMEPIP, approved by Resolution No. 8 of the Ordinary General Meeting of Shareholders of 19.11.2025, issued by the Agency for Monitoring and Evaluating the Performance of Public Enterprises;

Resolution of the Ordinary General Meeting of Shareholders of S.N.T.G.N. Transgaz S.A. no. ... dated, approving the conclusion of the Addendum to the Mandate Contracts of the Non-Executive Administrators of S.N.T.G.N. Transgaz S.A. which includes financial, non-financial, and non-commercial performance indicators for the period 2025-2029, in accordance with the provisions of GEO no. 109/2011 on the corporate governance of public enterprises, as subsequently amended and supplemented;

The General Meeting of the Shareholders of S.N.T.G.N. Transgaz S.A. no. ____ dated ____ decided that the present Addendum to the Mandate Contract no. ____ dated _____, hereinafter referred to as the "**Mandate Contract**" shall be signed by the representative of the shareholders ____ _

The National Gas Transmission Company "Transgaz" S.A., headquartered in Medias, no. 1, C. I. Motas Sq., Sibiu County, tel./fax. 0269 803333 / 0269 803334, e-mail: cabinet@transgaz.ro, registered with the Trade Register, Sibiu Court of Law under no. J32/301/2000, VAT no. RO/13068733, represented by _____, identified with _____, hereinafter referred to as "**Company**" or "**Mandator**" as appropriate,

and

Mr./Mrs. _____, Romanian citizen, born on _____, residing in _____, bearer of ID series _____ no. _____ issued by _____ on _____, Personal no. _____, tel./fax. _____ / _____, e-mail: _____, as _____, hereinafter referred to as "**Mandatar**",

individually referred to as the Party and collectively as the Parties,

pursuant to art. 2 pt. 21 of GEO no. 109/2011 and of art. 5.2.3. and art.8.1 of the **Mandate Contract** no. ____ dated _____, hereinafter referred to as the "Mandate Contract", have agreed to conclude this Addendum, hereinafter referred to as the "**Addendum**",

Art.1. Object of the Addendum

The parties agree to amend Article 5.2.3. of the Mandate Contract as follows:

1.1 The key financial, non-financial, and non-commercial performance indicators are set out in Annex 1 to this addendum.

Art.2. Final provisions

2.1 This Addendum shall enter into force at the date of its execution by the Parties.

2.2. The other clauses of the Mandate Contract shall remain unchanged.

This Addendum was concluded today, _____, in 3 (three) original counterparts, of which 2 (two) counterparts for the Mandator and 1 (one) counterpart for the Mandatar.

Mandator,
S.N.T.G.N. TRANSGAZ S.A.,
by _____
empowered by the Resolution of the Ordinary General
Meeting of the Shareholders no. _ dated _

Mandatar,

Annex 1

The indicators included in the company's Management Plan, which measure the company's financial and non-financial performance for 2025-2029, are:

A. ECONOMIC AND FINANCIAL PERFORMANCE INDICATORS - standard performance indicators
Commissioned investments
EBITDA
Labour productivity
Outstanding payments
Outstanding receivables
NTS gas consumption
OPEX at lei 1000 operating revenue
Profitability indicators
Liquidity indicators
Risk indicators
Management indicators

A. ECONOMIC AND FINANCIAL PERFORMANCE INDICATORS

The estimated values of the standard economic and financial performance indicators proposed for 2025-2029 are:

No.	Performance criteria	Performance objective	MU	Weighting factor	2025	2026	2027	2028	2029
1.	Commissioned investments	Plan achieved	Thousand lei	0,15	3.037.503	1.427.934	1.346.890	1.032.705	431.281
2.	EBITDA	EBITDA increase	Thousand lei	0,15	936.403	900.491	1.176.317	1.297.362	1.411.170
3.	Labour productivity	Increasing labour productivity in units of value (turnover / average no. of employees);	Thousand lei/ pers.	0,15	668	669	734	817	896
4.	Outstanding payments	Payments made during the contract duration (in current prices)	Thousand lei	0,15	0	0	0	0	0

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5.	Outstanding receivables	Diminished amount of outstanding receivables (in current prices)	Thousand lei	0,1	635.429	603.658	573.475	544.801	517.561
6.	NTS gas consumption	Remaining within the gas quantities representing NTS gas consumption	%	0,15	100%	100%	100%	100%	100%
7.	OPEX at lei 1000 operating revenue	Diminishing of OPEX at lei 1000 operating revenue	lei	0,15	851	863	829	865	879

The estimated performance of SNTGN Transgaz SA for 2025-2029 in terms of profitability, liquidity, risk, and management indicators is presented in the table below:

No.	Indicators	Calculation formula	2025	2026	2027	2028	2029
1.	Profitability indicators						
	EBITDA in total sales	EBITDA	41,31%	42,43%	51,02%	49,95%	50,64%
		Turnover					
	EBITDA in equity	EBITDA	25,17%	25,02%	30,94%	31,77%	32,92%
		Equity					
	Gross profit share	Gross profit	17,25%	18,67%	22,17%	21,34%	21,61%
		Turnover					
	Return on equity	Net profit	8,83%	9,24%	11,29%	11,40%	11,80%
		Equity					
2.	Liquidity indicators						
	Current liquidity indicator	Current assets	1,10	1,10	1,10	1,10	1,10
		Short term debts					
	Acid test ratio	Current assets - Stocks	1,03	0,97	1,05	1,09	1,13
		Short term debts					
3.	Risk indicators						
	Leverage indicator	Borrowed capital	87,35%	108,67%	123,18%	128,80%	124,51%
		Equity					
	Interest coverage ratio	EBIT	340,85%	300,28%	304,43%	227,95%	215,63%
		Interest expense					
4.	Management indicators						
	Days' sales outstanding	Average accounts receivable x 365 days	63,21	69,04	66,92	67,66	69,28
		Turnover					

Translation from Romanian

		Average accounts payable x 365 days	95,51	92,76	84,31	65,07	39,67
	Days' payable outstanding	Turnover					

B. KEY PERFORMANCE INDICATORS – NON-EXECUTIVE ADMINISTRATORS

Financial key performance indicators

No.	Financial targets	Category of financial indicators	Financial indicators	Calculation formula	M.U.	WEIGHT	2025	2026	2027	2028	2029	Verification tool
Public enterprise strategy												
1.	Implementation of investment projects included in the company's development plan in compliance with the applicable legal framework and efficiency principles, aiming to ensure security of natural gas supply and increase the level of interconnection of the national natural gas transmission network to the European network	Financing	Current liquidity ratio	Current liquidity ratio = Current (circulating) assets/Current liabilities	Number	20%	1,10	1,10	1,10	1,10	1,10	Audited annual financial statements
2.	Ensuring sustainable financial and economic performance and operational stability	Profitability	Return on assets	ROA = Net profit/Total assets	%	10%	3,36	3,42	4,06	4,17	4,53	Audited annual financial statements
3.		Dividend policy*	Dividend payout ratio	Dividend payout ratio = {Dividends paid (for the year t) / Net profit (for the year t)} x 100	%	20%	50,00	50,00	50,00	50,00	50,00	Audited annual financial statements

Non-financial key performance indicators

No.	Non-financial objectives	Category of non-financial indicators	Non-financial indicators	Calculation formula	M.U.	WEIGHT	2025	2026	2027	2028	2029	Verification tool
Public enterprise strategy												
1.	Increasing customer, business partner, and supplier satisfaction and the quality of services provided	Focused on public services	Monitoring Development Strategy*	Implementation of FID projects in the 10-year development plan = actions completed + actions started / actions proposed	%	10%	100	100	100	100	100	Report submitted to ANRE annually on March 15 10-year development plan approved by ANRE - Report of the administrators (Annex 3- Objectives)
2.	Improving the process of training, instruction, and professional development of staff.	Employee-related indicators	Average number of training hours per employee	Average number of training hours per employee = Total number of training hours_t/Total number of employees_t	Number	10%	21	22	23	24	25	Report of the administrators
3.	Optimizing the implementation process of corporate governance, ethics, and integrity principles	Governance-related indicators	Percentage of independent members on the board of administration	Percentage of independent members on the board of administration_t = Total number of non-executive and independent members on the board of administration_t/Total number of members on the board of administration_t	%	10%	60	60	60	60	60	Report of the administrators

Translation from Romanian

No.	Non-financial objectives	Category of non-financial indicators	Non-financial indicators	Calculation formula	M.U.	WEIGHT	2025	2026	2027	2028	2029	Verification tool
4.			Number of BoA meetings	Number of board of administration meetings_t= Number of board of administration meetings held during the year_t	Number	10%	12	12	12	12	12	Report of the administrators

Non-commercial key performance indicators

No.	Non-financial objectives	Category of non-financial indicators	Non-financial indicators	Calculation formula	M. U.	WEIGHT	2025	2026	2027	2028	2029	Verification tool
Public enterprise strategy												
1.	Optimal sizing of human resource requirements in relation to the actual activity and development needs of the company	Gender equality	Percentage of female senior managers	Proportion of female senior managers = Number of female senior managers_t/Number of senior managers_t	%	10%	31	31,50	32	32,50	33	Report of the administrators