

Letterhead of THE GENERAL SECRETARIAT OF THE GOVERNMENT

Letter no. 41818 Date: 17.12.2024

Registered with Transgaz no. 106264/17.12.2024

To: **THE NATIONAL GAS TRANSMISSION COMPANY TRANSGAZ S.A. MEDIAȘ**

Mr. Petru Ion Văduva – Chairman of the Board of Administration
Mr. Ion Sterian, Director - General

Ref: request to convene the Ordinary General Meeting of the Shareholders of the National Gas Transmission Company Transgaz SA

Dear Sirs,

Considering the provisions of:

- Article 11 (6) of GEO 68/2019 on the establishment of measures at the level of central public administration and for amending and supplementing normative acts, according to which the exercise of rights and the fulfilment of obligations arising from the capacity as shareholder of the Romanian State in the National Gas Transmission Company Transgaz S.A. Medias is carried out by the General Secretariat of the Government,
- Article 105 (3) of Law 24/2017 on issuers of financial instruments and market operations, republished, as amended, corroborated with the provisions of Article 119 of the Company' s Law no. 31/1990, republished, as amended,
- Article 10 (4) and Article 12 (3) of Annex 1 to GD no. 639/2023 on the approval of the methodological rules for the enforcement of Government Emergency Ordinance no. 109/2011 on the corporate governance of public enterprises,

We would like to kindly request you to take the necessary actions to convene the Ordinary General Meeting of the Shareholders of the National Gas Transmission Company Transgaz SA with the following item on the agenda:

1. **"Approval of the Integral component of the selection plan for the appointment of members to the Board of Administration of the National Gas Transmission Company Transgaz S.A., together with its annexes. "**

Draft resolution:

1. With ___ votes **For**, representing ___% of the total number of cast votes and with ___ votes **Against**, representing ___% of the total number of cast votes, **approves/does not** approve the *Integral component of the selection plan for the appointment of members to the Board of Administration of the National Gas Transmission Company Transgaz S.A., together with its annexes*, as the one proposed by the shareholder Romanian State, through the General Secretariat of the Government, according to the letter no. 20/ / .2024. A total of ___ shareholders, having ___ votes, adopted the `Abstention` position on this item.

In this context, we would like to ask you to take all necessary steps to provide shareholders with the materials necessary for the adoption of resolutions, as requested and submitted, and to follow the publication procedure in accordance with the applicable regulations on the capital market.

Please find attached the Integral component of the selection plan for the appointment of members to the Board of Administration of the National Gas Transmission Company Transgaz S.A, together with its annexes.

Yours sincerely,

on behalf of the **Secretary General of the Government**

Deputy Secretary General of the Government

Adrian ȚUȚUIANU

Illegible signature and stamp

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Letterhead of the GENERAL SECRETARIAT OF THE GOVERNMENT

Annex no. 2 to Order no.1225/14.11.2024 of the General Secretariat of the Government

DRAFT

LETTER OF EXPECTATIONS

**REQUIRED FOR THE SELECTION AND ASSESSMENT OF THE MEMBERS OF THE BOARD OF
ADMINISTRATION AND DIRECTORS OF THE NATIONAL GAS TRANSMISSION COMPANY
TRANSGAZ SA
FOR THE PERIOD 2025-2029**

The General Secretariat of the Government (SGG) in its capacity as public supervisory authority and majority shareholder of The National Gas Transmission Company Transgaz S.A. (S.N.T.G.N. Transgaz S.A.), company with registered office in Mediaş Municipality, Sibiu County, Piaţa C. I. Motaş, no. 1, code 551130, registered with the Trade Register under no. J32/301/2000, sole registration code RO 13068733, holder of 110.221.440 shares, representing 58,5097% of the share capital, in consultation with the other shareholders of the company, prepares this Letter of Expectations under the provisions of GEO no. 109/2011 on the corporate governance of public enterprises, as amended, and of GEO no. 639/2023 for the approval of the Methodological Norms for the application of GEO no. 109/2011 on the corporate governance of public enterprises.

The letter of expectations, which is part of the set of mandatory documents starting the selection process of board members for public enterprises, is part of the initial component of the selection plan and defines the shareholders' expectations regarding the performance of the company and its management and governing bodies, as well as the policy of the public supervisory authority, for a period of 4 years, during 2025 –2029, pursuing the development of cooperative relations based on mutual trust, in compliance with the principles of transparency, responsibility, economic efficiency and profitability of S.N.T.G.N. Transgaz S.A.

I. COMPANY'S BACKGROUND DATA

S.N.T.G.N. Transgaz S.A. was established in 2000, based on the G.D. no. 334/28 April 2000, regarding the reorganization of the National Gas Company "Romgaz" S.A.. published in the Official Journal of Romania, Part I, no. 194/04.05.2000.

S.N.T.G.N. Transgaz S.A. is the technical operator of the National Gas Transmission System and ensures the efficient, transparent, safe, non-discriminatory and competitive fulfilment of the national strategy established for the international domestic transmission of natural gas, the dispatching of natural gas, research and design in the field of natural gas transmission, in compliance with the legislation. and national and European standards of quality, performance, environment and sustainable development.

ANRE Order no. 3/22 January 2014 on the approval of the certification of the National Gas Transmission Company TRANSGAZ S.A. as transmission system operator of the National Gas Transmission System, established that the National Gas Transmission Company TRANSGAZ S.A. shall be organized and operate according to the "independent system operator" model.

S.N.T.G.N. Transgaz S.A. was among the pioneers of a new stage of development in the national economy, being a pioneering company in the process of implementing private professional management.

Transgaz' shareholding structure is as follows:

- 58,5097% - The Romanian state represented by S.G.G. - 110.221.440 shares;
- 41,4903% - Free float - 78.160.064 shares.

SNTGN TRANSGAZ S.A. is a company listed on the Bucharest Stock Exchange and is managed by a unitary management system. The Board of Administration of SNTGN TRANSGAZ S.A. during 2021-2025 consists of 5 administrators and was selected and appointed according to the provisions of GEO no. 109/2011 on the corporate governance of public undertakings, as amended.

The activity of the Board of Administration is carried out based on the provisions of:

- Law no. 31/1990 on companies, republished as amended;
- Law no. 24/2017 on the issuance of financial instruments and market operations, as amended;
- GEO no. 109/2011 on corporate governance of public enterprises, as amended;
- The Corporate Governance Code of the BSE;
- The Articles of Incorporation of SNTGN TRANSGAZ S.A., as updated;
- Financial Supervisory Authority Regulation No 5/2018 on issuers of financial instruments and market operators, as amended;
- Regulamentului ASF nr. 5/2018 privind emitenții de instrumente financiare și operatorii de piață, cu modificările și completările ulterioare;
- Rules of Organization and Procedure of the Board of Administration.

II. SYNTHESIS OF THE GOVERNMENTAL STRATEGY IN WHICH S.N.T.G.N. TRANSGAZ S.A. OPERATES

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 fulfill, 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;
- alignment with the OECD principles provided for in the Guidelines for Multinational Enterprises on Responsible Business Conduct, namely: human rights, employability and industrial relations, environment, bribery and other forms of corruption, consumer protection, science, technology and innovation, competition and taxation;
- 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;
- the effective start of offshore natural gas exploitation projects in the Black Sea;

- 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;
- active participation in European initiatives aimed at investing in storage technologies, promotion and large-scale use of electric batteries in CO₂ capture, CO₂ utilization and/or storage, identifying and harnessing scarce raw materials;
- 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; listing energy sector companies on the stock exchange, where feasible, in order to increase the degree of transparency of management and for investments based on principles of economic efficiency and technological neutrality, while maintaining the strategic control of the Romanian state;
- 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.

A new national energy policy is needed in the current European context. Ensuring energy security is the key objective of the new energy policy, in line with the European context of a future integrated market. Green transition and digitalization of the energy sector will be ensured by promoting renewable electricity generation, energy efficiency and technologies. The decarbonization of energy supply, in view of the EU-wide target to reduce greenhouse gas emissions by at least 40% compared to 1990 levels, can only be achieved by increasing nuclear generation capacity. At regional level, energy independence has to be the new strategic goal. In this context, Romania's energy independence becomes a primary objective for the government

Romania aims to transpose and implement the European Green Deal, the strategies, plans and legislation of the key actions related to it by drafting and implementing a Green Deal for Romania, which will customize the European objectives to the national realities and possibilities, so that the new framework for sustainable, fair and inclusive development will ensure an economically efficient, socially sustainable and environmentally friendly transition focused on competitiveness, innovation and decarbonization.

Since public enterprises are an important driver for economic recovery and state budget balancing, the operation, creditworthiness and liquidity of these companies have a considerable influence on the economy as a whole, through their multiplier effect, and the need to implement and improve corporate governance, respectively, has to support these economic rationales par excellence.

The state's expectations as a shareholder in public enterprises aim to shift their focus from maximizing annual profit to strategic objectives such as: *implementation of sustainable medium and long-term investment programs, investments that meet the objectives assumed by Romania in terms of the European Green Deal, climate neutrality, economic recovery, efficient use of business opportunities, development of research and innovation, digitalization, human capital development, transparency, ethics and integrity, implementation of best practice models of corporate governance, competitiveness and sustainable development.*

At the heart of the entire legislation on corporate governance for public enterprises in Romania is the idea of transparent implementation of management by professional, upright, visionary directors who are accountable, efficient and competitive in relation to the financial and non-financial expectations of shareholders and the established performance targets.

The energy sector is a key contributor to Romania's sustainable development process through its crucial influence on the quality of life, the competitiveness of the economy, the environment and the climate. In order to meet the expectations of energy consumers, Romania's energy sector has to become more economically efficient, more technologically advanced and less pollution-intensive. Increasing the quality of the energy governance system in Romania is a foundation for achieving all other strategic objectives.

The state has an important role in the energy sector, as legislator, regulator and energy policy maker on the one hand, and as asset owner and manager or significant shareholder on the other - both in the natural monopoly segments (transmission and distribution of electricity and natural gas) and in production.

Awareness and accountability that state assets have to be managed with the same care and competence as the private ones shall become a strategic priority, an important step in the future of the country's economy, where state-owned companies have an extremely important contribution to economic development.

Romania's energy system is an extremely important area, and the special attention it is receiving is due both to its importance for the entire national economy and to the need to comply with the commitments Romania has undertaken towards the European Union and other international institutions and bodies.

In the context of multiple changes in the European and national regulatory and legislative framework, the definition and implementation of an effective and competitive, viable and flexible medium and long term national energy strategy, aligned with the requirements of European standards, is the driver that can determine the recovery of the national economy, attracting external investment and financing, including European funds, through the financing mechanisms made available by the EU, in key sectors, increasing economic competitiveness, developing and modernizing transport infrastructure, protecting and improving the quality of the environment, setting the national economy on a sustainable development trend.

The aim of privatizing the Romanian energy sector is to attract investment with a view to modernizing and developing it and to achieve real competitiveness in the context of the integration of regional energy markets. It can transform Romanian energy system actors from internal to regional, ensuring the prerequisites for the formation and consolidation of the regional energy market in South-East Europe and the EU.

Ensuring sustainable financial and non-financial performance, increasing economic efficiency and profitability, optimizing company value, removing waste and corruption, prudent risk management and approach, making the activity transparent, eliminating bottlenecks and malfunctions in the economy, ensuring a professional, efficient management that creates added value for the energy sector and implicitly for the national economy are just some of the aspects of the current national and European energy context.

III. THE GENERAL VISION OF THE SUPERVISING PUBLIC AUTHORITY AND SHAREHOLDERS ON THE MISSION AND OBJECTIVES OF S.N.T.G.N. TRANSGAZ S.A.

The General Secretariat of the Government, in its capacity as the supervising public authority and majority shareholder, as well as the other shareholders, shall ensure that S.N.T.G.N. Transgaz S.A. makes achievements as a gas transmission system operator on the international natural gas market, becomes a leader on the regional energy market, with a modern national natural gas transmission system, integrated at European level and an efficient management system.

In accordance with the requirements of the European energy policy, the mission of the majority shareholder, the Romanian State through the General Secretariat of the Government and the other shareholders is to fulfill the national energy strategy established for the domestic and international transmission of natural gas, the dispatching of natural gas and the research and design in the field of natural gas transmission under conditions of efficiency, transparency, safety and competitiveness.

Throughout the new mandate, 2025-2029, the main objectives pursued, are both to continue with responsibility, efficiency, transparency and professionalism towards all stakeholders on the road opened for the construction and development of a solid and efficient future of the Romanian energy sector and to achieve new objectives that meet the European and national energy vision, presented in the Government Program, the Energy Strategy of Romania 2020-2030, horizon 2050, the National Integrated Energy and Climate Change Plan 2021-2030 (NIECP), the European Green Deal, the National Hydrogen Strategy 2023-2030 (NHS), the National Recovery and Resilience Plan (NRRP).

The main objectives are:

- **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 neighboring 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;
- **operational effectiveness** - implementing smart transmission networks; ensuring sustainable financial and operational performance of the company; implementing participative management in all areas of the company's activities; developing organizational culture and 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.

The Plan for the Development of the National Gas Transmission System for the period 2024-2033 prepared by S.N.T.G.N. Transgaz S.A. according to the provisions of Power and Gas Law no. 123/2012 as amended, with the national objectives proposed by the draft National Energy Strategy 2025-2035 at 2050 horizon, by the updated National Integrated Energy and Climate Change Plan 2021-2030 (NIECP), by the National Recovery and Resilience Plan (NRRP) and by the National Hydrogen Strategy 2023 -2030 (NHS), has been submitted to ANRE for approval and meets the requirements of the European energy policy on:

- ensuring security of gas supply;
- increasing the degree of inter-connectivity between the national gas transmission network and the European network;
- increasing the flexibility of the national gas transmission network;
- opening up the natural gas market;
- creating an integrated EU-wide natural gas market;
- ensuring the connection of third parties to the natural gas transmission system, in accordance with specific regulations, within the limits of the transmission capacities and in compliance with technological regimes;
- ensuring the supply of natural gas to Romanian localities;
- ensuring that new job-creating investments are connected to the natural gas network;
- developing the transmission system in such a way that it is compatible with the gradual blending of hydrogen into natural gas, in line with European goals, based on detailed analyses including the relevant technical and economic aspects;
- developing the societal strategy for coupling hydrogen ecosystems and industrial centers with the integrated EU-wide hydrogen pipeline transportation system;

- ensuring a phased transition to climate-neutral activity and building resilience to climate change;
- meeting national and international (climate) requirements and regulations/National Integrated Energy and Climate Change Plan.

The annual and multi-annual programmes are the main tools for planning, budgeting and monitoring the implementation of investment works for the modernization and development of the NTS, repair and rehabilitation works and maintenance services for the NTS.

IV. TRANSGAZ' INCLUSION IN ONE OF THE CATEGORIES OF THE SCOPES OF PUBLIC ENTERPRISES

The National Natural Gas Transmission Company "TRANSGAZ" SA is a public enterprise within the meaning of Article 2, paragraph 2, letter b) of GEO no. 109/2011, as subsequently amended and supplemented.

SNTGN TRANSGAZ SA is a Romanian legal entity having the legal form of a joint-stock company and carries out its activity in accordance with the Romanian laws and with the updated Articles of Incorporation.

According to Article 100, points 83 and 84 of the Law no. 123/2012 on electricity and natural gas, as updated the transmission system is defined as the set of interconnected pipelines, including related installations and equipment for the transport of natural gas, in accordance with the specific technical regulations, which ensure the takeover of natural gas extracted from the exploitation blocks or from imports and the delivery to distributors, direct customers, storage, and beneficiaries in various countries; respectively, the National Transmission System (NTS) is the transmission system located on the territory of Romania and which is in the public property of the State.

The main activity of SNTGN TRANSGAZ S.A. is - **Transmission through pipelines – NACE code 4950** - activity defined by law as the activity organized for the transmission of natural gas through the National Natural Gas Transmission System (NTS) or other transmission systems. Also, SNTGN TRANSGAZ S.A. carries out complementary and other related/secondary activities to support the main object of activity in accordance with the legislation in force and the Articles of Incorporation, updated.

Transgaz has the monopoly status in the transmission of natural gas in Romania and transports around 90% of all natural gas consumed.

V. THE ASSURANCE BY TRANSGAZ OF THE PUBLIC SERVICE OBLIGATION OF GAS TRANSMISSION

SNTGN TRANSGAZ S.A. is the technical operator of the National Gas Transmission System (NTS) ensuring that the national strategy established for the domestic and international gas transmission, natural gas dispatching, research and design in the gas field is complied with in conditions of efficiency, transparency, safety, non-discriminatory access and competitiveness the natural gas transport sector, in compliance with the national and European standards of quality, performance, environment and sustainable development.

According to the regulatory framework applicable to the natural gas sector, SNTGN TRANSGAZ S.A. carries out the natural gas transmission activity on the basis of specific sectoral legislation, of the Concession Agreement signed with the National Regulatory Authority for Mining, Petroleum and Geological Storage of Carbon Dioxide, approved by G.D. no. 668/2002, as subsequently amended and supplemented and of the Natural Gas Transmission System Operating License no. 1933 granted by Decision no. 3911/20.12.2013, updated, issued by the National Energy Regulatory Authority (ANRE).

The natural gas transmission activity constitutes a public service of national interest and is included in the regulated segment of the internal natural gas market. The natural gas transmission service is provided under a natural monopoly on the basis of a tariff set by ANRE.

As operator of the NTS, SNTGN TRANSGAZ S.A. has the obligation, in accordance with the legal provisions on measures to ensure security of natural gas supply of the European Union regulations, to make interconnections with similar natural gas transmission systems in neighbouring countries, in order to create technical and technological conditions for ensuring security of natural gas supply to the Central-Eastern European region.

The obligations and responsibilities of the General Secretariat of the Government on the one hand and SNTGN TRANSGAZ S.A. on the other hand will be carried out responsibly and efficiently and in accordance with the applicable legal framework.

VI. THE DIVIDEND AND NET PROFIT DISTRIBUTION POLICY APPLICABLE TO TRANSGAZ

The General Secretariat of the Government, in its capacity as public supervisory authority and majority shareholder, but also the other shareholders, will seek to maximize the long-term value of the company and implicitly the value of the dividend. The dividend policy will be a responsible, prudent and predictable one, appropriate to the specific situation of the company and complying with its development investment needs.

The main objective is to ensure a balance between the dividend policy and that of providing the necessary funds for the investment programs undertaken by the company for development and upgrading.

At present, G.E.O. no. 64/2001 on the distribution of profits in state-owned companies, national companies, commercial companies fully or majority state owned, as well as autonomous companies, regulates the distribution of at least 50% of profits as a payment/dividend to the state or local budget.

SNTGN TRANSGAZ S.A. administrators are expected to develop, approve and publish the "Dividend Policy", as required by the BSE's new Corporate Governance Code.

VII. THE INVESTMENT POLICY APPLICABLE TO TRANSGAZ

Romania faces a historic opportunity. The EU's Multiannual Financial Framework 2021-2027 and the Next Generation EU program will bring substantial financial support to our country to be used for investments in infrastructure, education, health, agriculture, environment or energy, as well as

for the modernization of large public systems. The Recovery and Resilience Mechanism (RRM) is a new instrument proposed by the European Commission on 28 May 2020 as a European tool for economic recovery following the crisis caused by the new coronavirus. From the overall envelope, Romania would benefit from an allocation of approximately EUR 28.5 billion, of which EUR 13.6 billion in the form of grants and EUR 14.9 billion in the form of loans and loans - EUR 16.7 billion.

These funds will support the economic recovery and transformation of Romania and therefore public enterprises in which the state is a majority shareholder must carry out sustainable investment programs in order to develop their activity in the long term, considering the current market opportunities and socio-economic trends. The Government expects public enterprises to focus responsibly on research, development and innovation, as well as investments in green transition, digital transformation; smart, sustainable and inclusive economic growth.

The investment projects in the development and upgrading of the National gas Transmission System (NTS), in its expansion, will take into account the main requirements that it must ensure in the current dynamics of the regional natural gas market. Taking into account the latest developments and trends in the field of natural gas transmission routes at the European level, it is evident that two important sources of natural gas supply are emerging: natural gas from the Caspian Sea region and natural gas discovered in the Black Sea.

Thus, the investments proposed by SNTGN TRANSGAZ S.A. in the Development Plan of the National Natural Gas Transmission System for the period 2022-2031 revised in August 2023 and approved by ANRE Decision no.1956/04.08.2023 and included in TYNDP 2024 - 2033, submitted for approval to ANRE, are strategic investments for the development of the natural gas transmission infrastructure, to ensure energy security and for the compliance of the system with the requirements of European regulations in the field.

Keeping the importance of the company accountable, both as a driver of activities in the national economy and as a vector of economic growth of the country, through its role in the development of the energy sector and the transformation of Romania into an energy power of Europe, the Romanian state and Transgaz initiated one of the largest, complex and most important programs for the development of the natural gas transmission infrastructure in Romania over the past years, with investment projects estimated at over 9 billion euro (for eg: *BRUA project - phase 2; Black Sea - Podișor natural gas transmission corridor, Developments in the North-Western part of Romania, Interconnection of the National Natural Gas Transmission System with the similar system in Serbia, Increasing the transmission capacity on the interconnection with Bulgaria (Giurgiu - Ruse), Corridors for the transmission of natural gas mixed with hydrogen*).

For the sustainable development of the natural gas transmission infrastructure in Romania, through the Development Plan of the National Natural Gas Transmission System for the next 10 years, S.N.T.G.N. Transgaz S.A. proposes a large investment program for the strategic and sustainable development of the natural gas transmission infrastructure in Romania, which will allow the alignment of the NTS with the European transmission and operation requirements, while also ensuring its compliance with the requirements of European regulations in the field of environmental protection:

- strengthening Transgaz' role as a natural gas transmission system operator on the European, regional and national energy market, following the EU requirements on ensuring an

adequate degree of interconnectivity with neighboring countries and the potential for exploitation of natural gas fields discovered in the Black Sea;

- increasing the flexibility of the national gas transmission network;
- creation of natural gas transmission routes at regional level for the transmission of natural gas from various new supply sources;
- creating the necessary infrastructure for taking and transporting natural gas from off-shore blocks in order to capitalize it on the Romanian market and other markets in the region;
- extension of the natural gas transmission infrastructure to improve the supply of natural gas to areas with natural gas shortages and ensure third party access;
- developments of the NTS in accordance with legal provisions, investments enabling the extension of the NTS in areas with newly established distribution systems;
- creating an integrated single market at EU level.

Its geostrategic position, primary energy resources and major investment projects in natural gas transmission infrastructure can help Romania to become a significant player in the region, but only if it keeps pace with technological progress and manages to attract the necessary funding.

Through the projects proposed for the development and upgrading of the natural gas transmission infrastructure, through the implementation of intelligent control, automation, communication and network management systems, Transgaz aims both to maximize energy efficiency throughout the entire chain of activities, as well as to create an intelligent, efficient, reliable and flexible natural gas transmission system.

In view of the complex and extensive investment programme, the public supervisory authority and the shareholders want the administrators of SNTGN TRANSGAZ S.A. to consider developing the business by optimising the absorption of European funds and creating an efficient and flexible financing structure.

Following the proposed goals, the public supervisory authority and the shareholders expect and wish that the administrators and the management of the company will act responsibly, prudently and transparently towards all stakeholders, for business continuity, projects, ensuring and strengthening energy security, for the continuity of operational effectiveness, optimization of performance and sustainable development of the company.

VIII. EXPECTATIONS OF THE PUBLIC SUPERVISORY AUTHORITY AND SHAREHOLDERS REGARDING COMMUNICATION WITH THE ADMINISTRATIVE AND MANAGEMENT BODIES OF TRANSGAZ

The General Secretariat of the Government, as the PSA and majority shareholder, as well as the other shareholders, wish to support the activity of S.N.T.G.N. Transgaz S.A. in a constructive and transparent manner and to work closely with the members of the administrative and management bodies to identify ways to optimize the company's performances and to manage it efficiently.

The shareholders are committed to strengthening strategic accountability, improving the management of the public enterprise's assets and clarifying their expectations for the company's development. These priorities are enabled by improving two-way communication between

administrators and shareholders to support an understanding of shareholder expectations, government priorities, accountability levels and alignment with the company's strategic priorities.

It is important that each of them inform each other of any issues with a material impact on the company and/or shareholders' interests, including information on identified risks that may influence the fulfilment of the management plan.

The Board of Administration will prepare, submit and publish half-yearly and annual reports on the fulfilment of performance indicators and the Management Plan.

The Board of Administration shall cooperate closely with all shareholders, to ensure timely information and constant communication on the company's strategic management directions.

The transmission of reporting documents within the deadlines set by law and administrative acts, as well as any other information that shareholders deem necessary, are examples of good communication between the company and shareholders.

Any deviation from the established performance indicators shall be notified to the relevant public authority and shareholders, as appropriate, as soon as possible, as soon as the management and governing bodies of the public enterprise determine that such deviation is highly probable. It is important that managers inform shareholders in a timely manner of any risk of deviation from expected performance. Thus, we expect administrators to perform a risk quantification and consult shareholders in a timely manner if significant deviations from expected targets are expected.

For a transparent communication and information of all stakeholders the good corporate governance practices stipulate that the company's administrators carry out a transparent activity and to make sure that all the public information provided for by the applicable laws are published on Transgaz' webpage.

IX. THE EXPECTATIONS OF THE PUBLIC SUPERVISORY AUTHORITY AND STAKEHOLDERS REGARDING THE QUALITY AND SECURITY OF SERVICES

The quality of the national public natural gas transmission service is a constant concern of both the General Secretariat of the Government, in its capacity as Public Supervisory Authority and majority shareholder, and of the other shareholders.

Thus, the public supervisory authority and the shareholders of Transgaz wish that the company's administrators pay particular attention to improving the quality of natural gas transmission services, increasing the safety in the operation and functioning of the National Transmission System for domestic and international natural gas transmission and dispatching and to ensure the monitoring of these services in accordance with the Performance Standard for the natural gas transmission and system service approved by ANRE.

The Natural Gas Transmission Service Performance Standard regulates the commercial quality criteria by setting performance indicators for the provision of the natural gas transmission service and ancillary services by the transmission system operator (TSO). The degree of achievement of the performance indicators, set by the Natural Gas Transmission Service Performance Standard, is monitored annually and is part of the category of non-financial key performance indicators.

The company's administrators are expected to continue and develop the programs undertaken on the implementation of the TQM (Total Quality Management) system in the field of natural gas transmission service, modernization and development of the natural gas transmission infrastructure, as well as the programs undertaken in the field of gas quality and metering, environmental protection and security of the company's operational systems and processes.

SNTGN TRANSGAZ S.A. has an **Integrated Quality – Environment, Occupational Health and Safety Management System** implemented and certified in accordance with **SR EN ISO 9001:2015, SR EN ISO 14001:2015** and **SR ISO 45001:2018** and the administrators must therefore act in accordance with these rules and procedures, ensuring that certification is maintained.

The Board needs to understand the emerging changes related to information technology and artificial intelligence in order to mitigate risks to cybersecurity. Time must be given to AI and cybersecurity risks and opportunities on the Board's agenda to ensure understanding of cyber protection.

Transgaz shall continuously develop the Internal Managerial Control System, in accordance with the provisions of Order No. 600/2018 of the Secretary General of the Government on the approval of the Code of Internal Managerial Control of Public Entities.

Annually, a report will be prepared on the performance monitoring process and on the conduct of the risk management process at company level, in accordance with the provisions of Order No. 600/2018 of the Secretary General of the Government, Art. (9) and standard 7 - Performance Monitoring and standard 8 – Risk Management.

X. ETHICS, INTEGRITY AND CORPORATE GOVERNANCE

The General Secretariat of the Government, as PSA and majority shareholder, and the other shareholders, wants the company's administrators to continue to act in concert with the requirements of the new Governance Code of the BSE, those of the Code of Ethics and the Corporate Governance Regulation, as well as in the spirit of accountability and transparent business practices.

The management and the employees are aware of and support the ethical values and the values of the entity, comply with and enforce regulations on ethics, integrity, avoidance of conflicts of interest, prevention and reporting of fraud, corruption and whistleblowing.

The Code of Ethics is communicated to employees for consultation and awareness.

The executive management facilitates the open communication by employees of their concerns about ethics and integrity by appointing an ethics adviser to monitor compliance with the rules of conduct.

The confidential information shall be managed so as to ensure the equal treatment of all of the company's shareholders.

Third party transactions is another important aspect related to TRANSGAZ' ethics and the adoption by the company of internal regulations in this respect and regarding the management

of conflicts of interest and granting sponsorships are concrete expectations that the General Secretariat of the Government, as PSA and majority shareholder, and the other shareholders have from the Transgaz' administrators.

As these regulations are required by corporate governance legislation and are already in place within the company, the General Secretariat of the Government, as PSA and majority shareholder, and the other shareholders, is mainly directed towards:

- the full compliance of the company with the future applicable legislative requirements;
- increasing the interest in proper information of market participants and continuous improvement of transparency at Transgaz' level;
- knowledge and support of ethical values and company values, compliance with and enforcement of regulations on ethics, integrity, avoidance of conflicts of interest, prevention and reporting of fraud, corruption and whistleblowing, in accordance with the provisions of the Order of the Secretary General of the Government No 600/2018, standard 1 - Ethics and Integrity.

XI. THE BUSINESS ENVIRONMENT IN WHICH IT OPERATES AND THE RISKS TO WHICH THE COMPANY IS EXPOSED

Risk management

Risk management is one of the key concepts for long-term success. By effectively applying the principles of risk management and optimally managing the identified risks, it is possible to avoid their negative impact on the company's business and economic and financial performance.

Management shall organize and implement a risk management process that facilitates the achievement of the set objectives under conditions of economy, efficiency and effectiveness, in accordance with the requirements of the Order of the General Secretariat of the Government No. 600/2018 on the approval of the Code of Managerial Internal Control of Public Entities.

Risk management will be aimed at identifying and assessing the risks associated with the activities and objectives of the company, identifying the possible causes of risks, establishing the risk management strategy, monitoring the implementation of control measures and reviewing them according to the effectiveness of the results, as well as periodical reporting on the risk situation.

In order to effectively manage the risk management process within the company, the management shall ensure that the system procedure is updated to establish a unified overall framework for risk identification, assessment and management.

Risk management shall be adjusted to the size, complexity and specific environment of the Company's activities in order to minimize or eliminate the likelihood and impact of risks.

Risk management shall be an integral part of management and decision-making processes.

Risk management is addressed at two levels, through PEST analysis and risk management, as follows:

The PEST analysis (political, economic, social and technological) is an analysis of the general impact and trends of the external environment from the perspective of political, economic, socio-cultural and technological factors that may have direct / indirect influence on the economic activity of S.N.T.G.N. Transgaz S.A.

P	<p>Political and legal factors</p> <p>Governmental and political regulations can generate constraints or opportunities for the company and they include both commercial, fiscal and budgetary laws and policies, environmental laws and regulations as well as labour and social protection laws and other areas. Political-legal factors can have a double impact on the company, as follows:</p> <ul style="list-style-type: none"> ▪ positive impact in the context of S.N.T.G.N. Transgaz S.A.'s shareholding, which can come from the sphere of these factors and which have the possibility to support initiatives of legislative changes with positive influence on the activity of the company; and ▪ negative impact from the point of view of the accelerated pace and the variety of legislative changes, including those that address the regulatory framework specific to the company. In the medium and long term, they hamper the implementation of strategic programs.
E	<p>Economic factors</p> <p>The world economy is going through one of the most severe economic crises, a period that is also affecting the Romanian economy, given its dependence on global economic mechanisms and its integration into European and global value chains.</p> <p>Taking into account the fact that S.N.T.G.N. Transgaz S.A. holds the natural monopoly in the operation of the National Transmission System and its activity is directly exposed to the influences of the macroeconomic factors (interest rates, credit availability, inflation rate, taxation, exchange rates, unemployment rate, etc.) the company must act with caution and responsibility in terms of the work carried out and to comply with the requirements of the regulations in order to maintain its operational and economic viability.</p>
S	<p>Social factors</p> <p>Taking into account the specificity of S.N.T.G.N. Transgaz S.A.'s activity, the social factors are of particular importance, given the following: providing the qualified human resources needed to replace personnel after retirement or withdrawal; attitude towards the environment and community, shareholders and employees, ensuring the balance between motivation and remuneration, social evolution in the area and in the county, unemployment, etc.</p>

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Technological factors which may influence the development of the company are represented by improved or new technologies, upgrading equipment and tools used in the NTS operation and maintenance, and the IT and communications activity, etc.

The expectation of the General Secretariat of the Government, as public supervisory body and majority shareholder, as well as of the other shareholders is the continuous improvement of the risk management process by optimizing the conceptual and methodological framework established at the level of S.N.T.G.N. Transgaz SA.

Risk management

By the nature of its activities, the company is exposed to risks that could adversely affect its business, financial condition and/or results of operations. Such risks include: *political risk; economic environment risks; risks related to the amendment of the applicable fiscal regulations; risk related to the governmental intervention in the main infrastructure sectors; the impact of the competing projects on the activity; the amendment of the regulatory framework specific to the natural gas market; seasonal fluctuation; Natural gas prices in Romania; risks related to the regulatory character of the gas transmission activity; variations in the prices of the gas procured by S.N.T.G.N. Transgaz S.A. for NTS gas consumption and NTS balancing; risks related to the classified information regime; financial risks, lending, exchange rate, interest rate, capital market, etc.; cyber security risks, etc.*

Financial risk factors

By the nature of the activities performed, the company is exposed to various risks, which include: market risk (including currency risk, interest rate risk on fair value, interest rate risk on cash flow and price risk), credit risk and liquidity risk.

The Company's risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company.

The Company does not use derivative financial instruments to protect itself from certain risk exposures.

Market risk

Currency risk

The Company is exposed to currency risk by exposures to various foreign currencies, especially to EUR. Currency risk is associated to assets and recognized liabilities.

The Company does not perform formal actions to minimize the currency risk related to its operations; the Company does not apply hedge accounting. The management believes that the Company is covered in terms of the currency risk, given that sales in foreign currencies (mainly incomes from international transmission) are used to settle liabilities denominated in foreign currencies.

Price risk

The company is exposed to commodity price risk for the natural gas purchased for its own consumption.

Interest rate risk on cash flow and fair value

The Company is exposed to interest rate risk by deposits with banks and loans with variable interest taken. The Company did not conclude any commitment to diminish the risk.

Credit risk

Credit risk is especially related to cash and cash equivalents and trade receivables. The Company prepared a number of policies ensuring that products and services are sold to proper customers.

Liquidity risk

Cautious liquidity risk management involves keeping enough cash and funds available by a proper value of committed credit facilities.

The company forecasts the cash flows. The financial structure of the company continuously monitors the company's liquidity requirement to make sure there is enough cash to meet the operational requirements, maintaining at the same time a sufficient level of unused borrowing facilities at any time, so that the company does not break the limits or breach loan agreements (where applicable) for any of its credit facilities.

Such forecasts consider S.N.T.G.N. Transgaz S.A.'s debt financing plans, compliance with agreements, compliance with internal objectives on the balance sheet indicators and, if appropriate, external regulations or provisions. The Financial Division of the company invests extra cash in interest bearing current accounts and term deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide the appropriate framework, established under the provisions mentioned above.

Capital risk management

S.N.T.G.N. Transgaz S.A.'s objectives related to capital management refer to maintaining the company's capacity to continue its activity in order to provide compensation to shareholders and benefits to the other stakeholders and maintain an optimal structure of the capital, as to reduce capital expenditure.

There are no capital requirements imposed from outside. Like the other companies in this sector, Transgaz monitors the capital based on the debt leverage.

Fair value estimate

The fair value of financial instruments traded on an active market is based on market prices quoted at the end of the reporting period. The fair value of financial instruments that are not traded on an active market is set using valuation techniques.

The administrators must take measures, in accordance with the provisions of art. 5 of Order 600/2018 of the Secretary General of the Government and standard 8 Risk Management to:

- effective management of the risk management process within the company, the management shall ensure the updating of the system procedure establishing a unified overall framework for risk identification, assessment and management;
- preparing and constantly updating the risk register, including all types of risks mentioned above, risks determined by both internal and external factors, in order to minimize their impact on the company's business;
- the establishment of the risk profile, which provides an overall picture comprising a general, documented assessment of the range of specific risks faced by the company;
- setting the company's risk tolerance limit in decision-making and business strategy;
- developing and updating the Plan for the implementation of control measures for significant risks at company level;
- preparation of an annual report on the risk management process.

XII. EXPECTATIONS OF THE PUBLIC SUPERVISORY AUTHORITY AND SHAREHOLDERS REGARDING THE CAPITAL EXPENDITURE, THE REDUCTION OF COSTS AND OTHER ASPECTS RELATED TO THE ACTIVITY

The expectation of the General Secretariat of the Government, in its capacity of Public Supervisory Authority and majority shareholder, as well as of the other shareholders, is that over the next four years, the administrators of S.N.T.G.N. Transgaz S.A. will work for the sustainable financial performance of the company by pursuing, but not limited to:

- carrying out the investment projects included in the company's development program in compliance with the relevant legal framework and efficiency principles, aiming at ensuring the security of natural gas supply and increasing the degree of interconnection of the national natural gas transmission network to the European network;
- monitoring outstanding receivables and implementing measures for their recovery;
- reducing loss, overdue payments, consumption and operational costs by intensifying control of budgeting, commitment and use of patrimonial resources;
- ensuring sustainable financial and economic performance and operational stability;
- cash-flow predictability given the regulated nature of the natural gas transmission activity;
- optimal sizing of human resource requirements in relation to the real needs of the company's activity and development;
- optimizing labour productivity;
- ensuring efficient asset management and a predictable system of reporting and control of performance indicators;
- ensuring that performance indicators are in line with the assumed levels;
- Improving the quality of planning and execution of modernization and development investment programs, repair, rehabilitation and maintenance programs of the NTS;
- strengthening the level of internal control and intensifying the monitoring of processes and systems in the company;
- optimizing and streamlining the company's management systems and processes, the quality of execution of operational processes and their alignment with the requirements

of the Integrated Quality Environment Management System (QQEMS) and modern performance and competitiveness standards.

The performance objectives to be achieved by the managers of S.N.T.G.N. Transgaz S.A. and which are pursued by the majority shareholder, the Romanian State, through the General Secretariat of the Government together with the other shareholders are to be negotiated and approved in accordance with the legal provisions in force.

NON-FINANCIAL EXPECTATIONS OF THE COMPANY'S SHAREHOLDERS

In defining and setting non-financial expectations, the General Secretariat of the Government, as the Public Supervisory Authority and majority shareholder, and the other shareholders shall ensure that they do not prejudice the fulfilment of the financial expectations related to ensuring sustainable financial performance, improving profitability and rigorous cost control.

For S.N.T.G.N. Transgaz S.A., the non-financial expectations cover, but are not limited to:

- optimizing the process of implementing corporate governance, ethics and integrity principles;
- promoting a corporate culture that is based on ethical values and behaviours;
- responsible management, sustainable strategies and maintaining certification of Integrated Quality, Environment, Occupational Health and Safety Management;
- increasing the satisfaction of customers, business partners, suppliers and the quality of services provided;
- increasing energy efficiency and reducing the negative impact of technological processes on the environment (environmental protection);
- implementation and development of the internal/managerial control system to protect the investment made by the shareholders in the company and its assets, supporting the managers in the annual assessment of the effectiveness of control and audit mechanisms;
- improving personnel training, formation and professional development;
- optimizing the policy model of corporate social responsibility and supporting social cohesion;
- alignment with the requirements of the European and national regulatory framework for gas transmission - compliance policy;
- strengthening and diversifying cooperation and collaboration relationships both internally and externally;
- improving the general internal and external communication process, corporate communication of the company, image capital;
- optimizing the risk management process;
- sustainability of management of systems and processes within the company.

The financial and non-financial performance indicators for 2025-2029 were established according to GD no. 639/2023 on the approval of the methodological rules for the implementation of GEO 109/2011 on the corporate governance of public enterprises, also take into account their relevance for the company's activity and are divided into the following categories:

I. Financial indicators:

No.	Financial objectives	Category of financial indicators	Financial indicators	Calculation formula	M.U.	Proposed indicative level (target)				
						2025	2026	2027	2028	2029
Public enterprise strategy										
1.	Carrying out the investment projects included in the company's development program in compliance with the relevant legal framework and efficiency principles, aiming at ensuring the security of natural gas supply and increasing the degree of interconnection of the national natural gas transmission network with the European network	Investment policy	Capital expense ratio	Capital expense ratio = (capital expense) / (Total assets) x100	%	12,89	7,08	4,05	3,20	2,52
2.		Financing	Current liquidity ratio	Current liquidity ratio = current assets (current)/current liabilities	Number	1,10	1,10	1,10	1,10	1,10
3.			Debt/EBITDA ratio	EBITDA = Net Profit + Interest expense + Tax expense + Impairment expense + depreciation expense	Number	5,76	3,66	3,60	3,24	2,86

Translation from Romanian

4.	Ensuring sustainable financial and economic performance and operational stability	Operations	Asset turnover rate	Asset turnover rate = Net turnover/Average value of all assets	%	25,88	27,65	26,20	25,71	25,92
5.		Return	Return on assets	ROA = Net profit/Total assets	%	3,89	6,61	6,79	6,82	7
6.			Net profit margin	Net profit margin = Net profit _t /Net turnover _t	%	15,68	24,10	25,58	25,72	25,66
7.		Dividend policy *	Dividend payment rate	Dividend payout ratio = { Dividends paid (for year t) / Net profit (for year t) } x 100	%	36,01	40,25	37,67	38,14	38,71

* The distribution of the net profit in the form of dividends was made in accordance with the provisions of *Government Ordinance no.64/2001 on the distribution of profit to national companies, national corporations and commercial companies with full or majority state interest, as well as to autonomous enterprises*, as amended, the specifications approved by *Order no.144/2005 of the Ministry of Public Finance on the approval of the Specifications for the determination of the amounts subject to profit distribution in accordance with Government Ordinance no.64 /2001 on the distribution of profit of national companies, national corporations and commercial companies with full or majority state interest, as well as autonomous enterprises, approved as amended by Law no.769/2001*, as amended and the provisions of *Law 227/2015 on the Tax Code*, respectively, 50% of the accounting profit remaining after deduction of corporate income tax and coverage of the purposes provided for in art.1, paragraph (1), letters a)-d), was distributed as dividends, particularly:

- a) legal reserves;
- b) other reserves representing tax incentives provided by law;
- c^1) the establishment of own sources of financing for projects co-financed by external loans, as well as for the establishment of the sources necessary to repay the principal installments, interest payments, fees and other costs related to these external loans.

II. Non-financial indicators:

No.	Non-financial objectives	Category of non-financial indicators	Non-financial indicators	Calculation formula	M.U.	Proposed indicative level (target)				
						2025	2026	2027	2028	2029
Public enterprise strategy										
1.	Increasing the satisfaction of customers, business partners, suppliers and the quality of services provided	Indicators regarding clients	Customer satisfaction score	Customer satisfaction score $_t = \text{total number of assessments of 4 and 5}_t / \text{total number of assessments}_{t-1}$	%	95	95,2	95,4	95,6	95,8
2.		Oriented towards public services	Development Strategy Monitoring*	Implementation of the FID projects under the 10-Year Development Plan = actions completed+actions started/actions proposed	%	100	100	100	100	100
3.			Natural gas transmission service performance indicators	Achievement of the targets provided for in the Performance Standard for Natural Gas Transmission System Service for the	%	100	100	100	100	100

No.	Non-financial objectives	Category of non-financial indicators	Non-financial indicators	Calculation formula	M.U.	Proposed indicative level (target)				
						2025	2026	2027	2028	2029
				indicators $IP_0^1 \geq 90\%$, $IP_1^1 \geq 90\%$, $IP_1^2 \geq 95\%$, $IP_1^3 \geq 95\%$, $IP_1^4 \geq 95\%$, $IP_1^5 \geq 95\%$, $IP_2^1 \geq 95\%$, $IP_3^1 \geq 95\%$, $P_3^2 \geq 95\%$, $IP_4^1 \geq 95\%$, $IP_5^1 \geq 98\%$, $IP_5^2 \geq 98\%$, $IP_6^1 \geq 98\%$, $IP_6^2 \geq 98\%$.						
4.	Improving personnel training, formation and professional development	Indicators related to employees	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	21	22	23	24	25
5.	Responsible management, sustainable strategies and maintaining certification of Integrated Quality, Environment, Occupational Health and Safety Management		Establishment of an employee safety system	YES/NO	Confirmation of system establishment	YES	YES	YES	YES	YES

No.	Non-financial objectives	Category of non-financial indicators	Non-financial indicators	Calculation formula	M.U.	Proposed indicative level (target)				
						2025	2026	2027	2028	2029
6.	Optimizing the process of implementing corporate governance, ethics and integrity principles	Indicators related to governance	Rate of independent board of administration members	Rate of independent board of administration members $_t = \frac{\text{Total number of non-executive and independent members of the board of administration}_t}{\text{Total number of members of the board of administration}_t}$	%	60	60	60	60	60
7.			Number of board of administration meetings	Number of board of administration meetings $_t = \text{Number of board of administration meetings held during the year}_t$	Number	12	12	12	12	12
8.	Optimizing the risk management process		Risk management policies established	YES/NO	Confirmation of policy establishment	YES	YES	YES	YES	YES

* This indicator also includes monitoring of investment projects in the NTS (modernization, development, research, etc)

III. Non-commercial indicators:

No.	Non-financial objectives	Category of non-financial indicators	Non-financial indicators	Calculation formula	M.U.	Proposed indicative level (target)				
						2025	2026	2027	2028	2029
Public enterprise strategy										
1.	Optimal sizing of human resource needs in relation with the real needs in terms of the company's activity and development	Job creation	Full-time equivalent number of employees	Number of full time equivalent employees _t = Total number of working hours for all employees under contract _t /Number of working hours for a full time employee _t	Number	4.005	4.010	4.015	4.020	4.025
2.		Gender equality	Rate of female senior managers	Ratio of female senior managers = Number of female senior managers _t /Number of female senior managers _t	%	31	31,50	32	32,50	33



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 authorized as a financial auditor and is registered in the electronic public register by the competent authority of Romania, another Member State, the European Economic Area or Switzerland or has at least 3 years of experience in statutory auditing, acquired through participation in statutory audit engagements, proven by documentary evidence:
 - 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, 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.
 - clearly presents the objectives that he/she will have to achieve in the next mandate;
 - presents his/her personal profile in direct correlation with these objectives;
 - formulates coherent assessments of the specific challenges facing the company/region in relation to its context;
 - formulates SMART¹ objectives that respond to performance expectations performance expectations;
 - formulates SMART objectives that respond to the expectations of financial performance;
 - formulates SMART objectives that meet expectations related to service quality and energy infrastructure management;
 - formulates SMART objectives that meet the expectations for the investment policy applicable to the public undertaking;
 - formulates SMART objectives that meet expectations on debt reduction;
 - formulates SMART objectives that meet the dividend/net profit policy expectations applicable to the public enterprise;
 - formulates SMART objectives that meet expectations in the areas of ethics, integrity and corporate

¹ SMART requirements are requirements that are specific, measurable, appropriate, appropriate, realistic and time-bound.

governance;

- Proposes indicators that it considers appropriate for monitoring the performance of the public enterprise during the term of office, linked to the formulated objectives;
- 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

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.

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 GD 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, and except for the mandatory criteria where the minimum collective threshold is set at 20% for which a minimum individual score of 1 point according to the scoring grid from 1 to 5:

Scoring grid

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
Rating 1 = Beginner; Rating 2 = Intermediate; Rating 3 = Competent; Rating 4 = Advanced; Rating 5 = Expert																
A. COMPETENCES																
1. Sector-specific competences of the public enterprise																
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%	
2. Professional competences of strategic importance																
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%	
3. Corporate governance skills																
3.1 Knowledge of good practice and corporate governance principles	Mand.														80%	
4. Social and personal competences																
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%	
5. National and international experience																
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.															

6. Specific powers and restrictions for civil servants or other categories of staff within the supervisory public authority or other public authorities or institutions																
6.1 Leadership skills	Mand.														80%	
7. Other, depending on the specificity of the public enterprise;																
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.															
7.6 clearly presents the objectives that he/she will have to achieve in the next mandate;	Mand.															
7.7 presents his/her personal profile in direct correlation with these objectives;	Mand.															
7.8 formulates coherent assessments of the specific challenges facing the company/region in relation to its context;	Mand.															
7.9 formulates SMART objectives that respond to performance expectations	Mand.															
7.10 formulates SMART objectives that respond to the expectations of financial performance;	Mand.															
7.11 formulates SMART objectives that meet expectations related to service quality and energy infrastructure management;	Mand.															
7.12 formulates SMART objectives that	Mand.															

meet the expectations for the investment policy applicable to the public undertaking;																	
7.13 formulates SMART objectives that meet expectations on debt reduction;	Mand.																
7.14 formulates SMART objectives that meet the dividend/net profit policy expectations applicable to the public enterprise;	Mand.																
7.15 formulates SMART objectives that meet expectations in the areas of ethics, integrity and corporate governance;	Mand.																
7.16 Proposes indicators that it considers appropriate for monitoring the performance of the public enterprise during the term of office, linked to the formulated objectives;	Mand.																
7.17 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	Mand.																
Subtotal competences																	
Weighted subtotal competences																	
B. TRAITS																	
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%
Subtotal traits																	
Weighted subtotal traits																	
C. OTHER CRITERIA																	

1. Economic and financial results of the companies in which the candidate has exercised the mandate of administrator or director	Mand.															80%
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.															
Subtotal other criteria																
Weighted subtotal other criteria																
Total																
Weighted total																
Ranking																

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 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

7.6 Clearly presents the objectives that he/she will have to achieve in the next mandate.

Description: refers to the strategic objectives in the Letter of Expectations, operationalizes them, making sure to follow the rules for developing SMART goals.

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

Description: Summarizes in a concise but comprehensive way the qualities he/she has acquired during his/her professional career, linked to the goals specified in writing and to the contextual requirements.

7.8. Formulates coherent assessments of the specific challenges facing the company/region in relation to its context

Description: Coherently describes the company's market, legislative, economic, social and financial context, 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 it will address them.

7.9. Formulates SMART objectives that meet operational performance expectations.

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

7.10. Formulates SMART objectives that meet financial performance expectations.

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

7.11. Formulates SMART objectives that meet expectations related to quality of service and energy infrastructure management.

Description: Assesses the company's service quality situation in relation to the company's energy infrastructure management in relation to the market, competition and some industry practices and formulates SMART objectives related to the cost of quality, number of quality incidents and asset management.

7.12. Formulates SMART objectives that meet the investment policy expectations of the public enterprise.

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

7.13. Formulates SMART' objectives that meet expectations for reducing receivables.

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.

7.14. Formulates SMART objectives that meet the expectations of the dividend/net profit policy applicable to the public enterprise.

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

7.15. Formulates SMART objectives that meet expectations in the areas of ethics, integrity and corporate governance.

Description: Contributes his/her own convictions to the establishment of the 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 the term of office.

7.16. Proposes indicators that he/she deems appropriate for monitoring the performance of the public enterprise during the term of office, linked to the formulated objectives.

Description: Link objectives that meet stakeholders' expectations with performance indicators for which it indicates realistic objectives.

7.17. 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: It reviews the constraints generated by the societal context, the risks arising from them, assesses them in terms of their likelihood of occurrence and their impact and indicates realistic counter-measures.

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

Score	Description
M	Male
F	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.



SECRETARIATUL GENERAL AL GUVERNULUI

DRAFT

**THE PROFILE OF CANDIDATE FOR THE POSITION OF
MEMBER IN THE BOARD OF ADMINISTRATION OF THE
NATIONAL GAS TRANSMISSION COMPANY TRANSGAZ S.A.**

1. BACKGROUND

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

Transgaz S.A. is a company of strategic importance for the sustainable development of the national economy, is listed on the Bucharest Stock Exchange and is managed on a unitary basis.

2. ANALYSIS OF CONTEXTUAL REQUIREMENTS

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 authorized as a financial auditor and is registered in the electronic public register by the competent authority of Romania, another Member State, the European Economic Area or Switzerland or has at least 3 years of experience in statutory auditing, acquired through participation in statutory audit engagements, proven by documentary evidence;
 - 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, 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.
- Clearly sets out the objectives he/she will have to achieve in the next mandate;
- Presents personal profile in direct correlation with these objectives;
- Makes coherent assessments of the specific challenges facing the society/region in relation to its context;
- Formulates SMART objectives¹ that respond to operational performance expectations;
- Formulates SMART objectives that respond to financial performance expectations;
- Formulates SMART objectives that meet expectations for quality of service and energy infrastructure management;
- Formulates SMART objectives that meet expectations regarding the investment policy applicable to the public enterprise;
- Formulates SMART objectives that meet expectations related to debt reduction;
- Formulates SMART objectives that meet expectations related to the dividend/net profit policy applicable to the public enterprise;

- Formulates SMART 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.

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. indicates realistic counter-measures.

Letterhead of the General Secretariat of the Government

NOTICE ON THE RECRUITMENT PROCESS FOR THE POSITION OF MEMBER OF THE BOARD OF ADMINISTRATION OF S.N.T.G.N. TRANSGAZ S.A.

The General Secretariat of the Government announces the launch of the recruitment and selection procedure for the nomination of candidates for the appointment of members of the Board of Administration of Transgaz S.A. The recruitment and selection process aims to identify, recruit and select the most suitable 5 (five) candidates for the position of member of the Board of Administration of the Company. This recruitment and selection process shall be carried out in accordance with the provisions of GEO no. 109/2011 on the corporate governance of public enterprises, as subsequently amended and supplemented, and of Government Decision no. 639/2023 for the approval of the Methodological Norms for the application of GEO no. 109/2011 on the corporate governance of public enterprises.

Participation requirements

I. 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 a conflict of interest that would make them incompatible with the office of 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. (9) and Art. (7) of O.U.G. no 109/2011, as amended and supplemented;
- 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 definitively convicted by a court judgment for committing an offense against humanity, against the State or against authority, corruption and service offenses, offenses against the administration of justice, forgery, offenses against property, offenses under Law no. 656/2002 for the prevention and sanctioning of money laundering, as well as for the establishment of measures to prevent and combat the financing of terrorism, as subsequently amended and

- supplemented, or for offenses provided for by Law no. 85/2014 on insolvency prevention and insolvency proceedings, committed with 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) meet the criteria required by Government Ordinance No. 109/2011 on the corporate governance of public enterprises, as subsequently amended and supplemented and Government Decision No. 639/2023;
- k) demonstrate integrity by assuming the conditions for obtaining the ORNISS certificate at the level required 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., graduated from a higher education institution, of at least 7 years and at least 15 years of total seniority in the employment;
- m) at least 5 years of cumulative experience in administration/management/direction/management in public or private entities and in the management of autonomous companies or autonomous regions.

II. Specific requirements for the participation

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 authorized as a financial auditor and is registered in the electronic public register by the competent authority of Romania, another Member State, the European Economic Area or Switzerland or has at least 3 years of experience in statutory auditing, acquired through participation in statutory audit engagements, proven by documentary evidence;
- b) graduated higher education in the field of 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) at least 7 years of experience in the field of higher education studies and

- at least 15 years of total seniority in employment;
- d) at least five years' cumulated experience in administration/management/direction/management in public or private entities and in the management of autonomous companies or autonomous regions.

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

The selection criteria are competencies and traits required by candidates to be able to successfully fulfil the roles to be assigned to them, and are the following: competencies specific to the public enterprise's sector of activity, professional competencies of strategic importance, corporate governance competencies, social and personal competencies, national and international experience, specific competencies and restrictions for civil servants or other categories of staff in the

public authority or other public authorities or institutions, other depending on the public enterprise's specialization, traits and other criteria.

How candidates are assessed

Candidates will be assessed by the method of documentary analysis of the documents in the application file, the method of analysis of additional information to that in the application file requested by the Selection and Appointments Committee, in writing, in order to revise, improve and validate the accuracy of the marks, the method of analysis of the statement of intent, the method of checking references provided by the candidates, the method of checking the work previously carried out by the candidates, the method of observing the candidates' behaviour during the interview organized by the Selection Committee, by reference to the Board Profile, the Profile of the Board Members and by reference to the indicators describing the competences that are criteria for the selection of candidates according to the above mentioned documents, the method of integrating the results of the analysis of the declarations of intent made on the basis of the Letter of Expectations by the candidates and the method of the interview organized in view of the application file, the candidate profile, the Board profile, the declaration of intent of the candidate.

Selection criteria which constitute an advantage in the selection process

- Master, PhD, MBA or postgraduate degree;
- Experience in dealing with public and regulatory authorities in the field of activity of the public enterprise;
- Experience in building, 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 the European institutions in the area of activity of the public enterprise;
- Experience in negotiations, social dialog, institutional and interpersonal communication;
- Experience in performance monitoring;
- Experience in communication and investor relations;
- Experience in the energy sector;
- Experience in implementing strategic regional energy investment projects;

- Experience in managing listed companies in the gas transmission sector.

Submission of applications

Applications have to be submitted at the latest by **xx.xx.2025, xx.00**, both in written and electronic format.

➤ **Application file in letter format (paper)**

The paper application files should be submitted in person or sent by post or courier, in a sealed envelope, to the registry of the General Secretariat of the Government, Piata Victoriei, nr. 1, sector 1, Bucharest, with the following text: „**Candidacy BoA Transgaz S.A./[Name and surname of the candidate]**”.

➤ **Electronic file**

Submission of the application file in electronic format is mandatory and should be sent to the following e-mail address: selectietransgaz@gov.ro

Mandatory rules for the submission of applications:

- All documents submitted in the application file shall be in Romanian.
- Documents written in a foreign language shall be submitted in a certified copy, accompanied by a certified translation, certified by an authorized translator.
- For studies carried out abroad, their equivalences shall be submitted, as appropriate.
- The e-mail messages for the submission of electronic applications and the attached documents shall necessarily contain the name and surname of the candidate (e.g. "CV Popescu Ion Ion").
- Forms F1-F5 shall be filled in electronically and submitted in Word format as well as in pdf format.
- The CV shall be submitted in Word format and as a pdf file.
- Copies of the requested documents shall be scanned and saved as separate documents, with the title of the document, the candidate's name and surname - for example " Bachelor's degree diploma Popescu Ion" or " REVISAL extract Popescu Ion".
- Electronic files will **NOT** be sent via file transfer applications (e.g. WeTransfer or other similar applications) - in case the size of the file exceeds the message capacity, several successive numbered messages shall be sent (e.g. "BA

Application (company) Popescu Ion 1", "BA Application (company) Popescu Ion 2", etc.).

- The files in electronic format shall be submitted by the same date and time set for the submission of the application file in physical format to the registry of the General Secretariat of the Government.

Documents required for application:

Applications shall contain the following documents:

- a. List of documents (only in the paper file);
- b. Curriculum vitae;
- c. Medical certificate;
- d. Criminal record;
- e. Tax record;
- f. Copy of identity card;
- g. Copy of marriage certificate or other documents, only if the name on the documents submitted is different from the name on the ID;
- h. Copies of university/college diplomas (according to the cycle of studies: short, bachelor, master, MBA, doctoral). Copies of diplomas or certificates of participation in short training programs will not be submitted;
- i. Copies of documents proving the required professional experience (extract, Reges/Revisal, copy of work record book, mandate/management contracts, attestations issued by employers, certificate of attestation on the individual issued by the ONRC, other documents endorsed by signature and stamp of the issuer, etc.)
- j. Forms:
 - **F1** - Application form
 - **F2** - Affidavit concerning the conformity of the documents and information provided in the application file, the absence of conflict of interest and the absence of incompatibilities;
 - **F3** - Agreement to obtain data for verification of information;
 - **F4** - Consent to process personal data;
 - **F5** - Declaration of interests;

The documents required in the recruitment and selection process as well as the declaration forms can be found on the website of the Public Supervisory Authority, the General Secretariat of the Government: <https://www.sgg.gov.ro>

Further information can be obtained at the General Secretariat of the Government, 1 Victoriei Square, Sector 1, Bucharest, Romania, Tel: 021 314 34 00, int. 1134/1023.

FORM F1

APPLICATION FORM

I, the undersigned, _____, signed _____

As a participant in the recruitment and selection process, knowing that false statements are punishable in accordance with art. 326 of the Criminal Code and understanding that any omission or incorrectness in the presentation of information constitutes false statements and is punishable according to the law, I hereby declare, on my own responsibility, the following:

SECTION 1			
CONTACT INFORMATION			
Name and surname			
Telephone		Email	

SECTION 2					
LOCATION OF THE APPLICATION					
I want to participate in the recruitment and selection procedure of candidates for the position ...	Within the company/management				
	A1	<input type="radio"/>	Administrator with higher education and at least 7 years of seniority in the field	engineering	<input type="radio"/>
	A2	<input type="radio"/>		economic	<input type="radio"/>
	A3	<input type="radio"/>		legal	<input type="radio"/>
	A4	<input type="radio"/>		social	<input type="radio"/>
	A5	<input type="radio"/>		field of activity of the company/agency for which I apply	<input type="radio"/>
	A6	<input type="radio"/>	Administrator with CAFR certification in financial audit or/and with over 3 years of activity within Audit Committees		
	DG	<input type="radio"/>	General Director		I work within the supervisory public authority of the company for which I am applying
	DEM	<input type="radio"/>	Economic Director		I work in a public institution
	DEC	<input type="radio"/>	Economic Director with an individual employment contract		I am a civil servant
ADN	<input type="radio"/>	Other position of Mandated Director			
Date					

SECTION 3					
ELIGIBILITY					
Please check the situations regarding your professional history, taking into account your current or previous collaboration relationships with the company for which you are applying, which are correlated with the provisions of art. 4 of the Emergency Ordinance no. 109/2011					
A	A1	I am a senator.			<input type="checkbox"/>
	A2	I'm not a senator.			<input type="checkbox"/>
B	B1	I am a deputy.			<input type="checkbox"/>

F1 Form– Application form

*This form is a declaration on my own responsibility and is enforceable against me.

	B2	I am not a deputy.	<input type="checkbox"/>
C	C1	I am a member of the Government.	<input type="checkbox"/>
	C2	I am not a member of the Government.	<input type="checkbox"/>
D	D1	I am prefect/sub-prefect.	<input type="checkbox"/>
	D2	I am not prefect/sub-prefect.	<input type="checkbox"/>
E	E1	I am mayor/deputy mayor.	<input type="checkbox"/>
	E2	I am not mayor/deputy mayor.	<input type="checkbox"/>
F	F1	We have audited the financial statements of the company in question in any of the last 3 financial years prior to the nomination.	<input type="checkbox"/>
	F2	We have not audited the financial statements of the company in question in any of the last 3 financial years prior to the nomination.	<input type="checkbox"/>
G	G1	I was convicted of crimes against property by disregarding trust, crimes of corruption, embezzlement, crimes of forgery in documents, tax evasion, crimes provided for by Law no. 129/2019 for the prevention and combating of money laundering and terrorist financing, as well as for amending and supplementing certain normative acts, with subsequent amendments and completions.	<input type="checkbox"/>
	G2	I have not been convicted of crimes against property by disregard of trust, crimes of corruption, embezzlement, crimes of forgery in documents, tax evasion, crimes provided for by Law no. 129/2019 for the prevention and combating of money laundering and terrorist financing, as well as for amending and supplementing certain normative acts, with subsequent amendments and completions.	<input type="checkbox"/>
H	H1	I was sanctioned by the National Bank of Romania, the Financial Supervisory Authority, the National Securities Commission or by the Insurance Supervisory Commission and which can be found in the registers of these institutions.	<input type="checkbox"/>
	H2	I have not been sanctioned by the National Bank of Romania, the Financial Supervisory Authority, the National Securities Commission or by the Insurance Supervisory Commission and which are found in the registers of these institutions.	<input type="checkbox"/>
I	I1	I am eligible to hold the position of administrator or director, according to Law no. 31/1990, republished, with subsequent amendments and completions.	<input type="checkbox"/>
	I2	I am not eligible to hold the position of administrator or director, according to Law no. 31/1990, republished, with subsequent amendments and completions.	<input type="checkbox"/>

SECTION 4

SECTION 4			
Faculty, university and period of study		Title obtained	

SECTION 5

SECTION 5		
Masters degree (domain and university)	MBA/EMBA (field and institution)	PhD (field and institution)

SECTION 6**TOTAL PROFESSIONAL EXPERIENCE**

(Fill in reverse chronological order and add rows if necessary. Summarize experience within the same employer in different positions in a single line)

Total length of service (in years and months)

Crt. No.	Position	Company	From	To	Duration (in years and months)	Supporting document attached
1						
2						
3						

SECTION 7**MANAGEMENT AND/OR TOTAL ADMINISTRATION EXPERIENCE**

(Fill in the positions of middle manager, top manager, mandated director and/or administrator in reverse chronological order and add rows if necessary. Summarize experience within the same employer in different positions in a single line)

Total experience (in years and months)

Crt. No.	Position	Company	From	To	Duration (in years and months)	Supporting document attached
1						

2						
3						

SECTION 8

INFORMATION ON MANDATE CONTRACTS

Term of office on the Administrative Boards / Boards of Directors / Supervisory Boards / Director currently held (each mandate will be specified for its duration)

Type of mandate	Company / management	Period

Mandates on Administrative Boards / Boards of Directors / Supervisory Boards / Director held in the past (each mandate will be specified how long it lasted)

Type of mandate	Company / management	Period

SECTION 9

INDEPENDENCE

**Please check the situations relating to your current or previous working relationship with the company for which you are applying,
Which are correlated with the provisions of art. 138 index 2 of Law 31/1990**

A	A1	I am a director of the company or of a company controlled by it or I have held such a position in the last 5 years.	<input type="checkbox"/>
	A2	I am not a director of the company or of a company controlled by it and I have not held such a position in the last 5 years.	<input type="checkbox"/>
B	B1	I have been an employee of the company or of a company controlled by it or I have had such an employment relationship in the last 5 years.	<input type="checkbox"/>
	B2	I have not been an employee of the company or of a company controlled by it and I have not had such an employment relationship in the last 5 years.	<input type="checkbox"/>
C	C1	I receive or have received from the company or from a company controlled by it additional remuneration or other benefits, other than those corresponding to my capacity as a non-executive director.	<input type="checkbox"/>
	C2	I do not receive or have not received from the company or a company controlled by it any additional remuneration or other benefits, other than those corresponding to my capacity as a non-executive director.	<input type="checkbox"/>
D	D1	I am a significant shareholder of the company.	<input type="checkbox"/>
	D2	I am not a significant shareholder of the company.	<input type="checkbox"/>
E	E1	I have or have had in the last year business relations with the company or with a company controlled by it, either personally or as an associate, shareholder, administrator, director or employee of a company that has such relations with the company, if, by their substantial nature, they are likely to affect my objectivity.	<input type="checkbox"/>
	E2	I do not have or have not had in the last year business relations with the company or with a company controlled by it, either personally or as an associate, shareholder, administrator, director or employee of a company that has such relations with the company, if, by their substantial nature, they are likely to affect my objectivity.	<input type="checkbox"/>
F	F1	I am a director in another company where a director of the company is a non-executive director.	<input type="checkbox"/>
	F2	I am not a director in another company in which a director of the company is a non-executive director.	<input type="checkbox"/>
G	G1	I was a non-executive director of the company for more than 3 terms.	<input type="checkbox"/>
	G2	I have not been a non-executive director of the company for more than 3 terms.	<input type="checkbox"/>
H	H1	I have family relations with a person in one of the situations provided for in lit. A1 and D1.	<input type="checkbox"/>
	H2	I do not have family relations with a person in one of the situations provided for in lit. A1 and D1.	<input type="checkbox"/>
I	I1	I agree that the persons indicated in the reference section should be contacted.	<input type="checkbox"/>

SECTION 10**PEOPLE WHO CAN GIVE REFERENCES ABOUT ME**

(fill in the requested information after having obtained the consent of these persons in advance for the disclosure of their contact details)

Crt. No.	Name and surname	Society	Phone Number	Email address	Relationship
1					
2					

SECTION 11

Name and surname			
Signature		Date	

F2 FORM**AFFIDAVIT REGARDING COMPLIANCE OF DOCUMENTS AND INFORMATION PRESENTED IN THE APPLICATION FILE****SECTION 1**

Name and surname

Date

Signature

SECTION 2

I, the undersigned, as a participant in the recruitment and selection process, knowing that false statements are punishable in accordance with Article 326 of the Criminal Code and understanding that any omission or incorrectness in the presentation of information constitutes false statements and is punishable according to the law, I hereby declare, on my own responsibility, that:

(please leave only the option that corresponds to reality checked)

Crt. No.		YES	NO
1	The information presented in my application file is real and correct	<input type="checkbox"/>	<input type="checkbox"/>
2	The documents submitted in copy are in accordance with the original documents	<input type="checkbox"/>	<input type="checkbox"/>
3	I am in the situation described in GEO no. 109/2011 to art. 12, para. 3, to art. 30, para. 9, to art. 36, para. 7	<input type="checkbox"/>	<input type="checkbox"/>
4	I have been convicted of crimes against property by disregarding trust, crimes of corruption, embezzlement, crimes of forgery in documents, tax evasion, crimes provided by Law no. 129/2019 for the prevention and combating of money laundering and terrorist financing, as well as for the amendment and completion of certain normative acts, with subsequent amendments and completions, or for the crimes provided for by Law no. 85/2014 on intentionally completed procedures that would make it incompatible with the exercise of the function;		
5	I am in a situation of conflict of interest that makes me incompatible with the exercise of the position I applied for	<input type="checkbox"/>	<input type="checkbox"/>
6	A criminal investigation has been initiated against me and is underway regarding alleged acts committed in my professional activity	<input type="checkbox"/>	<input type="checkbox"/>
7	We carried out political police activities, as they are defined by law	<input type="checkbox"/>	<input type="checkbox"/>
8	I am a member of a political party	<input type="checkbox"/>	<input type="checkbox"/>
9	I hold a leadership position within a political party	<input type="checkbox"/>	<input type="checkbox"/>
10	I am medically fit to perform the position I have applied for	<input type="checkbox"/>	<input type="checkbox"/>
11	I do not have documents in the tax record	<input type="checkbox"/>	<input type="checkbox"/>
12	I do not have documents in the criminal record	<input type="checkbox"/>	<input type="checkbox"/>

F2 Form – Affidavit regarding the compliance of the documents and information presented in the application file

*This form is a declaration on my own responsibility and is enforceable against me.

F2 Form – Affidavit regarding the compliance of the documents and information presented in the application file

***This form is a declaration on my own responsibility and is enforceable against me.**

F3 FORM**AGREEMENT TO OBTAIN DATA FOR THE VERIFICATION OF THE INFORMATION PROVIDED IN THE APPLICATION FILE****SECTION 1**

Name and surname

Date

SECTION 2

I, the undersigned, as a participant in the ongoing recruitment and selection procedure, knowing that false statements are punishable in accordance with art. 326 of the Criminal Code and understanding that any omission or incorrectness in the presentation of information constitutes false statements and is punishable according to the law, I hereby declare, on my own responsibility, that:

(please leave only the option that corresponds to your choice checked)

YES

NO

I give my consent for the procedure of obtaining data from employers, educational institutions, state administration institutions and contact persons in order to verify the information made available by me to the General Secretariat of the Government, in the recruitment and selection procedure to which I applied.

F4 FORM	CONSENT TO THE PROCESSING OF PERSONAL DATA
----------------	---

SECTION 1	
Name and surname	
Date	

SECTION 2		
I, the undersigned, as		
(please leave only the option that corresponds to your choice checked)		
Participant in the recruitment and selection procedure,	<input type="checkbox"/>	
Person who has been chosen by the candidate to provide references regarding the candidate's professional activity in the recruitment and selection procedure,	<input type="checkbox"/>	
Knowing that false statements are punishable in accordance with Article 326 of the Criminal Code and understanding that any omission or incorrectness in the presentation of information constitutes false statements and is punishable according to the law, I hereby declare, on my own responsibility, that:		
	YES	NO
I give my consent for the processing of personal data (name and surname, telephone number, email address, current and/or previous employer(s), position held within current or previous employers, etc.) that I have made available / that have been made available to the General Secretariat of the Government, in the submitted application file.	<input type="checkbox"/>	<input type="checkbox"/>

Name and surname	
Date	

F5 FORM**DECLARATION OF INTERESTS****SECTION 1**

I, the undersigned,
(Name and surname)

With the function of

At

Knowing the provisions of art. 292 of the Criminal Code regarding false statements, I declare on my own responsibility:

1. Associate or shareholder in commercial companies, national companies/societies, credit institutions, economic interest groups, as well as member of associations, foundations or other non-governmental organizations:

Unit – name and address –	Capacity held	No. of shares	Total value of shares and/or shares
1.1.....			

2. Membership in the management, administration and control bodies of commercial companies, autonomous companies/national companies, credit institutions, economic interest groups, associations or foundations or other non-governmental organizations:

Unit – name and address –	Capacity held	Value of benefits
2.1.....		

3. Membership in professional and/or trade union associations

3.1.....

4. The quality of membership in the management, administration and control bodies, paid or unpaid, held within the political parties, the position held and the name of the political party

4.1.....

5. Contracts, including those of legal assistance, legal advice, consultancy and civil, obtained or in progress during the exercise of public functions, mandates or dignities financed from the state, local budget and from external funds or concluded with commercial companies with state capital or where the state is a majority/minority shareholder:

5.1 Contract beneficiary: name, surname/surname and address	Contracting institution: name and address	The procedure by which the contract was awarded	Type of contract	Date of conclusion of the contract	Duration of the contract	Total contract value
Holder.....						
Spouse						
Relatives of the first degree ¹⁾ of the holder						
Commercial companies/ Authorized natural person/ Family associations/ Individual offices, associated offices, professional civil societies or professional civil societies with limited liability carrying out the profession of lawyer/ Non-governmental organizations/ Foundations/ Associations ²⁾						

¹⁾ *Relatives of the first degree* are understood to be parents in the ascending line and children in the descending line.

²⁾ The name, name and address of the beneficiary of the contract where, by virtue of their capacity, the holder, the spouse and the first-degree relatives obtain contracts, as defined in point 5, shall be declared. Contracts of joint stock companies in which the declarant together with the spouse and first-degree relatives hold less than 5% of the company's share capital, regardless of the way the shares are acquired, are not declared.

This declaration constitutes a public document and I am liable according to the criminal law for the inaccuracy or incompleteness of the mentioned data.

Name and surname	
Date	

MANDATE CONTRACT

In application of the provisions:

- **G.E.O. no. 109/2011** on the corporate governance of public enterprises, as amended, hereinafter referred to as **G.E.O. no. 109/2011**;
- **G.D. no. 639/2023** for the approval of the Methodological Norms for the application of some provisions of G.E.O. 109/2011 on the corporate governance of public enterprises, hereinafter referred to as **Methodological Norms - Annex no. 1**- Methodological norms of July 27, 2023 for establishing the criteria for the selection of the members of the board of administration/supervisory boards of public enterprises, for drawing up the short list for each position, their ranking, the procedure regarding final appointments, as well as for establishing other measures necessary for the implementation of the provisions of the Government Emergency Ordinance no. 109/2011 on the corporate governance of public enterprises and **Annex no.2** - Methodological norms of July 27, 2023 for establishing the financial and non-financial performance indicators and the variable component of the remuneration of the members of the board of administration/supervisory boards of public enterprises, as well as of the directors, respectively of the members of the executive board, hereinafter referred to as the **Methodological Norms**;
- **Companies Law no. 31/1990** republished, as amended, hereinafter referred to as **Law no. 31/1990**;
- Art. 1913-1919, Art. 1924, as well as Art. 2009-2042 of Law no. 287/2009 regarding the Civil Code, as amended;
- The Articles of Association of **National Gas Transmission Company "Transgaz" S.A.**, a company managed in a unitary system, hereinafter referred to as the **Articles of Association**,

Following and based on the appointment by the General Meeting of Shareholders ("**General Meeting of Shareholders**") by the **Decision of the General Meeting of Shareholders no. ___/___** of Mr./Mrs. _____ in as a member of the Board of Administration of the National Gas Transmission Company "Transgaz" S.A., a company managed in a unitary system, and of the express acceptance by Mr./Mrs. _____ of the mandate, it being necessary to establish the rights and obligations of the principal and the representative corresponding to the exercise by the latter of the function of member of the of the Board of Administration, this mandate contract is concluded according to the following.

Art.1 Parties to the contract

The National Gas Transmission Company "Transgaz" S.A., headquartered in Mediaș, 1 C. I. Moțaș Square , Sibiu county, registered at the Trade Register Office attached to the Sibiu Court under no. J32/301/2000, Tax Registration Code RO/13068733, hereinafter referred to as "**TRANSGAZ S.A.**" or "**the Company**", represented by the General Meeting of Shareholders which appointed by the General Meeting of Shareholders no. ___/___ the _____ to sign on behalf of the Company this contract in the form and content approved by the **General Meeting Resolution no. ___/___**, as **principal**,

And

_____, a Romanian citizen, born on _____, residing in _____, with the mailing address declared in _____, PIN _____ appointed as a **member** of the **Board of Administration of the Company ("the Board")** in accordance with the **Resolution of the General Shareholders' Meeting. No. ___/___**, hereinafter referred to as the "**Administrator**"), who took note of the form and content of the contract approved by **the General Shareholders' Meeting resolution no. ___/___** and expressly accepted the mandate under these contractual conditions, as a **Trustee**.

Art. 2 Term of office

2.1 The term of office shall be 4 (**four**) years from _____ to _____.

2.2 The mandate may be renewed only once with the application of the conditions and in accordance with the procedure established by law.

Art. 3 Definitions

In this Mandate Contract, the terms below shall have the following meanings:

- a. **Articles of Association** – Articles of Association of the Company (hereinafter also the Company), approved by the General Meeting of Shareholders of the Company, as in force on the date of this Mandate Contract or as it will be amended/supplemented/reformulated, by resolution of the (extraordinary) General Meeting of Shareholders of the Company;
- b. **Applicable legal framework** – the set of Romanian legal norms contained in G.E.O. no. 109/2011 as amended, Companies Law no. 31/1990 as amended, Law no. 24/2017 on issuers of financial instruments and market operations, with subsequent amendments, Civil Code as amended, Tax Code as amended, as well as in other normative acts (e.g.: applicable laws, regulations, decrees and any other applicable regulatory acts, issued by national, international, regional, local or other governmental authorities), incident to this Mandate Contract, applicable to the parties;
- c. **Conflict of interest** – any situations or circumstances determined/determinable according to the applicable legal framework, the Company's Rules of Procedure and Functioning ("Company ROF") and the Rules of Procedure and Functioning of the Board of Administration ("BoA ROF") in which the personal interest, direct or indirect, of the Trustee, is contrary to the interest of the Company, so that it affects or could affect its independence and impartiality in making business decisions. business or the timely and objective performance of the duties incumbent on him in the exercise of his mandate for the Company;
- d. **Inside information** – information of a precise nature that has not been made public, which relates directly or indirectly to one or more issuers or to one or more financial instruments, and which, if publicly transmitted, could have a material impact on the price of those financial instruments or on the price of the derivatives with which it relates;
- e. **Confidential information** – means and includes any information regarding the economic activity of the Company that is not public, according to (i) the law, (ii) the decisions of the General Meeting of Shareholders,
(iii) decisions of the Board of Administration and (iv) the Company's internal regulations. Confidential information relates primarily, but is not limited to:
 - the contractual terms and any information regarding the Company's business partners, customers, investors or suppliers, as well as the conditions under which the Company carries out economic activities with each of these persons;
 - computer programs, algorithms, procedures or techniques used by the Company;
 - information regarding the Company's future plans, including, but not limited to, plans to expand to geographic areas, market segments or services;
 - marketing strategies, developed, investigated, acquired (from a third party or otherwise), or used by the Company;
 - any other information acquired by the Trustee in the course of the exercise of its mandate, which could reasonably be considered to reflect the Company's vulnerabilities.
- f. **Impossibility of exercising the mandate/legal impediment** – (i) any circumstance that creates an unavailability with a duration greater than or equal to 90 consecutive calendar days, depriving the member of the Board of Administration of the possibility to perform his/her duties, personally or by representation, except for the cases provided by law (ii) preventive arrest, (iii) execution of a custodial sentence, (iv) annulment of the decision of the (ordinary) general meeting of shareholders of the Company appointing the member of the Board of Administration;
- g. **The remuneration due to the member of the Board of Administration** – The remuneration of the

members of the Board of Administration is established by the general meeting of shareholders in the structure and limits provided for in para. (2) and (4) of art. 37 of G.E.O. no. 109/2011, as subsequently amended and supplemented.

- h. **Force majeure** - means any external, unforeseeable, absolutely invincible and unavoidable event, which could not be foreseen at the time of the conclusion of this Mandate Contract and which makes it impossible to execute and, respectively, fulfill the Mandate Contract; such events are considered to be: wars, revolutions, fires, floods or any other natural disasters, restrictions arising as a result of a quarantine, embargo, the list not being exhaustive but enunciative. An event such as the above is not considered force majeure which, without creating an impossibility of execution, makes the execution of the obligations of one of the parties extremely costly;
- i. **Business Decision** – means any decision to take or not to take certain measures regarding the management of the Company;
- j. **Fortuitous event** – means an event that could not have been foreseen by the Trustee or prevented by it from happening; the modification of the legal, regulatory framework and tax system in Romania existing at the signing of this Agreement are assimilated to the fortuitous event;
- k. **Financial and non-financial performance indicators** – performance indicators negotiated and approved by the general meeting of shareholders, different from those approved for Directors, established by an addendum to the Mandate Contract.

Art. 4 Object of the mandate contract

4.1 Through this mandate agreement, the Administrator is entrusted with the management of the Company, corresponding to the quality of member of the Board, having the attributions, powers and responsibilities established by law and by the Articles of Association.

4.2 The obligations of the Administrator are regulated by law, as it may be amended during the term of office, including by the legislation applicable to public enterprises, the provisions of the Articles of Association and those of this mandate contract. In order to achieve the object of this mandate contract, the Administrator will perform, within the limits of the duties and competences of a member of the Board, all the acts necessary for the administration of the Company in its interest and for the fulfillment of the object of activity, the latter being to exercise the mandate loyally, in the interest of the Company, with the prudence and diligence of a good administrator.

Art.5 Rights and obligations of the Administrator

5.1 Rights of the Administrator

5.1.1 The Administrator is entitled to the payment of a remuneration consisting of a fixed monthly allowance.

5.1.2 The Administrator has the right to benefit from a professional liability insurance policy concluded by the Company. The payment of the premiums related to this insurance will be made by the Company and will not be deducted from the remuneration due to the Administrator.

5.1.3 The administrator is entitled to compensation in the event of revocation of the mandate without just cause. In relation to Article 8.5, "just cause" within the meaning of this article is "just cause" within the meaning of this article, the specification being not limited to, the failure of the Administrator or the improper fulfillment of any legal obligation or stipulated in this contract and the unjustified refusal to conclude addenda to this contract by which changes are established by the effect of the law. Also, the revocation takes place with "just cause" in the situation in which the key performance indicators are not met at the minimum level approved by the General Meeting of Shareholders, as well as in the situation in which the Administrator refuses to assume the key performance indicators and their fulfillment at the minimum level approved by the General Meeting of Shareholders, refusing to properly conclude an addendum to the mandate contract. In the event of dismissal of the director without just cause:

a) The Administrator shall be entitled to receive from the Company a compensation equivalent to a

maximum of 24 fixed net monthly indemnities, if the revocation without just cause occurs within the first 2 years of the mandate;

b) In the event that the dismissal without just cause occurs in the last 2 years of the mandate, the Company will pay the Administrator a compensation corresponding to the number of months remaining until the end of the mandate.

c) The payment of this amount as compensation shall be made by the Company within a maximum of 60 calendar days from the date of adoption of the Resolution of the General Meeting of Shareholders to revoke it, if the decision is not contested. The Administrator agrees and accepts that this compensation is the only compensation of the Administrator, in the event of his dismissal without just cause.

5.1.4 In the event that the administrator challenges the revocation decision issued by the Company in court, the challenger declares that he definitively and irrevocably waives any interest and penalties related to the main right claimed, except for legal costs.

5.1.5 The Administrator has the right to have access to any information related to the Company, in compliance with the obligation of confidentiality and the provisions related to access to service secrets, respectively classified national information.

5.1.6 The administrator may benefit, together with the other administrators, under the law, from specialized assistance for substantiating/motivating the decisions taken within the board, with the approval of the General Shareholders' Meeting.

5.1.7 The Administrator is entitled to benefit from the same package of compensation and benefits, including medical services and/or medical insurance, contracted by the Company for employees (if applicable).

5.1.8. In exceptional cases, when the Company's interest so requires, it may request the convening of the general meeting of shareholders.

5.2 Obligations of the Administrator

5.2.1 The administrator is obliged to develop a proposal for the management component of the management plan, in order to achieve the financial and non-financial performance indicators, within the term provided by art. 30 para. (1) of GEO no. 109/2011, as well as to analyze and approve the management plan completed with the management component under the conditions and within the deadlines provided by law.

5.2.2 The Administrator is obliged to negotiate, under the conditions of the law, the Key Performance Indicators (GSM) within the term provided by art. 30 para. (4) of the Government Emergency Ordinance no. 109/2011;

5.2.3 The administrator is obliged to meet the objectives and key performance indicators provided in the annex to the contract.

5.2.4 The administrator is obliged to contribute to the elaboration of the draft budget of the public enterprise and, as the case may be, of the activity program for the next financial year.

5.2.5 The Administrator is obliged to prepare and participate in the meetings of the Board, as well as in one or more advisory committees established at the level of the Board.

5.2.6 In case of appointment as Chairman of the Board of Administration, the member of the Board of Administration shall also have the duties corresponding to this position, established in the Company's Articles of Association, the Rules of Procedure and Functioning of the Board of Administration, as well as in the applicable legal provisions.

5.2.7 The administrator is obliged to participate in the meetings of the general meeting of shareholders.

5.2.8 The Administrator is obliged to represent the Company in the cases provided for by law and, as the case may be, in the cases in which this faculty has been expressly granted to him.

5.2.9 The Administrator is obliged to participate in the elaboration and transmission, to the supervisory public authority, the Agency for Monitoring and Evaluation of the Performance of Public Enterprises ("AMEPIP"), the Ministry of Finance and other authorities, of the reports provided by law, of the reports on the Company's activity and the stage of achievement of the fulfillment of the key performance indicators of the mandate contract, as well as, as the case may be, of the information regarding the mandate contracts of the members of the Company's Executive Board.

5.2.10 The Administrator is obliged to formulate proposals regarding the Company's development strategy.

- 5.2.11 The administrator is obliged to participate in the selection, appointment and dismissal of the members of the directors, the evaluation of the activity and the approval of their remuneration.
- 5.2.12 The Administrator is obliged to approve the recruitment and dismissal, as the case may be, of the Internal Audit Manager and to receive from him, whenever requested, reports on the Company's activity.
- 5.2.13 The administrator is obliged to verify the functioning of the internal managerial control system;
- 5.2.14 The administrator is obliged to notify the conflicts of interest and incompatibilities for the members of the administrative and management bodies or for the staff of the public enterprise.
- 5.2.15 The Administrator is obliged to declare, in accordance with the legislation in force and the code of ethics, the existence of any conflicts of interest and incompatibilities. In situations of conflict of interest, the Administrator has the obligation to refrain from participating in the decision-making process within the Board/advisory committees/in the exercise of the duties of administrator.
- 5.2.16 The administrator is responsible for the obligation of information provided by art. 15317 of Law no. 31/1990 in conjunction with art. 33 of GEO no. 109/2011.
- 5.2.17 The Administrator is obliged to exercise the mandate with the loyalty, prudence and diligence of a good administrator, in the exclusive interest of the Company.
- 5.2.18 The administrator is obliged to comply with the legal and statutory provisions regarding lending and concluding legal acts with the public enterprise.
- 5.2.19 To participate in at least one professional training program in the field of corporate governance, as well as in any other areas relevant to the public enterprise, according to the applicable legal framework, with the approval of the General Shareholders' Meeting.
- 5.2.20 The Administrator is obliged to exercise due diligence regarding the receipt, possession and transmission of information (including documents) owned by the Company using for these purposes exclusively technical means and electronic or physical means of communication or storage owned or controlled by the Company (laptop/tablet, e-mail, other communication applications, physical storage media, etc.). In applying this contractual clause, the Administrator is also obliged to comply with the specific internal regulations regarding information security. The obligations established by this contractual clause are part of the scope of the confidentiality obligation assumed by the Administrator through this contract.
- 5.2.21 The Administrator, together with the other members of the Board of Administration, has the obligation to request the convening of the general meeting of shareholders to approve any transaction if it has, individually or in a series of transactions concluded, a value greater than 10% of the value of the Company's net assets or greater than 10% of the Company's turnover according to the latest audited financial statements, with the members of the Board of Administration or with the directors, with the employees, with the shareholders who hold control over the company or with a company controlled by them, as well as with the spouse, relatives or relatives up to the fourth degree inclusive of the mentioned persons.
- 5.2.22 The Administrator, together with the other members of the Board of Administration, has the obligation to inform the shareholders, at the first general meeting of shareholders following the conclusion of the legal act, about any transaction concluded by the Company with: a) the persons referred to in point 5.2.21, if the value of the transaction is below the level of 10% of the value of the Company's net assets or less than 10% of the Company's turnover according to the latest financial statements Audited; b) another company or with the supervisory public authority, if the transaction has a value, individually or in a series of transactions, of at least the equivalent in lei of 100,000 euros.
- 5.2.23 To make available to the Company, in the form and within the terms specified by it, the documents and information requested by the Company for the execution of various legal or statutory obligations relating to the Administrator.
- 5.2.24 Not to make unauthorized assessments in relation to disputes in the process of being resolved and in which the Company is a party.
- 5.2.25 Not to provide assistance and advice to individuals or legal entities in order to promote legal or other actions against the Company.
- 5.2.26 The Administrator assumes the conditions for obtaining 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 Resolution no. 585/2002,

and of the Norms on the protection of classified information of the North Atlantic Treaty Organization in Romania, approved by Government Resolution no. 353/2002).

5.2.27 To comply with the non-compete obligations provided in Annex no. 1 to the Contract, the integrity criteria provided in Annex no. 2 and the confidentiality clauses of Annex 3.

5.2.28 The Administrator has any other obligations provided by law, the Articles of Association and the internal regulations adopted at the level of the Company.

5.2.29 To delegate the management of the Company to one or more directors, appointing one of them as Director-General, to determine their remuneration, on the recommendation of the Nomination and Remuneration Committee and to dismiss the Director-General(s), in accordance with the provisions of the Articles of Association and the applicable laws;

5.2.30 To evaluate the activity of the general manager/directors, both in terms of the execution of the mandate contract(s) and in terms of compliance with and implementation of the management component of the management plan;

5.2.31 To evaluate the activity of the general manager/directors, both in terms of the execution of the mandate contract(s) and in terms of compliance and implementation of the management component of the management plan;

5.2.32 To approve the conclusion of contracts, within the limits provided by the articles of incorporation, by resolutions of the general meeting of shareholders, as well as by the applicable legal framework;

5.2.33 Make recommendations on profit distribution;

5.2.34 To convene or, as the case may be, to approve the convening of the general meeting of shareholders in accordance with the provisions of the bylaws and the applicable legal framework, to organize and participate in the meetings of the general meetings of shareholders and to implement the decisions of the general meetings of shareholders;

5.2.35 To approve the draft income and expenditure budget of the Company for the current year;

5.2.36 To submit to the General Meeting of Shareholders of the Company, within the legal term, all the reports provided by the applicable Legal Framework;

5.2.37 To verify the compliance with the law, with the articles of association and with the decisions of the general meeting of shareholders of the Company's management operations;

5.2.38 To adopt all necessary measures to protect the Company's assets;

5.2.39 To inform the shareholders of Significant Events, within 2 working days, before or after their occurrence, as the case may be, and about the possible situation of legal impossibility/impediment, as the case may be;

5.2.40 To participate in the evaluation process and, as a result of this process, to present a self-evaluation based on the performance achieved versus objectives in a report on the degree of achievement of the objectives, within the terms and conditions set by the Client and to be delivered to him;

5.2.41 To defend, in a loyal manner, the prestige of the Company and of the Company's management bodies and shareholders, as well as to refrain from any act or fact that may cause damage to their image or legal interests;

5.2.42 Not to publicly express assessments that are not in accordance with reality in relation to the Company's activity, its policies and strategies or the draft regulations or individual acts;

5.2.43 Not to make unauthorized assessments in relation to disputes under resolution and in which the Company is a party;

5.2.44 Not to provide assistance and advice to natural or legal persons in order to promote legal or other actions against the Company;

5.2.45 In his/her relationship with the Company, with the directors, shareholders and employees of the Company and the other members of the Board of Administration, the Administrator undertakes to behave in a manner based on respect, good faith, fairness and kindness, not to prejudice their honor/reputation/dignity, as well as to the natural and legal persons with whom he/she comes into contact in the exercise of his/her mandate, by using offensive expressions, formulating slanderous notifications or complaints or revealing aspects of private life;

5.2.46 To ensure equal opportunities and treatment for the Company's employees and directors, not to favor or disfavor access or promotion within the Company on discriminatory criteria, kinship, affinity or other criteria that do not comply with the applicable laws;

5.2.47 To participate and cast their vote at each meeting of the Board of Administration and to sign the minutes of the meetings of the Board of Administration in which they participate personally or as a proxy, drawn up by the secretariat of the meeting;

5.2.48 To make available to the Company, in the form and within the terms specified by it, the documents and information requested by the Company for the execution of various legal or statutory obligations related to the Administrator.

Art.6. Rights and obligations of the Company

6.1 Company rights

6.1.1 The Company has the right to request and receive from the Administrator information, reports and other documents regarding the fulfillment of the mandate.

6.1.2 The Company has the right to negotiate the key performance indicators and complete the negotiation within the term provided by law.

6.1.3 The Company has the right to bring an action for liability and an action for damages caused to the Company by the Administrator in breach of the duties provided by law and the Articles of Association.

6.1.4 The Company has any other rights provided by law, the Articles of Association and the internal regulations adopted at the level of the Company.

6.1.5. The Company has the right to request in writing any kind of information regarding the activity of the members of the Board of Administration and to receive a response within 10 calendar days from the request.

6.2 Obligations of the Company

6.2.1 The Company is obliged to pay the remuneration to the Administrator under the conditions established by this contract.

6.2.2 The Company is obliged to bear the costs of the Administrator's professional liability insurance.

6.2.3 The Company has the obligation to monitor the activity of the administrator and to evaluate the fulfillment of the approved key performance indicators, included in the mandate contract.

6.2.4 The Company has the obligation to pay the compensation to the administrator provided for in art. 5.1.3 letters a and b.

Art.7. Liability of the parties

7.1 Failure to fulfill and/or improper fulfillment of the obligations assumed by any of the parties signing this contract entails the liability of the party at fault.

7.2 The Administrator is liable for culpable non-compliance: (i) with the obligation to comply with the Management Plan, in order to achieve the objectives contained therein and to meet the financial and non-financial Performance Indicators, (ii) the provisions of this Mandate Contract, (iii) the provisions of the resolutions adopted by the General Meeting of Shareholders of the Company and (iv) the provisions of the Articles of Association.

7.3 The Administrator does not breach the duty of prudence and diligence and will not be liable if, at the time of making a business decision, he/she is reasonably entitled to consider that he/she is acting in the interests of the Company and on the basis of adequate information.

7.4 The Administrator shall be liable for any damage suffered by the Company as a result of its culpable failure to perform the duties and obligations provided for in this Mandate Contract, the Articles of Association, ROF CA, the resolutions of the General Meeting of Shareholders or the Legal Framework, in accordance with the applicable legal provisions.

Art.8. Conditions for modification, termination and renewal of the mandate

8.1 This contract is amended by the agreement of the parties expressed by an addendum concluded in compliance with the substantive and formal conditions provided by law at its conclusion or, as the case may be, as a result of subsequent legislative changes likely to affect the contractual provisions.

8.2 The modification of the contract for the purpose of including clauses regarding the key performance indicators approved under the conditions of GEO no. 109/2011 will be made under the conditions and deadlines provided by the law.

8.3 The contract terminates:

a) at the expiry of the period for which it was concluded, if it has not been renewed in accordance with the law.

b) by the Administrator's waiver of the mandate with a notice of 35 calendar days from the notification of the Company;

c) by the death of the Administrator;

d) by the General Shareholders' Meeting as a result of the failure to meet the key performance indicators included in the mandate contract, for reasons attributable to the Administrator;

e) by opening the general insolvency or bankruptcy procedure of the Company;

f) by the Administrator violating the legal provisions regarding conflicts of interest, incompatibilities, including the integrity criteria provided by the Company's Code of Ethics, as well as the non-compete obligations;

g) by breaching the confidentiality obligations regarding any financial and/or commercial information qualified as confidential or privileged according to the legal norms or contractual obligations assumed by the Company;

h) by automatic cessation in the cases provided for by law, including in the case of initiation of the liability action against the members of the Council, as well as in the case of being sent to trial for committing one of the crimes provided for in art. 6 para. (1) of the Companies Law no. 31/1990.

i) by withdrawing/not granting the ORNISS authorization;

j) by the impossibility of exercising the mandate/legal impediment – any circumstance that creates an unavailability with a duration greater than or equal to 90 consecutive calendar days, depriving the member of the Board of Administration of the possibility to perform his/her duties, personally or by representation; If the Administrator is in the Definitive Impossibility of Exercising the Mandate/Legal Impediment, the termination will take effect from the date of expiry of the term of 90 consecutive days of incapacity.

8.4 The mandate of the Administrator may be renewed, at the request of the administrator in office, in accordance with the provisions of art. 25 of Annex no. 1 to GR no. 639/2023 for the approval of the methodological norms for the application of GEO no. 109/2011 on the corporate governance of public enterprises.

8.5 In the event of the dismissal of the Administrator for just cause, the Administrator is not entitled to receive compensation from the Company. In order to avoid any misunderstandings, "just cause" within the meaning of this article is "just cause" within the meaning of this article, the specification being not limited to, the failure by the Administrator or the improper fulfillment of any legal obligation or stipulated in this contract and the unjustified refusal to conclude addenda to this contract by which changes are made by the effect of the law are established.

Art.9 Performance objectives and key performance indicators, as well as the conditions for their revision

9.1 The objectives and key performance indicators, approved by AMEPIP, will be established according to the law.

9.2 The conditions for revising the objectives and key performance indicators are those provided by the provisions of GEO no. 109/2011 and the subsequent normative acts, these being mandatory for the parties.

Art.10. Integrity and ethics criteria

10.1 The Administrator will comply with the provisions of the legal provisions, the provisions of the Articles of Association and the internal regulations of the Company regarding conflicts of interest, incompatibilities, non-compete obligations, including the integrity criteria provided by the Company's Code of Ethics.

10.2 The Administrator has the obligation to respect the confidentiality of any financial, technical and/or commercial information qualified as confidential or privileged according to the legal norms or contractual obligations assumed by the Company.

10.3 The Administrator shall comply with the conditions of termination of the mandate in case of indictment, for committing one of the offences provided for in Article 6 of the Companies Law no. 31/1990, republished, as amended.

Art.11.Remuneration of the Administrator

11.1 The Administrator, in his capacity as a member of the Board, benefits from a fixed monthly allowance established in accordance with the law by the General Meeting of Shareholders.

11.2 The fixed allowance due to the Administrator during the term of office of the Board member is in the gross monthly amount of _____ lei.

11.3 The payment of the fixed indemnity shall be made monthly.

Art.12 Method of evaluation of administrators

12.1 The execution of this mandate contract is subject to evaluation under the conditions of the law according to the following types of evaluations:

a) the evaluation of the Board's own performance;

b) the evaluation of the activity of the Administrator, carried out by the General Meeting of Shareholders or by the supervisory public authority;

c) the evaluation by AMEPIP of the fulfillment of the key performance indicators.

Art. 13 Participation in the specialized advisory committees, established at the level of the council according to the law, as well as in other committees, depending on the specifics of the public enterprise

13.1 The Nomination and Remuneration Committee, the Risk Management Committee and the Audit Committee shall be constituted within the Board in accordance with the law. The Articles of Association of the Company may also establish the possibility of establishing other advisory committees.

13.2 Within 10 calendar days from the date of appointment, the Board is obliged to constitute the committees specified in clause 14.1 above.

Art.14 Clauses regarding the independence of the administrator

14.1 In relation to the provisions of art. 138² of Law no. 31/1990, the Administrator declares on his/her own responsibility on the date of signing this contract that, according to the legal provisions, he/she **is/is not an independent administrator**.

14.2 In the event of modification, during the term of office, of the statute declared according to clause 15.1 above, the Administrator undertakes to notify the Company within 3 calendar days from the modification.

Art.15 Conditions of contracting assistance at the level of the council

15.1 The Council has the possibility to request the public undertaking to contract expert assistance to substantiate its decisions, for example, but not limited to: audits, anti-fraud investigations, market analysis and others.

Art.16. Force majeure and unforeseeable circumstances

16.1 The parties undertake to notify each other, in writing, within no more than 5 (five) days from the occurrence of any cause of force majeure or fortuitous event, as defined by the Law no. 287/2009 regarding the Civil Code, republished, as amended, and, in general, to inform each other in a timely manner about any impediments that may lead to difficulties in achieving the object of this contract.

16.2 If the party invoking force majeure or unforeseeable circumstances has not complied with the notification obligation or the deadline set out in 16.1, then the party shall not be exempt from liability.

16.3 In case of force majeure or unforeseeable circumstances, the parties shall make joint efforts in order to reduce the possible damages resulting from the occurrence of such a cause.

Art.17 Method of settling disputes

17.1 This contract is governed by good faith and interpreted in accordance with the provisions of Romanian law.

17.2 Any dispute that arises between the Parties regarding the conclusion, execution, modification, termination or interpretation of the clauses of this Mandate Contract, which cannot be settled amicably, will be submitted for settlement to the competent courts of Romania.

Art.18 Other clauses

18.1 The Administrator agrees to the processing by the Company, if applicable, of the personal data provided by the Administrator and/or obtained from third parties, including, without limitation, the personal identification number and other personal identification data, for the purpose of carrying out the legal relations directly or indirectly related to this contract between the Company and third parties, as well as for statistical or marketing purposes. By this agreement, the Administrator declares that he/she has been informed about the provisions of Law no. 677/2001 for the protection of individuals with regard to the processing of personal data and the free movement of such data, in particular with regard to the right of access to data, the right to intervene on data and the right to object. The Administrator declares that, at the end of the processing operations, he/she agrees that his/her personal data will be subject to further processing by the Company, shareholders and, if applicable, other public authorities. The Administrator declares that he/she has been informed about the fact that he/she has the right to withdraw his/her consent at any time regarding the processing of personal data, their use for statistical or marketing purposes, their transfer abroad as well as the receipt of commercial communications, by means of a written request addressed to the Company.

18.2 The Administrator may not conclude an employment contract with the Company.

18.3 Notices

18.3.1 All notices/requests/communications relating to this contract, addressed by one party to the other, will be considered validly fulfilled if they are sent to the latter party by registered letter or fax/e-mail, with acknowledgement of receipt to the addresses provided in art.1 of this contract or to those addresses that will be subsequently declared by either party.

18.3.2 If a party changes the correspondence coordinates mentioned in Article 1 of this contract, it will be obliged to communicate to the other party, within 5 (five) working days, the new coordinates. The omission of communication does not engage the liability of the party using the coordinates mentioned in the contract or the last notified, and the notifications made to the respective coordinates are valid.

18.4 The professional liability insurance policy, also covering the risks related to the execution of the Administrator's mandate, will be contracted and paid by the Company under the conditions of the public procurement legislation. The insured value is established by the supervisory public authority, and the conditions of the policy will be established by the Company.

18.5 This contract is not an employment contract and is not governed by labor law.

18.6 If certain clauses of this contract become legally ineffective, the validity of the other provisions of this contract shall not be affected. In such situations, the parties will renegotiate in good faith any clause that has become legally ineffective, adding the clause thus renegotiated to the provisions of this contract.

18.7 If, at any time during the term of this contract, one of the parties does not expressly insist on imposing a particular provision of the contract, it does not mean that that party has waived such provisions or that it has waived the right to enforce such provisions.

18.8 The legal framework applicable to this contract shall apply by law and shall produce legal effects by law without any other prior formalities on the part of the parties.

18.9 The Administrator declares that he/she has become aware of the clauses of this contract and of the Company's Articles of Incorporation prior to the appointment by the General Meeting of Shareholders and the acceptance of the mandate, understands their terms and fully accepts them.

18.10 The Administrator declares that he/she has become aware prior to the appointment by the General Meeting of Shareholders and the acceptance of the mandate of the specific obligations provided for him/her by the specific legal framework applicable to the Company, accepts, understands and is firmly committed to complying with the obligations of confidentiality and loyalty.

18.11 The Administrator declares that he/she is not in any of the situations of incompatibility or competition provided for by law, has full capacity to exercise to conclude this contract and to execute the obligations provided by it and in accordance with the provisions of this contract and the applicable legal framework and meets the requirements provided by law and by the Company's Articles of Association for holding the capacity of administrator within the Board.

Annexes 1, 2 and 3 are part of this Contract.

That is why we have concluded today _____ at _____, in 2 (two) original counterparts, this Mandate Contract, the parties declaring, at the same time, that they have each received, on the occasion of signing this Contract, one counterpart.

**National Gas Transmission Company
"Transgaz" S.A.**

By:.....mandated,
By resolution no. of the General
Meeting of the Shareholders

**ADMINISTRATOR
Mr/Mrs.**

NON-COMPETITION OBLIGATIONS

Non-competition

During the exercise of his/her mandate in *the Company*, the Administrator, directly or indirectly, agrees and undertakes:

- a) not engage in any activity or business that is in competition with or similar to the Company's primary business ;
- b) not to assist in any way any person whose activities are in competition with or who otherwise prejudice the Company's business activities .

The non-competition obligation takes effect on the territory of Romania, as well as in the countries where the company operates or intends to operate.

Refraining from requesting services

During the exercise of his/her mandate in the *Company*, the Administrator, directly or indirectly, with or without commission, shall not:

- a) determine or attempt to cause any employee, consultant, supplier, buyer or independent contractor of *the Company*, to terminate his relationship with the Company;
- b) use, retain as a consultant or contractor, or cause the employment or retention of any employee, the hiring/conclusion of a contractual relationship with any agent, consultant, service or product provider, buyer or independent contractor of *the Company*, so that the action causes damage to the Company.

Infringement of non-competition obligations

Any breach of the obligations contained in this Annex by the Administrator entitles *the Company* to claim compensation from him for the damages caused *to the Company*.

**National Gas Transmission Company
"Transgaz" S.A.**

By:.....mandated,
By Resolution no. of the General
Meeting of the Shareholders

**ADMINISTRATOR
Mr/Mrs.**

INTEGRITY CRITERIA

Considering the following:

The members of the Board of Administrators have the obligation to declare any personal interests that may contradict the objective exercise of the attributions they exercise in fulfilling their mandate;

The members of the Board of Administration are obliged to take all necessary measures to avoid situations of conflict of interest and incompatibilities;

Early identification and timely removal of the premises of corruption are a priority and imperative;

Ethics refers to individual behaviour, in an organizational or non-organizational context, which can be appreciated or evaluated from the perspective of values, principles and ethical rules at the level of the society.;

Integrity behaviour is that behaviour that is appreciated or evaluated ethically as correct. Integrity, as an individual value, refers to this ethical correctness, which cannot be delimited by legal and professional correctness;

Behaviour lacking integrity is a form of undermining society's mission, leading to a toxic organizational climate for employees and third parties, and affecting the legitimate interests of all involved, including the public interest.

The Company's administrator assumes the following integrity criteria:

1. Is a person who is competent, fair and eager to contribute to the development of society;
2. Adheres to the values and principles of the company's code of ethics;
3. Makes decisions only in the interests of Company (decisions are not made to gain financial benefits or other material benefits for themselves, their family or loved ones);
4. Has no business or contracts with the company for which he/she acts as a member of the Board of Administration, or with a partner company;
5. Ensures compliance with the principle of transparency regarding his/her decisions and actions;
6. Has a duty to declare any particular interests related to the fulfilment of the specific responsibilities of the mandate and to take action in order to resolve any conflicts of interest that may arise, so as to protect the interest of Company;
7. Is responsible for his/her decisions and actions in front of the shareholders and is subject to any evaluation of the performance in fulfilling the mandate;
8. Must not create financial or other obligations towards organizations or natural or legal persons that would influence the way in which he/she carries out the duties specific to the mandate received from shareholders;
9. Does not have any personal debts towards the state budget;

10. No criminal investigation has been initiated against him/her, he/she has not been prosecuted or convicted for committing an act of corruption or an act related to non-compliance with the regime of interdictions, incompatibilities, conflict of interest or declaration of assets, embezzlement, tax evasion, deeds that are related to the exercise of administrator duties, or for any other deeds provided by criminal law;
11. The National Integrity Agency did not order a final act of finding, regarding the violation of the legal obligations regarding the unjustified assets, the conflict of interests or the regime of their incompatibility;
12. He/she was not been found, by a final court decision, to have been a collaborator or worker of the Securitate, as a political police, according to the law, and did not promote/does not promote extremist ideas or actions (racism, xenophobia, anti-semitism, etc.);
13. Did not obtain degrees and diplomas through plagiarism, or intellectual theft proven by a final court decision;
14. Is not under judicial control for any type of crime, as well as under pre-trial detention or house arrest;
15. He/she did not show insulting, aggressive or inappropriate behaviour towards his/her colleagues;
16. He/she is effectively involved in promoting the integrity of the Company and provides his/her own example of integrity by sanctioning or properly managing violations of the rules, from the smallest, such as administrative misconduct, to the most serious, such as criminal offences.

SNTGN TRANSGAZ S.A

Administrator

By: Mr./Ms.

Mr.

**empowered by the Decision of the
General Meeting of the Shareholders no. _____ dated _____**

Confidentiality clauses, during and after the exercise of the mandate

1. The term "Confidential Information" means and includes any information regarding the economic activity of the Company that is not public, according to (i) the law, (ii) the decisions of the General Meeting of Shareholders, (iii) the decisions of the Board of Administration and (iv) the internal regulations of the Company.

Without limiting the above, confidential information includes:

- a) the contractual terms and any information regarding the Company's business partners, clients, agents, employees, entrepreneurs, investors or suppliers, as well as the conditions under which the Company carries out economic activities with each of these persons;
- b) computer programs (including source code and object code) or software program developed, modified or used by the Company;
- c) information of any kind compiled by the Company, including, but not limited to, information related to products and services, advertising and marketing, as well as by existing or potential customers, suppliers and/or business partners;
- d) algorithms, procedures or techniques, or essential ideas and principles underlying such algorithms, procedures or techniques developed by or used by the Company or otherwise known to the Company (other than any algorithm, procedure or technique in the public domain), whether or not such algorithms, procedures, techniques are part of a computer program, including but not limited to techniques for:
 - identification of potential customers;
 - effective communication with existing or potential customers;
 - reducing operating costs or increasing the efficiency of the system.
- e) the fact that the Company uses, has used or evaluated as an opportunity to use any particular database, data sources, algorithms, precedents or techniques or ideas developed or provided by a person other than the Company (including any algorithm, procedure or technique in the public domain), whether such algorithms, procedures or techniques are part of a computer program or not;
- f) marketing strategies, developed, investigated, acquired (from a third party or otherwise), evaluated, modified, tested or used by the Company, or any information regarding or that could reasonably lead to the development of such strategy;
- g) information regarding the Company's future plans, including, but not limited to, plans to expand to geographic areas, market segments or services;
- h) information that will be disclosed exclusively under the conditions set out in point 5;
- i) any other information acquired by the Administrator in the course of his or her term of office, which could reasonably be considered to reflect vulnerabilities of the Company, and which would assist a competitor or potential competitor of the Company to compete successfully against the Company;
- j) any information received by the Company from third parties who, in turn, have an obligation of confidentiality about the existence of which the Company notifies;
- k) any information derived from all of the above, and

- l) any copies of all the information mentioned above, except in situations where such copies are requested by a court or other public authority, under the conditions provided by law.

2. Use and Disclosure of Confidential Information

2.1 The Administrator acknowledges that he has acquired and/or will acquire Confidential Information in the course of or in connection with the exercise of his mandate within the Company, as well as that the use of such Confidential Information for any purpose, by himself or by other persons, would seriously prejudice the Company, including by violating some legal obligations of the Company. Therefore, the Administrator accepts that, directly or indirectly, at any time, during the term of the contract concluded with the Company or at any time after its termination, and regardless of when and for what reason this contract will terminate, it will not use or cause the use of any Confidential Information in connection with any activities or businesses, except for the public economic activities of the Company, and will not disclose or cause to be disclosed any Confidential Information to any individual, company, association, group or any other entity, unless such disclosure has been specifically authorized in writing by the Company, or unless required by any applicable law, or ordered by the decision of a competent court or arbitrator, or by any public authority which by law is empowered to receive such information.

2.2 In addition, the Administrator undertakes to notify the Company, promptly, of any act of a court or arbitration, or of another public authority, of the nature specified in the previous paragraph, so that the Company can adopt, under the conditions of the law, protective measures or another appropriate solution, and will continue to provide any assistance that the Company may reasonably request to guarantee such measures or solutions, if the safeguards referred to in the preceding paragraph are not sufficient, the Administrator shall provide only that portion of the Confidential Information which is lawfully required by the public authority concerned and shall make all reasonable and legally grounded efforts to obtain confidential treatment of any Confidential Information so disclosed.

3. Use and disclosure of information about third parties

3.1 The Administrator understands that the Company sometimes receives information from third parties, which the Company must treat confidentially and use only for limited purposes, ("Third Party Information").

3.2 The Administrator agrees that, directly or indirectly, at any time, during the term of the contract entered into with the Company, or at any time after its termination, and regardless of when and for what reason this contract will terminate, it will not use or cause to be used any Information relating to third parties, except as permitted by a written agreement between the Company and such third party and unless required by any law applicable or by the decision of a competent court or arbitral tribunal or by any other public authority which by law is empowered to receive such information. In addition, the Administrator undertakes to promptly notify the Company of any act of a court or arbitration, or of another public authority, of the nature specified in the previous paragraph, so that the Company may adopt, under the conditions of the law, protection measures or another appropriate solution. if the safeguards are not sufficient, the Administrator will provide only that section of the Information about third parties as legally required.

4. Protecting trade secrets. Nothing in this agreement shall imply or affect in any way the Company's rights to protect its trade secrets, by any means provided by law.

5. Disclosure of information by the Company

During the performance of the Agreement and on the date of termination of this Agreement, the Administrator shall promptly disclose and deliver to the Company, to the extent that such disclosure would reasonably be considered to be in the Company's interest, in writing, or in any form and manner, reasonably requested by the Company, the following information, ("Information to be Disclosed"):

- (i) any and all algorithms, procedures or techniques relating to the economic activities of the Company or the activity of the Administrator within the Company, the essential ideas and principles underlying such algorithms, procedures or techniques designed, original, adapted, discovered, developed, acquired (from a third party or otherwise), evaluated, tested or applied by the Administrator in the course of his activity within the Company, regardless of whether

- (ii) such algorithms, procedures or techniques have been incorporated into a computer program; any and all marketing strategies, the essential ideas and principles underlying such strategies and any information that could reasonably lead to the development of such strategies conceived, original, adapted, discovered, developed, acquired (from a third party or otherwise), evaluated, tested or applied by the Administrator in the course of his activity within the Company;
- (iii) information on any and all products and services, the essential ideas and principles underlying these products and services, designed, original, adapted, discovered, developed, acquired (from a third party or otherwise), evaluated, tested or applied by the Administrator in the course of his activity within the Company and
- (iv) any other ideas or information conceived, original, adapted, discovered, developed, acquired (from a third party or otherwise), evaluated, tested or applied by the Administrator in the course of his activity within the Company, if such ideas or information could reasonably be appreciated as useful or valuable to the Company.

6. The temporal extent of compliance with confidentiality obligations. The confidentiality obligations incumbent on the Administrator based on this contract remain applicable even after its termination regardless of the reasons and will take effect for an unlimited period of time.