

No. 21342/17.03.2022

Submitted for approval to the OGMS dated 28/29 April 2022

### Report

## On the approval of the evaluation of the compliance with the financial and non-financial performance indicators for 2021 attached as annex to the non-executive administrators' mandate contracts

### SUMMARY

By OGMS Resolution no. 12/19.12.2017, art. 1, the financial and non-financial performance indicators for the period 2017-2021, attached as annex to the administrators' mandate contracts were approved, in line with Annex no. 2 to Order no. 1367/GS/15.12.2017.

By OGMS Resolution no. 3/27.04.2021, art. 14 the revision of financial performance indicators was approved in the form as submitted by the Board of Administration and endorsed by BoA Resolution no.8/22.03.2021, the consolidated version of the performance indicators targets represents an annex to the non-executive administrators' mandate contracts, to be submitted to the General Shareholders Meeting for approval.

By OGMS Resolution no. 8/06.12.2021, art. 1, the financial and non-financial performance indicators for the period 2021-2025, attached as annex to the administrators' mandate contracts were approved.

### PROPOSAL

In line with the provisions of art. 30, para. (7) corroborated with the provisions of art. 37 para. (2) of GEO no.109/2011 on the corporate governance of public enterprises, as amended, the evaluation of the fulfilment of the financial and non-financial performance indicators attached to the mandate contract of the non-executive administrators, as annex, is submitted to the General Meeting of Transgaz' Shareholders for approval.

### Detailed contents

By BoA Resolution no. 36/10.10.2017 based on Report no. 47365/09.10.2017, the Board of Administration approved **Transgaz's Management Plan for the period 2017-2021** noting

the need for the financial and non-financial indicators as negotiated and approved by the General Meeting of the Shareholders to be revised.

By OGSM Resolution no. 12/19.12.2017, art. 1, the financial and non-financial performance indicators attached as an annex to the administrators' mandate contracts were approved in line with Annex no 2 to Order no. 1367/GS/15.12.2017. The revision of financial performance indicators was approved by OGSM Resolution no. 3/27.04.2021, art. 14 and the consolidated version of the performance indicators targets represents an annex to the non-executive administrators' mandate contracts.

Following the revision of financial indicators, the members of the Board of Administration approve, by the BoA Resolution no. 15/22.04.2021, Transgaz's Administration Plan for the period 2017-2021, as updated.

By BoA Resolution no. 29/06.10.2021 based on Report no. DG75262/05.10.2021, the Board of Administration approved **Transgaz's Management Plan for the period 2021-2025** noting the need for the financial and non-financial indicators as negotiated and approved by the General Meeting of the Shareholders to be revised.

By OGSM Resolution no. 8/06.12.2021, art. 1, the financial and non-financial performance indicators for the period 2021-2025 attached as an annex to the administrators' mandate contracts were approved.

In line with the provisions of art. 30 para. (7), corroborated with the provisions of art. 37 para. (2) of GEO no. 109/2011 on the corporate governance of public enterprises, as amended, the evaluation of the compliance with the financial and non-financial performance indicators, attached as annex to the non-executive administrators' mandate contracts is submitted to the General Meeting of Transgaz's Shareholders for approval.

*Annexes:*

*Annex 1 - Financial performance indicators for the calculation of the variable component of the remuneration– Achievements 2021;*

*Annex 2 - Non-financial performance indicators for the calculation of the variable component of the remuneration– Achievements 2021;*

*Annex 3 – The substantiation of the financial performance indicators calculation;*

**THE NOMINATION AND REMUNERATION COMMITTEE**

**PETRU ION VĂDUVA**

**NICOLAE MINEA**

**CSABA OROSZ**

**Annex 1**  
**to the AGOA Report No. 21342/17.03.2022**

**Financial performance indicators for the calculation of the variable component of the remuneration**

▪ **according to the 2017-2021 Management Plan**

No.	Indicator	Objective	2021	
			Budgeted	Achieved
1.	<b>Outstanding payments</b>	Maintaining outstanding payments to zero	0	0
2.	<b>Operating expenses</b> (except for depreciation, balancing, construction activity and provisions for the asset depreciation and for risks and charges) (thousand lei)	Maintaining the level of the operating expenses at the level undertaken in the Management Plan	1.136.843	794.931
3.	<b>Acid test ratio</b>	Acid test ratio to register annual values over 1.	0,91	0,92
4.	<b>Net debt-to-equity ratio</b>	Maintaining a net debt-to-equity ratio under the limits set for obtaining bank financing, namely: 3 -2017; 3- 2018; 5,5 -2019; 5,5 -2020; 4-2021	4	3,80
5.	<b>EBITDA</b> (thousand lei)	Achieving the EBITDA target undertaken in the Management Plan	399.780	485.447

▪ **according to the 2021-2025 Management Plan**

No.	Indicator	Objective	2021	
			Budgeted	Achieved
1.	<b>Outstanding payments</b>	Maintaining outstanding payments to zero	0	0
2.	<b>Operating expenses</b> (except for depreciation, balancing, construction activity and provisions for the asset depreciation and for risks and charges) (thousand lei)	Maintaining the level of the operating expenses at the level undertaken in the Management Plan	1.136.843	794.931
3.	<b>Acid test ratio</b>	Acid test ratio to register annual values over 1.	1	1,25
4.	<b>Net debt-to-equity ratio</b>	Maintaining a net debt-to-equity ratio under the limits set for obtaining bank financing, namely: 3 -2017; 3- 2018; 5,5 -2019; 5,5 -2020; 4-2021	5	3,14
5.	<b>EBITDA</b> (thousand lei)	Achieving the EBITDA target undertaken in the Management Plan	399.780	485.447

### Non-financial performance indicators for the calculation of the variable component of the remuneration - Achievements 2021

- according to the 2017-2021 Management Plan

No.	Indicator	Objective	No.	2021	
				Planned	Achieved 2021
Operational					
6.	Monitoring the Implementation and Investment Strategy	Achievement of the FID projects from the TYNDP $I=(\text{achieved}+\text{initiated actions})/\text{proposed actions}$			
		Development on the Romanian territory of the National Gas Transmission System on the Bulgaria – Romania – Hungary – Austria Corridor (BRUA phase 1).	6.1	Construction Phase I; - Lot 1, Lot 2 and the Pui-Jupa – CS Bibești pipeline section	Completed
		Interconnection of the National Transmission System with the T1 international gas transmission pipeline and reverse flow at Isaccea	6.2	- Completion of FEED and the execution details/obtaining the comprehensive decision – phase 2 – Construction and commissioning	Completed
		Modernization of Isaccea 1 GMS and Negru Vodă 1 GMS;	6.3	Isaccea I – construction and commissioning	-GMS Isaccea 1 – Completed
		NTS developments in North-East Romania for enhancing gas supply to the area and for ensuring transmission capacities to the Republic of Moldova	6.4	Construction (commissioning in 2021)	Work accepted
		New NTS developments for taking over Black Sea gas	6.5	- Construction (commissioning in 2021)	Work accepted

7.	Increasing energy efficiency	Maintaining the share of the NTS gas consumption in the total circulated gas below 1%	7.1	<1	0.50%
Public service oriented					
8.	Performance indicators related to the gas transmission service	Achievement of the targets provided for in the Performance Standard for the gas transmission service (ANRE Order 161/26.11.2015 entered into force as at 1 October 2016)	8.1	IP <sub>0</sub> <sup>1</sup> ≥ 90%	99,35%
			8.2	IP <sub>1</sub> <sup>1</sup> ≥ 95%	*
			8.3	IP <sub>1</sub> <sup>2</sup> ≥ 95%	*
			8.4	IP <sub>1</sub> <sup>3</sup> ≥ 95%	100,00%
			8.5	IP <sub>1</sub> <sup>4</sup> ≥ 95%	100,00%
			8.6	IP <sub>1</sub> <sup>5</sup> ≥ 95%	100,00%
			8.7	IP <sub>2</sub> <sup>1</sup> ≥ 95%	100,00%
			8.8	IP <sub>2</sub> <sup>2</sup> ≥ 95%	*
			8.9	IP <sub>3</sub> <sup>1</sup> ≥ 95%	100,00%
			8.10	IP <sub>3</sub> <sup>2</sup> ≥ 95%	*
			8.11	IP <sub>3</sub> <sup>3</sup> ≥ 95%	*
			8.12	IP <sub>3</sub> <sup>4</sup> ≥ 95%	*
			8.13	IP <sub>4</sub> <sup>1</sup> ≥ 95%	*
			8.14	IP <sub>5</sub> <sup>1</sup> ≥ 98%	99,98%
			8.15	IP <sub>5</sub> <sup>2</sup> ≥ 98%	100,00%
			8.16	IP <sub>6</sub> <sup>1</sup> ≥ 98%	100,00%
			8.17	IP <sub>6</sub> <sup>2</sup> ≥ 98%	100,00%
			8.18	IP <sub>7</sub> <sup>1</sup> ≥ 80%	83,87%
			8.19	IP <sub>8</sub> <sup>1</sup> ≥ 98%	100,00%
			8.20	IP <sub>8</sub> <sup>2</sup> ≥ 98%	100,00%
			8.21	IP <sub>9</sub> <sup>1</sup> ≥ 90%	*
Corporate governance					
9.	Implementing the internal/management control system	Implementing the provisions of GSG Order 600/2018 for the approval of the Internal/management control Code of public enterprises as subsequently amended.  I = implemented standards/standards provided by Order 600/2018*100	9.1	94%	Achieved -Letter DSMC/1277/08.01.2021 sent to the General Secretariat of the Government on the Progress of the SCI/M implementation and development at SNTGN Transgaz SA on 31.12.2021; SGG Entry no. 20/1041/DC of 18.01.2021. -Centralized progress of the SCI/M implementation and development at SNTGN Transgaz SA on 31.12.202, no. DSMC/1139/08.01.2021. -Self-Assessment Questionnaire on the progress of the SCI/M standards implementation on 31.12.2020, no. DSMC/1138/08.01.2021.

				<ul style="list-style-type: none"> <li>-Synthesis of self-assessment results on 31.12.2020, no. 1146/08.01.2021.</li> <li>- Report DSMC/1144/08.01. of the Director-General on SCI/M on 31.12.2020</li> <li>-Updating Decision no. 751/23.07.2018 on the establishing of Monitoring Committee with Decision no. 15/12.01.2021;</li> <li>- Updating Decision no. 282/15.03.2019 on the appointment of the SCI/M persons responsible with Decision no. 45/25.01.2021;</li> <li>- Updating the 2021 Transgaz SCI/M Development Plan no. 1142/08.01.2021;</li> <li>- List of sensitive functions at SNTGN Transgaz SA, year 2021, no. DORU 180/13.01.2021;</li> <li>-Register of employees occupying sensitive positions at SNTGN Transgaz SA, year 2021, no. DORU 219/15.01.2021;</li> <li>-The plan for ensuring the mitigation of risks associated with sensitive functions at SNTGN Transgaz SA, year 2021, no. DORU 220/15.01.2021;</li> <li>- Report on the SCI/M implementation on 31.12.2020, no. 4975/26.01.2021;</li> <li>- Report on 2020 Transgaz performance monitoring, no. 4973/26.01.2021.</li> <li>-Report to the Board of Administration on the Implementation internal / management control system and Performance Monitoring 2020, no. DSMC/25327/01.04.2021 BoA Resolution no. 14/26.04.2021</li> <li>- Letter DSMC/2649/12.01.2022 sent to the General Secretariat of the Government on the Progress of the SCI/M implementation and development at SNTGN Transgaz SA on 31.12.2021; Entry no. SGG 17/876/12.01.2022</li> <li>- Centralized progress of the SCI/M implementation and development at SNTGN Transgaz SA on 31.12.2021, no. DSMC/2649/12.01.2022.</li> <li>- Self-Assessment Questionnaire on the progress of the SCI/M standards implementation on 31.12.2021, no. DSMC/2649/12.01.2022.</li> <li>- Synthesis of self-assessment results on 31.12.2021, no. 2649/12.01.2022.</li> <li>- Report no. DSMC/2649/12.01.2022 of the Director-General on SCI/M on 31.12.2021,</li> </ul>
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					<ul style="list-style-type: none"> <li>- Policy Statement on the sensitive functions within SNTGN Transgaz SA/10.08.2020</li> <li>- Policy regarding the sensitive functions within SNTGN Transgaz SA No. DSMC/42754/30.07.2020</li> <li>- SNTGN Transgaz SA Business Continuity Plan No. DSMC/53823/23.09.2020</li> </ul>
10.	Customer satisfaction	Achievement of the targets established in the management plan (According to PP 165 Evaluation of Clients satisfaction, a score between 6-8 represents the fact that the services offered satisfied accordingly the requirements of the clients)	10.1	8	<ul style="list-style-type: none"> <li>- Achieved</li> <li>Report SMC/ 13434/18.02.2022 on the evaluation of SNTGN Transgaz SA clients satisfaction for 2021</li> </ul>
11.	Setting the risk management policies and risk monitoring	Achievement of the targets established in the management plan related to the implementation of the requirements of Standard 8 of SGG Order 600/2018 for the approval of the Internal/Management Control Code of public enterprises	11.1	Updating of risk management specific documents	<ul style="list-style-type: none"> <li>Achieved</li> <li>-Decision no. 30/21.01.2021 for the updating of the Risk Management Team;</li> <li>-Tolerance Limit for 2021 no. 3114/19.01.2021;</li> <li>-The risk profile of Transgaz, December 2020, no. 3114/19.01.2021.</li> <li>- The risk profile of SNTGN, December 2021, no. 4711/19.01. 2022</li> <li>- Development of the Risk Management Strategy, period 2021-2025, registration no. DSMC/38586/19.05.2021.</li> </ul>
			11.2	Updating the Register of Risks Updating the Plan of measures to mitigate risks	<ul style="list-style-type: none"> <li>Achieved</li> <li>- the Register of the Risks at the company level - year 2021, no DSMC/3116/19.01.2021;</li> <li>-Plan of measures to mitigate risks, at the company level, year 2021, no. DSMC/3112/19.01.2021.</li> <li>- the Register of the Risks at the company level revised, 31 December 2021, no. DSMC/3116/31.12.2021;</li> </ul>
			11.3	Report on risk management and monitoring	<ul style="list-style-type: none"> <li>Achieved</li> <li>-Report on risk management and monitoring within the company, for 2020, no. 3108/ 19.01.2021. The Board of Administration took note of the Information, by means of BoA Decision no. 14/26.04.2021;</li> <li>-The Report to the Board of Administration on the analysis of the achievement of the specific objectives and the measures established in the Risk Management Strategy implementation, SNTGN Transgaz SA for May 2019-April 2021, registration</li> </ul>

					no. DSMC 25324/01.04.2021, BoA Resolution 14/26.04.2021. -Report on risk management and monitoring within the company, for 2021, no. DSMC/4715/19.01.22
12.	Timely reporting of the key performance indicators	Compliance with the legal deadlines for reporting I = actual reporting deadlines/reporting deadlines provided *100	12.1	Financial communication calendar to BSE	Achieved (see company web site)
			12.2	Status of achievement of the TYNDP	Achieved Letter DSMC/14103/25.02.2021 Deadline: 1 March 2021
			12.3	SCIM reporting	Achieved - Letter DSMC/ 2649/12.01.2022 sent to the General Secretariat of the Government on the Progress of the SCI/M implementation and development at SNTGN Transgaz SA on 31.12.2021; Entry no. SGG 17/876 data 12.01.2022. - Letter no. DSMC/1277/ 08.01.2021 sent to the General Secretariat of the Government, on the Transgaz SCI/M progress of implementation and development on 31.12.2020; Entry no. SGG 20/1041/DC of 18.01.2021. (reported annually)
			12.4	Reporting related to the achievement of the performance indicators of the gas transmission service	Achieved - Letter no. 89362/ 22.11.2021- Report to the ANRE for gas year 2020-2021 (reported annually )
			12.5	Reporting form S1100 on the monitoring of the application of the provisions of GEO 109/2011	Achieved -Letter DSMC 126/04.01.2021 - S1100 report for Semester II 2020 Letter DSMC 49566/01.07.2021 S1100 report for Half I 2021 Letter DSMC 99237/28.12.2021 Report S1100 for Half II 2021
13.	Increasing institutional integrity by including the measures for the prevention of corruption as an element of the managerial plans	Compliance with the measures undertaken by the approved Integrity Plan I = measures achieved within the deadline /proposed measures *100	13.1	Publication of the SCIM assessment results	Achieved Report on the Internal/Management Control System on 31.12.2020, no. 1144/08.01. 2021 published at: <a href="http://zonapublica.transgaz.ro/Sistem%20de%20Control%20Intern%20Managerial/Sistem%20de%20Control%20Intern%20Managerial/6.%20Documente%20de%20evaluare%20interna%20si%20raportare/3.%20Raport%20anual%20al%20SCIM/Raportare%20c4%83tre%20SGG%20la%2031.12.2020/Raport%20asupra%20SCIM_31.12.2020.pdf">http://zonapublica.transgaz.ro/Sistem%20de%20Control%20Intern%20Managerial/Sistem%20de%20Control%20Intern%20Managerial/6.%20Documente%20de%20evaluare%20interna%20si%20raportare/3.%20Raport%20anual%20al%20SCIM/Raportare%20c4%83tre%20SGG%20la%2031.12.2020/Raport%20asupra%20SCIM_31.12.2020.pdf</a> Report on the Internal/Management Control System on 31.12.2020, no. 1144/08.01. 2021 published at: <a href="http://zonapublica.transgaz.ro/Sistem%20de%20Control%20Intern%20Managerial/Sistem%20de%20Control%20Intern%20Managerial/6.%20Documente%20de%20evaluare%20interna%20si%20raportare/3.%20Raport%20anual%20al%20SCIM/Raportare%20c4%83tre%20SGG%20la%2031.12.2020/Raport%20asupra%20SCIM_31.12.2020.pdf">http://zonapublica.transgaz.ro/Sistem%20de%20Control%20Intern%20Managerial/Sistem%20de%20Control%20Intern%20Managerial/6.%20Documente%20de%20evaluare%20interna%20si%20raportare/3.%20Raport%20anual%20al%20SCIM/Raportare%20c4%83tre%20SGG%20la%2031.12.2020/Raport%20asupra%20SCIM_31.12.2020.pdf</a>



					gerial/Sistem%20de%20Control%20Intern%20Managerial/6.%20Documente%20de%20evaluare%20interna%20si%20raportare/3.%20Raport%20anual%20al%20SCIM/Raportare%20c%C4%83tre%20SGG
			13.2	Annual evaluation of the implementation of the Integrity Plan and its adaptation to the newly occurred risks and vulnerabilities	Achieved At the level of S.N.T.G.N. TRANSGAZ S.A. the annual evaluation was performed, and by Letter DG 6410/29.01.2021, Report on the evaluation of the Transgaz Integrity Plan, the Integrity Incidents Report (Annex 1) and the Report for implementing measures S.N.A. (Annex 2) were sent to the General Secretariat of the Government;
			13.3	Annual publication of the performance indicators monitored within the company's Integrity Plan	Achieved (by the publication of the Annual Evaluation of the Integrity Plan on intranet): <a href="http://zonapublica.transgaz.ro/Strategia%20de%20lupta%20anticoruptie/">http://zonapublica.transgaz.ro/Strategia%20de%20lupta%20anticoruptie/</a>

▪ according to the 2021-2025 Management Plan

	Indicator	Objective	No.	2021	
				Planned	Achieved 2021
Operational					
6	Monitoring the Implementation and Investment Strategy	Achievement of the FID projects from the TYNDP I = (achieved+initiated actions)/proposed actions			
		Development on the Romanian territory of the National Gas Transmission System on the Bulgaria – Romania – Hungary – Austria Corridor (BRUA phase 1).	6.1	Construction Phase 1; - Lot 1, Lot 2 and the Pui-Jupa section -CS Bibești	- Completed
		Interconnection of the National Transmission System with the T1 international gas transmission pipeline and reverse flow at Isaccea	6.2	- Completion of FEED and the execution details/obtaining the construction permits– phase 2 - Construction and commissioning	- Completed
		Modernization of Isaccea 1 GMS and Negru Vodă 1 GMS;	6.3	Isaccea 1 – construction and commissioning	- Completed

		NTS developments in North-East Romania for enhancing gas supply to the area and for ensuring transmission capacities to the Republic of Moldova	6.4	- Construction (commissioning in 2021)	Work accepted
		New NTS developments for taking over Black Sea gas	6.5	- Construction (commissioning in 2021)	- Work accepted
		Achievement of the pilot project for metering and using the hydrogen gas blending	6.6	The design, execution and mounting of the installation of the pilot project related to the use of hydrogen gas blend and the studying of the influences on materials, metering systems and combustion equipment at MRS Târnăveni.	All activities related to the design, execution and the mounting of the installation of the pilot project for the use of the hydrogen gas blend and the studying of the influences on the materials, metering systems and combustion equipment were performed at MRS Târnăveni.
7	Increasing energy efficiency	Maintaining the share of the NTS gas consumption in the total circulated gas below 1%	7.1	<1	0,50%
8	Customer satisfaction	Achievement of the targets established in the management plan (According to PP 165 Evaluation of Clients satisfaction, a score between 6-8 represents the fact that the services offered satisfied accordingly the requirements of the clients)	8.1	8	- Achieved Report SMC/ 13434/18.02.2022 on the evaluation of SNTGN Transgaz SA clients satisfaction for 2021
9	Strengthening and diversifying cooperation and collaboration relations with European gas transmission system operators	Conclusion of memoranda of cooperation and collaboration with European gas transmission system operators (minimum 5 operators) regarding the collaboration on hydrogen injection	9.1	1	Achieved -Eustream coordinated the meetings of the technical and legal working groups of the 4 companies. -Their proposals and additions were integrated and harmonised. -The Eustream representative reported that the Memorandum is in the process of obtaining corporate approvals from each of these companies.

Public service oriented

10	Performance indicators related to the gas transmission service	Achievement of the targets established in the Performance Standard for the gas transmission service (ANRE Order 161/26.11.2015 entered into force as at 1 October 2016)	10.1	$IP_0^1 \geq 90\%$	99,35%
			10.2	$IP_1^1 \geq 95\%$	*
			10.3	$IP_1^2 \geq 95\%$	*
			10.4	$IP_1^3 \geq 95\%$	100,00%
			10.5	$IP_1^4 \geq 95\%$	100,00%
			10.6	$IP_1^5 \geq 95\%$	100,00%

		10.7	$IP_2^1 \geq 95\%$	100,00%
		10.9	$IP_3^1 \geq 95\%$	100,00%
		10.10	$IP_5^2 \geq 95\%$	*
		10.13	$IP_4^1 \geq 95\%$	*
		10.14	$IP_5^1 \geq 98\%$	99,98%
		10.15	$IP_5^2 \geq 98\%$	100,00%
		10.16	$IP_6^1 \geq 98\%$	100,00%
		10.17	$IP_6^2 \geq 98\%$	100,00%

Corporate governance

11	Optimization of internal/management control system	<p>Implementing the provisions of GSG Order 600/2018 for the approval of the Internal/Management Control Code of public enterprises as subsequently amended. I = implemented standards/standards provided by Order 600/2018* 100 Implementation of the measures established in the SCIM Implementation Plan I = Implemented measures /proposed measures *100</p>	11.1	Development of the internal/management control system for maintaining it at a level considered compliant with the standards included in the Internal/Management Control Code .	<p>Completed</p> <ul style="list-style-type: none"> <li>-Decision no. 15/12.01.2021;</li> <li>-Letter DSMC/1277/08.01.2021 sent to the General Secretariat of the Government, Entry no. SGG 1041/18.01.2021. SGG SCIM IT platform loading data.</li> <li>- SCI/M Development Plan no. 1142/08.01.2022, updated for 2021;</li> <li>-Progress of the internal/management control system at Transgaz for 2020, no. 4975/26.01.2021;</li> <li>-Report on 2020 Transgaz performance monitoring no. 4973/26.01.2021;</li> <li>-Presentation in the BoA meeting of 26 April 2021 of the SCIM reports for 2020.</li> <li>-Process sheet edition 1 revision 1 dated 21.01.2021.</li> </ul>
			11.2	Streamline the processing and management of SCI/M documentation by implementing an SCI/M web platform (preparation of procurement documents).	<p>Achieved</p> <ul style="list-style-type: none"> <li>-Specification no. 43806/08.06.2021 for the design and implementation of the SCI/M web platform .</li> </ul> <p>The analysis, diagnosis, assessment of the Internal/Managerial Control System is included in Chapter 2 of the Specifications. The implementation of the platform was postponed to 2023..</p>
12	Optimization of risk management process	Implementation of the requirements of Standard 8 of GSG Order no. 600/2018 for the approval of the internal/management Control Code of public entities as further amended.	12.1	Continuous monitoring and adaptation of the organisational, conceptual and methodological framework of the risk management process	<p>Completed</p> <ul style="list-style-type: none"> <li>- Decision no. 30/21.01.2021</li> <li>-Report no. DSMC/67/04.01.2021 on the opportunity to move the using of the 5-step risk Tolerance Limit</li> </ul>

		Moving to a 5-step risk assessment scale			- 2021-2025 Risk Management Strategy, no. DSMC/38586/ 19.05.2021 -2021 Tolerance Limit Report no. 3114/19.01.2021
			12.2	Systematic analysis of risks associated with operational objectives at the level of organisational structures..	Completed According to Letter DSMC/15092/01.03.2021 all organisational structures: -published the List of objectives, performance indicators, activities, risks for year 2021, at the level of organizational structures; -published the registers of risks, at the departments level; -published the risk mitigation plans of measures, at the level of the departments; According to Letter DSMC/88836/23.11.2021 all organisational structures: published the revised registers of risk, December 2021 and the Risk Management Report at the level of the departments, independent divisions, independent offices,, regional offices, Medias Subsidiary.
			12.3	Implementation of risk management policy, procedures and legal requirements and monitoring their application at company level.	Completed - the Register of the Risks at the company level no. 3116/19.01.2021; - Plan of measures to mitigate risks, at the company level no. 3112/19.01.2021; - Report on risk management and monitoring within the company, for 2020, no. 3108/19.01.2021; - The Report DSMC/25325/01.04.2021 to the Board of Administration on the risk management, year 2020, BoA meeting of 26.04.2021
13	Timely reporting of the key performance indicators	Compliance with the legal deadlines for reporting I = actual reporting deadlines/reporting deadlines provided *100	13.1	Financial communication calendar to BSE	Completed (see the company's website)
			13.2	Status of achievement of the TYNDP	Completed Letter DSMC/14103/25.02.2021 Deadline 1 March 2021

			13.3	SCIM reporting	Completed Letter DSMC/ 2649/12.01.2022 sent to the General Secretariat of the Government on the Progress of the SCI/M implementation and development at SNTGN Transgaz SA on 31.12.2021; Entry no. SGG 17/876/ 12.01.2022. - Letter DSMC/1277/ 08.01.2021 sent to the General Secretariat of the Government on the Progress of the SCI/M implementation and development at SNTGN Transgaz SA on 31.12.2021; Entry no. SGG 20/1041/DC/ 18.01.2021.  (reported annually)
			13.4	Reporting related to the achievement of the performance indicators of the gas transmission service	Completed -Letter. 89362/22.11.2021 ANRE report for gas year 2020-2021
			13.5	Reporting form S1100 on the monitoring of the application of the provisions of GEO 109/2011	Completed Letter DSMC 126/ 04.01.2021 S1100 report for Semester II 2020 Letter DSMC 49566/01.07.2021 S1100 report for Semester I 2021 Letter DSMC 99237/28.12.2021 S1100 report for Semester II 2021
14	2021-2025 NAS implementation	Implementation of the measures established in the NAS I = measures achieved within the deadline /proposed measures *100  Given that the 2021-2025 National Anti-Corruption Strategy was approved by GR 1269/17 December 2021, the Integrity Plan for the implementation of the measures established in the NAS will be developed in 2022. For 2021 we shall refer to the Compliance with the measures undertaken in the approved Integrity Plan.	14.1	Publication of the results of the SCIM assessmnt	Achieved Report on the Internal/Management Control System on 31.12.2020, no. 1144/08.01. 2021 published a: <a href="http://zonapublica.transgaz.ro/Sistem%20de%20Control%20Intern%20Managerial/Sistem%20de%20Control%20Intern%20Managerial/6.%20Documente%20de%20evaluare%20interna%20si%20raportare/3.%20Raport%20anual%20al%20SCIM/Raportare%20c%4%83tre%20SGG%20la%2031.12.2020/Raport%20asupra%20SCIM_31.12.2020.pdf">http://zonapublica.transgaz.ro/Sistem%20de%20Control%20Intern%20Managerial/Sistem%20de%20Control%20Intern%20Managerial/6.%20Documente%20de%20evaluare%20interna%20si%20raportare/3.%20Raport%20anual%20al%20SCIM/Raportare%20c%4%83tre%20SGG%20la%2031.12.2020/Raport%20asupra%20SCIM_31.12.2020.pdf</a> Report on the Internal/Management Control System on

		I = measures implemented within the deadline/proposed measures*100			31.12.2020, no. 1144/08.01.2021 at: <a href="http://zonapublica.transgaz.ro/Sistem%20de%20Control%20Intern%20Managerial/Sistem%20de%20Control%20Intern%20Managerial/6.%20Documente%20de%20evaluare%20interna%20si%20raportare/3.%20Raport%20anual%20al%20SCIM/Raportare%20c%4%83tre%20SGG">http://zonapublica.transgaz.ro/Sistem%20de%20Control%20Intern%20Managerial/Sistem%20de%20Control%20Intern%20Managerial/6.%20Documente%20de%20evaluare%20interna%20si%20raportare/3.%20Raport%20anual%20al%20SCIM/Raportare%20c%4%83tre%20SGG</a>
			14.2	Annual evaluation of the implementation of the Integrity Plan and its adaptation to the newly occurred risks and vulnerabilities	Achieved At the level of S.N.T.G.N. TRANSGAZ S.A. the annual evaluation was performed, and by Letter DG 6410/29.01.2021, Report on the evaluation of the Transgaz Integrity Plan, the Integrity Incidents Report (Annex 1) and the Report for implementing measures S.N.A. (Annex 2) were sent to the General Secretariat of the Government;
			14.3	Annual publication of the performance indicators monitored within the company's Integrity Plan	Achieved (by the publication of the Annual Evaluation of the Integrity Plan on intranet): <a href="http://zonapublica.transgaz.ro/Strategia%20de%20lupta%20anticoruptie/">http://zonapublica.transgaz.ro/Strategia%20de%20lupta%20anticoruptie/</a>

Note: Given that in the period analysed for the performance indicators of the gas transmission service marked \* no requests/notifications/complaints are registered, it results that the indicators are met according to the requirements of the Performance Standard, but the degree of fulfilment of these indicators cannot be determined by mathematical calculation.

**Annex 3**  
**to OGMS Report no. 21342/17.03.2022**

**1. Substantiation of the financial performance indicators calculation according to  
Transgaz's Management Plan 2017-2021**

~lei~

1	Operating revenue before the balancing and construction activity, according to IFRIC12		1.364.511.242
2	Operating profit before the balancing and construction activity, according to IFRIC12		134.392.966
3	Total operating costs less the balancing and construction activity according to IFRIC 12:	row 1-row 2	1.230.118.276
4	Depreciation		351.054.254
5	Cost of provisions for risks and charges		-7.308.411
6	Cost of provision for asset depreciation	row 6a + row 6b + row 6c	91.441.231
6a	Loss/gain from impairment of receivables – Financial Statements - page 67	note 23	90.592.388
6b	Loss/(gain) from write-down of inventories - Financial Statements - page 67	note 23	848.843
6c	Loss/(gain) from write-down of intangible assets - Financial Statements – page.67	note 23	0
7	<b>Operating costs less the depreciation, balancing, construction activity and provision for asset depreciation and for risks and charges</b>	row 3- row 4- row 5- row 6	<b>794.931.202</b>
8	<b>EBITDA</b>	Row 1 – (row 3 – row 4)	<b>485.447.220</b>
9	Current assets		1.165.796.602
10	Inventories		308.541.252
11	Current liability		929.706.855
12	<b>Acid test ratio</b>	(row 9 – row 10)/row 11	<b>0,9221</b>
13	Long-term loans		1.711.802.456
14	Short-term loans		132.104.365
15	<b>Net debt-to-equity ratio</b>	(row 13 + row 14)/row 8	<b>3,80</b>

**2. Substantiation of the financial performance indicators calculation according to Transgaz's Management Plan 2021 – 2025**

~ lei ~

1	Operating revenue before the balancing and construction activity, according to IFRIC12		1.364.511.242
2	Operating profit before the balancing and construction activity, according to IFRIC12		134.392.966
3	Total operating costs less the balancing and construction activity according to IFRIC 12:	row 1-row 2	1.230.118.276
4	Employees' costs		464.596.008
5	Technological consumption, materials and used consumables		112.818.316
6	Royalty costs		4.945.824
7	Maintenance and transmission		32.769.283
8	Tax and other state dues		86.200.670
9	Other operating expenses		185.042.332
10	Loss/gain from impairment of receivables – Financial Statements - page 67	Note 23	90.592.388
11	Loss/(gain) from write-down of inventories - Financial Statements - page 67	Note 23	848.843
12	<b>Operating costs less the depreciation, balancing, construction activity and provision for asset depreciation and for risks and charges</b>	<b>Sum (row 4 to row 9) – row 10 – row 11</b>	<b>794.931.202</b>
13	Depreciation		351.054.254
14	<b>EBITDA</b>	<b>Row 1 – (row 3 – row 13)</b>	<b>485.447.220</b>
15	Current assets		1.165.796.602
16	Cash and cash equivalents		321.185.261
17	Current liability		929.706.855
18	<b>Liquidity ratio</b>	<b>row 15 – row 17</b>	<b>1,25</b>
19	Long-term loans		1.711.802.456
20	Short-term loans		132.104.365
21	<b>Net debt-to-equity ratio</b>	<b>(row 19 + row 20)/row 14</b>	<b>3,14</b>