

No.20297/16.03.2021

Submitted for review and approval within the OGMS of 22/23 April 2021

**Report on the approval of the mandate contract template including the fixed remuneration allowance related to the period 30 April 2021 – 29 April 2025 and the empowerment of a shareholders' representative to sign the mandate contract**

**SUMMARY**

**This report includes the request for the approval by the General Meeting of the Shareholders of the mandate contract template including the fixed remuneration allowance related to the period 30 April 2021 – 29 April 2025, contract to be concluded by the representative appointed by Transgaz' General Meeting of the Shareholders and by each of Transgaz' Administrators to be valid over the four years mandate beginning with 30 April 2021.**

**PROPOSAL**

***Based on the provisions of art. 15, point 3, paragraph (d) of Transgaz' Articles of Incorporation, as updated, corroborated with the provisions of art. 29 para. (11) of GEO 109/2011 on the corporate governance of public companies, as amended and supplemented, Transgaz' Committee of Nomination and Remuneration set up at the level of the Board of Administration of SNTGN Transgaz SA submits for the approval by the Ordinary General Meeting of the Shareholders of SNTGN Transgaz SA of the following:***

- a) The mandate contract template including the fixed remuneration allowance for Transgaz' administrators as applicable for the period 30 April 2021 - 29 April 2025 for the definite administrators, provided that, for the acting administrators and final administrators appointed by the General Meeting of the Shareholders given the vacancy of a position as administrator during the four years mandate for the above mentioned period, the contractual clauses related to the duration of the contract of mandate shall be adapted in line with the applicable laws,***
- b) The empowerment of a shareholders' representative to sign on behalf of Transgaz' General Meeting of the Shareholders the mandate contracts with Transgaz' Administrators.***

## DETAILED CONTENT OF THE REPORT

Based on the provisions of art. 3 of the mandate contracts signed by the members in office of Transgaz' Board of Administration having applied for mandate renewal, they shall be terminated by the operation of law, by the expiry of their validity period as follows:

1. **Sterian Ion** – Executive Administrator of SNTGN Transgaz SA – on 29 April 2021 (appointed by the Resolution of the Ordinary General Meeting of Shareholders of SNTGN Transgaz SA no. 1 of 27 April 2017),
2. **Minea Nicolae** – Non-executive Administrator of SNTGN Transgaz SA – on 29 April 2021 (appointed by the Resolution of the Ordinary General Meeting of Shareholders of SNTGN Transgaz SA no. 13 of 28 December 2017).
3. **Văduva Petru Ion** – Non-executive Administrator of SNTGN Transgaz SA – on 29 April 2021 (appointed by the Resolution of the Ordinary General Meeting of Shareholders of SNTGN Transgaz SA no. 1 of 27 April 2017),
4. **Iliescu Bogdan George** – Non-executive Administrator of SNTGN Transgaz SA – on 29 April 2021 (appointed by the Decision of the Ordinary General Meeting of Shareholders of SNTGN Transgaz SA no. 1 of 27 April 2017),

Considering the deadlines mentioned above and according to the provisions of GEO 109/2011 on the corporate governance of public companies, as amended and also the provisions included in Annex 1b 'Mandatory elements of the mandate contract" of GD 722/2016 approving the Methodological rules for the application of certain provisions of the Emergency Government Ordinance no. 109/2011 regarding the corporate governance of public companies, Transgaz' Remuneration and Nomination Advisory Committee submits for the approval of the General Ordinary Meeting of the Shareholders the draft mandate contract drawn up by Transgaz' administrators in office (Annex 1).

Thus, during the operative working meeting of 2 March 2021 the members of the Remuneration and Nomination Advisory Committee acknowledged the mandate contract template including the fixed remuneration allowance to be concluded between Transgaz' General Meeting of the Shareholders acting as MANDATOR and Transgaz' administrators as MANDATORIES, pursuant to Annex 1b, point 1, paragraph b of GD 722/2016 approving the Methodological rules for the application of certain provisions of the Emergency Government Ordinance no. 109/2011 regarding the corporate governance of public companies, which will be applicable in their following four-year mandate. The Nomination and Remuneration Advisory Committee has considered upon the drafting of the draft mandate contract the legal provisions in force, concluding that the draft mandate contract:

- a. Shall have a duration of four years, beginning with 30 April 2021 and
- b. Is fully compliant with the applicable legal provisions, being prepared under Annex 1b 'Mandatory elements of the mandate contract" of GD 722/2016 approving the Methodological rules for the application of certain provisions of the Emergency Government Ordinance no. 109/2011 regarding corporate governance of public companies,

and submits it for the approval of the Ordinary General Meeting of the Shareholders, according to the provisions of art. 29 para (11) of GEO 109/2011 regarding corporate governance of public companies, as amended and supplemented.

The draft mandate contract including the fixed remuneration allowance, valid for the administrators of SNTGN Transgaz SA during 30.04. 2021 – 29.04.2025 is attached hereto.

### **Nomination and Remuneration Advisory Committee**

**Văduva Petru Ion**

**Iliescu Bogdan George**

**Minea Nicolae**

## MANDATE CONTRACT

### Considering the provisions of:

- Company Law 31/1990 on companies, republished, as further amended and supplemented, hereinafter referred to as **Law 31/1990**
- Government Emergency Ordinance 109/2011 on the corporate governance of public companies, as further amended and supplemented, hereinafter referred to as **GEO 109/2011**
- Government Decision 722/2016 on the approval of the methodological norms for the application of some provisions of GEO 109/2011, **hereinafter referred to as GD 722/2016**
- Government Ordinance 26/2013 on strengthening financial discipline at the level of some economic operators where the state or administrative-territorial units are unique or majority shareholders or hold directly or indirectly a majority share, as further amended and supplemented
- art. 1913 and the subsequent articles, and Art. 2009 and the subsequent articles of Law 287/2009 on the Civil Code, as further amended and supplemented

### as well as the following:

By the Decision of the Ordinary General Meeting of the Shareholders of the Company no... .. dated ....., in accordance with the provisions of GEO no. 109/2011 on the corporate governance of public companies, with subsequent amendments and completions, a decision was taken to appoint Mr./Ms. .... as **administrator**, and he/she has expressly agreed to be a member of the Board of Administration of the Company;

Pursuant to art. 142 of the Companies Law no. 31/1990, republished, with subsequent amendments and completions, the Board of Administration is responsible for all necessary and practical measures to achieve the company's scope of business, except for such measures assigned by the law to the General Meeting of the Shareholders;

The form of the mandate contract, including the fixed remuneration component to be granted to the administrators, was approved by the General Ordinary Meeting of the Shareholders held on ....., according to GD no. 722/2016 on the approval of the Methodological Norms for the application of provisions of the GEO no. 109/2011 on the corporate governance of state-owned companies, as amended and under the provisions of Company Law no. 31/1990, republished, as amended;

The General Meeting of the Shareholders of S.N.T.G.N. Transgaz S.A. from ..... decided that the present mandate contract be signed by Mr. ....

representative of the shareholders;

## **Art. 1 Contracting Parties**

(1) The National Gas Transmission Company "Transgaz" S.A., headquartered in Medias, no. 1, C. I. Motas Sq., Sibiu County, tel./fax. .... / ....., e-mail: ....., registered with the Trade Register, Sibiu Court of Law under no. J32/301/2000, VAT no. RO/13068733, by the General Meeting of the Shareholders, represented by Mr. ...., appointed based on Decision no. .... of the General Ordinary Meeting of the Shareholders, hereinafter referred to as **COMPANY/MANDATOR**,

and

(2) Mr. .... Romanian citizen, born on ....., in ....., residing in Romania, ..... str. .... no....., bldg....., entrance.., apt....., county....., bearer of ID series ..... no..... issued by SPCLEP ..... on ....., CNP ....., tel./fax. .... / ....., e-mail: ....., as administrator, hereinafter referred to as **ADMINISTRATOR/MANDATARY**,

have agreed the conclusion of the present contract, undertaking its terms and conditions.

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

- a) **Applicable legal framework** - the set of Romanian legal norms included in Law no. 31/1990, Civil Code, GEO no. 109/2011, GD no. 722/2016, GO no. 26/2013, the Fiscal Code, as well as in any other normative acts applicable to this contract;
- b) **Conflict of interest** - any situation or circumstance determined/determinable according to the applicable legal framework, as well as any close relationship (including cohabitation), in which the personal interest, direct or indirect, of the Administrator, contradicts the interest of the Company, so it affects or could affect his/her independence and impartiality in making business decisions or the timely and objective fulfillment of his/her duties in the exercise of his/her mandate for the Company;
- c) **Contract** - means both this mandate contract, to which any other name is applicable, resulting from the statutory provisions (eg administration contract) or from the provisions of the applicable Legal Framework (eg administration contract, management contract);
- d) **Significant event** - means a situation, a change at the level of the Company that could attract the public interest, in a negative or positive sense and that could be taken over by the press and the public critically and for which a point of view from the shareholders could be requested. Significant Events within the meaning of this contract are considered, including, but not limited to:

- (i) change of General Director (either by resignation or by revocation by the Board of Administration),
  - (ii) the waiver of the term of office of any member of the Board of Administration, from the date of notification,
  - (iii) fraudulent acts committed by members of the Board of Administration, the General Director, directors, that have been discovered by the internal auditor, internal control or a public authority,
  - (iv) criminal complaint filed against the members of the Board of Administration, the General Director, the directors,
  - (v) restructuring decisions that affect more than 20% of the Company's activity (turnover, staff structure, etc.),
  - (vi) purchases or sales of goods (other than those which, according to the law, are made only with the approval of the general meeting of the shareholders) with individual impact greater than 5% of the Company's turnover from the last annual financial statement approved by the general meeting of the shareholders,
  - (vii) work or environmental accidents that are reported to public authorities,
  - (viii) litigations brought by other companies or public authorities against the Company with an individual impact value greater than 5% of the Company's turnover in the last annual financial statement approved by the general meeting of the shareholders.
- d) **Definitive impossibility to exercise the mandate/legal impediment** - any circumstance that creates an unavailability with a duration greater than or equal to 90 consecutive calendar days, depriving the Administrator of the possibility to fulfill his/her attributions, personally or through representation, such as judicial control, preventive arrest or arrest of the Administrator, the medical condition of the administrator, incompatibility, annulment of the decision of the ordinary general meeting of the shareholders for the appointment of the Administrator, etc.
- e) **Remuneration** - consists of a fixed monthly allowance established by decision of the General Meeting of the Shareholders and a variable component established according to the provisions of the law, by the General Meeting of the Shareholders, under the terms of this Contract.

## **Art. 2 Object of the Contract**

2.1 By this Agreement, the **Administrator** undertakes to ensure the administration of the Company, in exchange for a Remuneration, in accordance with the provisions of the Articles of Incorporation and the applicable Legal Framework.

2.2 In order to achieve the object of this Contract, the Administrator will perform all the necessary acts for the administration of the Company in its interest and for the fulfillment of the object of activity and will exercise the attributions established by the Applicable Legal Framework, the Articles of Incorporation and the Contract.

## **Art. 3 Duration of the Contract**

The contract is valid for a period of ..... months/years, beginning with .....

#### **Art. 4 The rights, obligations and declarations of the Administrator**

##### **4.1 The rights of the Administrator** are mainly the following, but not limited to them:

**4.1.1** to benefit from the Remuneration established by decision of the general meeting of shareholders, according to the provisions of the Applicable Legal Framework;

**4.1.2** to be reimbursed the expenses related to the execution of the mandate, on the basis of supporting documents, but not limited to them: accommodation, daily allowance, transport, attendance fees for courses, seminars and any other types of expenses related to the execution of the mandate; regardless of whether they were caused by traveling within the country or abroad, as well as the use of inventory items/fixed assets necessary to carry out the activity (all these expenses will be settled at the level specified in the Collective Labor Agreement signed by the Company);

**4.1.3** to benefit from a professional liability insurance policy paid by the Company. The payment of the premium related to this insurance will be done by the Company and will not be deducted from the Remuneration payable to the Administrator;

**4.1.4** to have access to any information related to the Company, in compliance with the obligation of confidentiality and the provisions related to access to trade secrets, respectively classified national information;

**4.1.5** the conditions for contracting assistance at the level of the Board of Administration will be negotiated by the parties and will be included in the mandate contract by concluding an amendment.

##### **4.2 The obligations of the Administrator**, which will be exercised together with the other members of the Board of Administration, are the obligations related to the attributions established in the competence of the Board of Administration, the General Meeting of the Company's Shareholders, the Applicable Legal Framework and the following, but without being limited to these:

**4.2.1** to elaborate of the administration component part of the administration plan;

**4.2.2** to approve the management component and the management plan in its entirety within the Board of Administration, within the legal term;

**4.2.3** to present the administration plan, in legal term, to the General Meeting of Shareholders of the Company and to negotiate with shares within the meeting the financial and non-financial performance indicators resulting from the administration plan, in order to approve them by the meeting;

**4.2.4** to participate in the advisory committees set up at the level of the Board of Administration, in accordance with the Applicable Legal Framework;

**4.2.5** to attend vocational training and continuing development programs in the areas established in accordance with the Applicable Legal Framework;

**4.2.6** to delegate the management of the Company to one or more directors,

appointing one of them as director general manager, to establish their remuneration, at the recommendation of the Nomination and Remuneration Committee and to revoke the directors, within the framework of Law no. 31/1990;

**4.2.7** to approve the level of the professional liability insurance policy for directors;

**4.2.8** to evaluate the activity of the director general both in terms of the execution of the mandate contract and in terms of compliance and implementation of the management component of the management plan;

**4.2.9** to verify the functioning of the internal managerial control system;

**4.2.10** to update the Regulation on the organization and functioning of the Board of Administration, at the latest within 90 days from the date of renewal of the mandate;

**4.2.11** to approve the conclusion of contracts, within the limits provided by the Articles of Incorporation, by decisions of the General Meeting of the Shareholders, as well as by the Applicable Legal Framework;

**4.2.12** to convene / or as the case may be to approve the convening of the General Meeting of the Shareholders in accordance with the statutory provisions and of the Applicable Legal Framework, to organize the General Meetings of the Shareholders, to attend the meetings of the shareholders and to implement the decisions of the general meetings of shareholders, to inform all shareholders regarding any act or event likely to have a significant influence on the situation of the Company;

**4.2.13** to make recommendations on profit sharing;

**4.2.14** to approve the draft budget of revenues and expenditures of the Company for the current year;

**4.2.15** to present to the General Meeting of the Shareholders of the Company, within the legal term, all the reports provided by the Applicable Legal Framework;

**4.2.16** to verify compliance with the law, the Articles of Incorporation and the decisions of the general meeting of the Company's management operations;

**4.2.17** to exercise his/her mandate with loyalty, prudence and diligence of a good administrator in the exclusive interest of the Company, and not to assume any special obligations towards one or another shareholder of the Company in connection with the activity of the Company. The administrator does not breach the above obligation if, at the time of making a business decision, he is reasonably entitled to consider (i) that he is acting in the interest of the Company and (ii) has made the decision on the basis of appropriate information;

**4.2.18** to adopt all the necessary measures for the protection of the Company's patrimony;

**4.2.19** to avoid and inform the Board of Administration and shareholders, in writing, of conflicts of interest in relation to the Company and to refrain from participating in debates and voting on issues related to the Conflict of Interest;

**4.2.20** not to conclude legal documents with the Company, except under the conditions established by the Applicable Legal Framework;



**4.2.21** to carry out, together with the other administrators, the financial and non-financial performance indicators resulting from the administration plan and approved by the General Meeting of Shareholders;

**4.2.22** to comply with the confidentiality rules provided in annex no. 1 of the Contract;

**4.2.23** to comply with the non-compete obligations provided in annex no. 2 of the Contract;

**4.2.24** to comply with the integrity criteria provided in annex no. 3 of the Contract;

**4.2.25** to inform the shareholders within a maximum of 24 hours from the occurrence of any significant event;

**4.2.26** to participate in the process of individual internal self-evaluation, of the Board of Administration and of the Advisory Committees, as well as in the process of evaluation of the collective performances of the Board of Administration against the matrix of the profile of the Board to be drafted by the Public Guardian Authority, according to the applicable legal frame;

**4.2.27** to loyally defend the prestige of the Company and of the Company's bodies, as well as to refrain from any act or fact that may harm their image or legal interests;

**4.2.28** not to express in public appreciations inconsistent with the reality in connection with the Company's activity, with its policies and strategies or with the draft regulations or individual documents;

**4.2.29** not to make unauthorized assessments in connection with disputes pending and in which the Company is a party;

**4.2.30** not to provide assistance and advice to individuals or legal entities in order to promote legal or other actions against the Company;

**4.2.31** In his/her relations with the Company, 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, without prejudice to their honor/reputation/dignity, as well as to that of the natural and legal persons with whom he/she comes into contact in the exercise of his/her mandate, through the use of offensive expressions, the formulation of slanderous notifications or complaints or the disclosure of aspects of privacy;

**4.2.32** 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 grounds of discrimination, kinship, affinity or other criteria inconsistent with the Applicable Legal Framework.

**4.2.33** to attend and cast his/her vote in any and all meetings of the Board of Administration;

**4.2.34** to sign the minutes of the meetings of the Board of Administration he/she attends personally or as a proxy, drawn up by the Secretariat of the Board of Administration;

**4.2.35** to submit 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 regarding the Administrator;

**4.2.36** to submit to the Company within 5 days from the signing of the mandate contract a declaration on his/her own responsibility regarding his/her independence in accordance with the provisions of Law no. 31/1990;

**4.3 Administrator's statements.** The administrator declares that:

- a. is aware of the provisions of the Articles of Incorporation;
- b. is not in any of the situations of incompatibility or competition, provided by the Applicable Legal Framework or in Annex 1 to the Contract;
- c. has full capacity to conclude this Contract and to perform his/her obligations under and in accordance with its provisions;
- d. meets the requirements provided in the Applicable Legal Framework and the Articles of Incorporation for holding the position of Administrator within the Board of Administration of the Company;
- e. agrees to the processing by the Company, if applicable, of personal data provided by the Administrator and/or obtained from third parties, including, but not limited to, the personal numerical code and other personally identifiable data, for the purpose of conducting legal relationships directly or indirectly related to this Contract between the Company and third parties, as well as for statistical or marketing purposes. This agreement is also given in connection with the possible transfer abroad of the personal data of the Administrator. By this agreement, the Administrator declares that he has been informed about the provisions of Law no. 677/2001 on the protection of individuals with regard to the processing of personal data and on the free movement of such data and the provisions of Regulation (EU) 2016/679 on the protection of individuals with regard to the processing of personal data and on the free movement of such data, in particular as regards the right of access to data, the right to intervene in 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, where applicable, other public authorities. The administrator states that he/she has been informed that he/she has the right to withdraw at any time his/her consent to the processing of personal data, their use for statistical or marketing purposes, their transfer abroad and the receipt of commercial communications by written request, addressed to the Company.

## **Art. 5 The rights and obligations of the Company**

**5.1 The rights of the Company** are mainly the following, but not limited to:

**5.1.1** to evaluate quarterly, half-yearly and annually the activity of the members of the Board of Administration of the Company through the General Meeting of Shareholders;

**5.1.2** to request, in writing, any information regarding the activity of the members of the Board of Administration and to receive a written response within maximum

10 days from the request.

**5.2 The obligations of the Company** are mainly the following, but not limited to:

**5.2.1** to pay the Remuneration provided by this Contract and by the Applicable Legal Framework, including to withhold and transfer on time the income tax and all other obligatory contributions, fiscal or of any other nature, which fall on the Administrator, in his/her name and on his/her behalf.

**5.2.2** to ensure to the Administrator the full freedom and the necessary conditions in order to fulfill the mandate/attribution/obligations, in compliance with the statutory provisions and the Applicable Legal Framework.

## **Art. 6 Remuneration**

**6.1 The administrator** receives a remuneration that consists of a fixed monthly allowance and a variable component.

**6.2** According to the applicable Legal Framework, the maximum value of the gross monthly fixed allowance is in the amount of lei 17.674.

**6.3** The mechanism for granting the fixed monthly allowance is as follows:

**6.3.1** The Chairman of the Board of Administration and the members of the Board of Administration who work in at least 2 advisory committees set up at the board level, benefit from a fixed monthly allowance at the maximum amount.

**6.3.2** The members of the Board of Administration who work in an advisory committee set up at the level of the board, benefit from a fixed monthly allowance representing 90% of the fixed monthly allowance at the maximum value.

**6.3.3** The members of the Board of Administration who do not work in the advisory committees set up at the board level, benefit from a fixed monthly allowance representing 85% of the fixed monthly allowance at the maximum value.

**6.4** The variable component is established on the basis of key financial and non-financial performance indicators negotiated and approved by the general meeting of shareholders according to the provisions of the applicable legal framework.

**6.5** The amount of the variable component of the Administrator cannot exceed a maximum of 12 fixed monthly allowances per year.

**6.6** The remuneration is paid once a month, regardless of the number of meetings in that month. The payment of the remuneration will be made in the following month, on the date on which the payments of the salary balance are made for the company's employees.

## **Art. 7 Liability of the parties**

**7.1** Failure to fulfill and/or improper fulfillment of the obligations undertaken by any of the signatory parties to this Contract shall result in the liability of the party in default.

**7.2** The Party that caused the termination of this Contract due to non-performance and/or improper performance of the obligations undertaken, is liable to the other party by covering all damages that have been generated by the termination of the Contract.

**7.3** The Administrator is liable for culpable non-compliance with the provisions of this Contract, the provisions of the decisions adopted by the General Meeting of the Shareholders of the Company and the provisions of the Articles of Incorporation.

**7.4** The Administrator does not violate the duty of prudence and diligence and will not be liable if, at the time when making a business decision, he/she is reasonably entitled to consider that he/she is acting in the interest of the Company and on the basis of appropriate information, and if a fortuitous event does not occur, as defined by the Civil Code.

**7.5** The company is liable for the culpable breach of the obligations assumed by this Contract and will cover the damages that were thus caused.

#### **Art. 8 Force majeure and fortuitous event**

**8.1** The parties undertake to notify each other, in writing, within maximum 5 (five) days of the occurrence of any cause of force majeure or fortuitous event and, in general, to inform each other in a timely manner of any impediments that lead to difficulties in achieving the object of this Contract.

**8.2** If the party invoking force majeure or fortuitous event has not complied with the obligation to notify, respectively the deadline set out in 8.1, then the party will not be exonerated.

**8.3** In case of force majeure or fortuitous event, the parties will make joint efforts in order to reduce any damages that would result from the occurrence of such a cause.

#### **Art. 9 Termination of the Contract**

**9.1** This Contract terminates by:

- a) Waiver of the term of office by the Administrator for reasons not attributable, by sending by the Mandatary of a notification at least 45 days before the date on which the termination will take effect;
- b) revocation of the Administrator by the Company, without prior notice.
- c) expiration of the term of office;
- d) by law, in other cases provided for within the Applicable Legal Framework;
- e) withdrawal / non-granting of the ORNISS authorization;
- f) the agreement of the parties.

**9.2** If the Administrator is in Final Impossibility to Exercise the Mandate/Legal Impediment, the termination will take effect from the date of expiration of the term of 90 consecutive days of incapacity. In this regard, the Mandatary is obliged to notify the Company of the state of physical incapacity/impossibility and to attach the related evidence on the day immediately following the expiration of this term.

**9.3** In case of revocation without just cause of the Mandatary he is entitled to receive compensation equivalent to 12 fixed net monthly allowances if the revocation takes place in the first 3 years of the term and up to 6 fixed monthly net allowances if the revocation takes place in the last year of office. Payment of this amount as compensation shall be made within 60 working days from the date of finding the revocation being without just cause. This compensation is the only indemnity of the Administrator in the event of his revocation, without just cause.

**9.4** In case of revocation with just cause of the Mandatary is not entitled to receive compensation from the Mandator. In order to avoid any misunderstandings, any of the following reasons is a "just cause" within the meaning of this article, the enumeration not being limiting:

- a) non-fulfillment of objectives and performance indicators;
- b) non-fulfillment of any legal or contractual obligation stipulated in this Contract;
- c) the refusal to conclude amendments to the present Contract by which the performance indicators are established

**9.5** In case of revocation of the administrator for grounded/justified reasons, the Company does not owe him any compensation for the period not performed during the term of office.

#### **Art. 10 Applicable Law and Jurisdiction**

**10.1** This Contract is governed by and construed in accordance with the provisions of Romanian law.

**10.2** Disputes arising from the conclusion, execution, modification, termination and interpretation of the terms of this Contract shall be settled by the competent courts.

#### **Art. 11 Notifications**

**11.1** All notifications/requests/communications regarding 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 with acknowledgment of receipt or fax/e-mail to the addresses provided in art. 1 of the Contract or to those addresses that will be notified by any of the other parties, according to art. 11.2.

**11.2** If a party changes its attributes mentioned in par. 1, it will have the obligation to communicate to the other party, within 5 (five) working days, the new coordinates. Failure to notify does not trigger any liability of the party using the attributes mentioned in the Contract or the last notified attributes.

#### **Art. 12 Final Provisions:**

**12.1** This Agreement may be amended only by written agreement of the signatory parties, in the form of a written amendment..

**12.2** This Contract is not an employment contract and is not governed by labor law.

**12.3** If certain clauses of this Agreement become legally ineffective, the validity of the other provisions of this Agreement will not be affected. In such cases, the parties agree to renegotiate in good faith any clause that has become legally ineffective, adding the clause thus renegotiated to the provisions of this Agreement.

**12.4** 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 has waived its right to impose such provisions.

**12.5** This Contract represents the agreement of the parties and supercedes any other prior written or oral agreement between the parties regarding the subject matter of this agreement and there are no secondary elements on which they have not agreed.

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

IN WITNESS WHEREOF we have concluded today, \_\_.\_\_. in 2 (two) original counterparts, this Contract, the parties declaring, at the same time, that they have each received, on the occasion of signing this Contract, one original counterpart.

**SNTGN TRANSGAZ S.A**

**Administrator**

**By:**

**Mr. ....**

\_\_\_\_\_

**empowered by the Decision of the  
General Meeting of the Shareholders no. \_\_\_\_ from \_\_\_\_\_**

## Annex 1

### CONFIDENTIALITY RULES

#### 1. Definition

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 the Shareholders, (iii) the decisions of the Board of Administration and (iv) the internal regulations of the Company.

Not limited to the above, confidential information includes:

- a) the contractual terms and any information regarding the business partners, customers, agencies, employees, entrepreneurs, investors or suppliers of the Company, 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 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 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 those used by the Company or otherwise known to the Company (except for any algorithm, procedure or technique in the public domain), whether or not these algorithms, procedures, techniques are part of a computer program, including, but not limited to techniques for:
  - identifying potential customers;
  - effective communication with existing or potential customers;
  - reducing operating costs or increasing system efficiency.
- e) the fact that the Company uses, has used or evaluated as a possibility 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 or not such algorithms, procedures or techniques are part of a computer program;
- f) marketing strategies, developed, investigated, acquired (from a third party or otherwise), evaluated, modified, tested or used by the Company, or any information about or that could reasonably lead, in a reasonable manner, to the development of such a strategy;
- g) information on the Company's future plans, including, but not limited to, geographic expansion plans, market segments or services;
- h) information which will be disclosed exclusively under the conditions laid down in point 5;
- i) any other information acquired by the Administrator during the exercise of his/her mandate, which could reasonably be considered to reflect the Company's

vulnerabilities, and which would help 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, on the existence of which they notify the Company;
- k) any information deriving from all the above and
- l) any copies of all the information mentioned above, except 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

The Administrator acknowledges that he/she has acquired and/or will acquire Confidential Information during or in connection with the exercise of the mandate within the Company, as well as that the use of this Confidential Information for the purpose of competing with the Company, by himself/herself by other persons, would severely endanger the Company's ability to continue its economic activity.

Therefore, the Administrator agrees that, directly or indirectly, at any time for the duration 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, will not use or cause the use of any Confidential Information in connection with any activities or businesses, except the economic activities of the Company, and will not disclose or cause the disclosure of any Confidential Information to any natural person, company, association, group or any other entity, unless such disclosure has been duly authorized in writing by the Company, or unless required by any applicable law, or ordered by a competent court or arbitral tribunal, or by any public authority empowered by law to receive such information.

In addition, the Administrator undertakes to notify the Company, promptly, of any act of a court or arbitral tribunal, or of another public authority, of the nature specified in the preceding paragraph, so that the Company may adopt, in accordance with the law, protection measures or other appropriate solution, and shall continue to provide any assistance that the Company may reasonably request to guarantee such measures or solutions, if the protection measures referred to in the preceding paragraph are not sufficient, the Administrator shall provide only that section of the Confidential Information which is lawfully required by the public authority concerned and shall make all reasonable and legally grounded efforts to obtain the confidential treatment of any Confidential Information so disclosed.

## 3. Use and disclosure of information about third parties

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

The Administrator agrees that, directly or indirectly, at any time, for the duration of the Contract concluded with the Company, or at any time after its termination, and regardless of when and for what reason this Agreement will terminate, he/she will not use or cause the use of any Third Party Information, unless permitted by a written agreement between the Company and the third party, unless required by any applicable



law or by the decision of a competent court or arbitral tribunal or by any other public authority which by law it is empowered to receive such information. In addition, the Administrator undertakes to notify the Company, promptly, of any act of a court or arbitral tribunal, or of another public authority, of the nature specified in the preceding paragraph, so that the Company may adopt, in accordance with the law, protection measures or other appropriate solution. If the protection measures are not sufficient, the Administrator will only provide that section of the Third Party Information, as legally required.

#### 4. Protection of trade secrets

Nothing in this Contract shall affect the Company and shall not in any way affect its rights to protect its business secrets, by any means provided by law.

#### 5. Disclosure of information by the Company

For the duration of the Contract and on the date of termination of this Contract, the Administrator shall promptly disclose and deliver to the Company, to the extent that such disclosure is reasonably deemed 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) all and any 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 during his/her activity within the Company, regardless of whether such algorithms, procedures or techniques have been incorporated into a computer program;
- (ii) any and all marketing strategies, the essential ideas and principles underlying these strategies and any information that could reasonably lead to the development of such strategies designed, original, adapted, discovered, developed, acquired (from a third party or otherwise), evaluated, tested or applied by the Administrator during his/her activity within the Company;
- (iii) information on all and any products and services, ideas and essential 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 during his/her 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 during his/her activity within the Company, if these ideas or information may reasonably be held to be useful or valuable to the Company.

#### 6. Confidentiality of Information to be Disclosed

The parties agree that the Information that will be disclosed, according to point 5 is, in turn, subsumed to the scope of Confidential Information, as defined in point 1 of this

Annex, and the Administrator undertakes to use and keep all the Information that will be disclosed in accordance with point 5 in the same manner as the Confidential Information, while respecting the provisions of point 3 of this Annex regarding the confidentiality of Third Party Information.

7. Duration of compliance with confidentiality obligations

The obligations of confidentiality incumbent on the Administrator under this Annex, an integral part of the Contract, shall remain applicable after the termination of this Contract and shall take effect for an unlimited period of time or until the date on which they become public.

8. Upon termination of the mandate contract, regardless of the reason for termination, the administrator will return to the company any confidential documents or will destroy them.

**SNTGN TRANSGAZ S.A**

**Administrator**

**By:**

**Mr. ....**

**empowered by the Decision of the  
General Meeting of the Shareholders no. \_\_\_\_ from \_\_\_\_**

**Annex 2**

**NON - COMPETITION OBLIGATIONS**

- I. For the duration of his/her mandate in the Company, the Administrator, directly or indirectly, either in his own name or as an employee, agent, administrator, director, associate, shareholder, investor or in any other capacity, agrees and undertakes:
  - a) not to engage in any activity or business that is in competition with the activity or business of the Company;
  - b) not to assist in any way, any person whose activities are in competition with or who in any other way brings prejudice to the commercial activities of the Company.
- II. For the duration of his/her mandate in the Company, the Administrator, directly or indirectly, with or without commission, either in his own name or as an employee, agent, consultant, administrator, director, associate, shareholder, investor or in any other capacity, will not:
  - a) cause or attempt to cause any employee, consultant, supplier, purchaser or independent contractor of the Company to cease its relationship with the Company;
  - b) use, retain as a consultant or contractor, or determine the employment or retention of any employee, the employment/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.
- III. Any breach of the obligations contained in this Annex by the Administrator entitles the Company to claim compensation for damages caused to the Company and constitutes a cause for revocation as an Administrator.

**SNTGN TRANSGAZ S.A**

**Administrator**

**By:**

**Mr. ....**

\_\_\_\_\_

**empowered by the Decision of the  
General Meeting of the Shareholders no. \_\_\_\_ from \_\_\_\_\_**

## Annex 3

### 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 behavior, 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 behavior is that behavior 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;

Behavior 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 fulfillment 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 incompatibilities;
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 did not show insulting, aggressive or inappropriate behavior 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. ....**

\_\_\_\_\_

**empowered by the Decision of the  
General Meeting of the Shareholders no. \_\_\_\_ from \_\_\_\_\_**