

No. 21.541/20.03.2021

Submitted for approval to the OGMS meeting of 27 April 2021

R E P O R T

on the proposal for the gross dividend per share and for the means of dividend pay-out for the financial year 2020

SUMMARY

The endorsement of a gross dividend per share amounting to LEI 8.14, determined based on the provisions of *Government Ordinance No. 64/30 August 2001 on the allocation of profits within national companies and trading companies fully owned by the state or where the state is a majority shareholder and within the autonomous administrations* in the context of the application of a share of 50.01707% upon profit distribution as dividends. The distribution share under Transgaz' revenue and expense budget for 2020, as approved by OGMS Resolution 2/04.03.2020, is 50%.

PROPOSAL

We submit the following for approval, according to Art. 15.3, letter (e) of Transgaz' updated Articles of Incorporation:

- 1) The value of the gross dividend per share in amount of LEI 8.14;**
- 2) Dividend pay-out to the shareholders starting with 16 July 2021.**

According to Art. 111, paragraph (2) (a) of Law 31/1990 on the trading companies, as amended, and to Art.15, paragraph (3) (e) of Transgaz' Articles of Incorporation, the establishment of the dividend is within the competence of the Company's General Meeting of the Shareholders.

The proposal to distribute by destination the net profit amounting to **LEI 175,000,764** according to *Government Ordinance 64/30 August 2001 on the allocation of profits within national companies and trading companies fully owned by the state or where the state is a majority shareholder and within the autonomous administrations*, is as follows:

- | | |
|--|---------------------------|
| ☛ Dividends due to the shareholders | LEI 95,839,090.16; |
| ☛ Profit for the establishment own financing sources | LEI 79,161,673.84. |

According to the provisions of Art.67, paragraph (2) of Law 31/1990, republished, on trading companies, as amended, dividends are distributed to the shareholders pro rata with their interest in the share capital.

The share capital of Transgaz is LEI 117,738,440 divided into **11,773,844** ordinary, nominative, indivisible **shares** with a nominal value of LEI 10/share.

Thus, the value of the gross dividend is of **LEI 8.14 /share**.

According to Art. 86 (5) of Law 24/2017 on the issuers of financial instruments and market operations, the pay-out of the dividends due to shareholders is to be made through the central depository and through the participants to its system.

The date for the start of the dividend pay-out was established considering the following:

- 👉 According to Art. 67 (2) of Law 31/1990 on trading companies, "The dividends shall be distributed to the shareholders pro rata with their interest in the paid-up capital, optionally on a quarterly basis, based on the interim financial statements, and annually, after the regularization performed under the annual financial statements, unless the articles of incorporation provides otherwise. These may optionally be paid quarterly, within the deadline established by the general meeting of the shareholders, as the case may be, established by special laws, and the differences resulting from the distribution of dividends during the year shall be settled by the annual financial statements. The payment of the differences resulted from the settlement shall be made within 60 days from the date when the annual financial statements related to the closed financial year were approved.
- 👉 The provisions of Art. 178(2) of Regulation 5/2018 of the Financial Supervisory Authority contemplate that *"in the case of the dividends, the General Meeting of the Shareholders shall establish as payment date a business day which falls after the registration date within 15 working days, at the most, but not later than 6 months from the date of the General Meeting of the Shareholders establishing the dividends"*;
- 👉 According to Art. 1 (3) of GO 64/2001, as updated, *"by derogation from the provisions of Art. 67, paragraph (2) of Law 31/1990 ... the national companies where the state is the sole, majority or controlling shareholder shall transfer dividends to shareholders within 60 days from the deadline provided by the law for the submission of the annual financial statements"*. According to Order of the Ministry of Public Finance no. 58/14.01.2021, Annex 1, the deadline for the submission of the annual financial statements and of the annual accounting reports for year 2020 for the companies/national companies is of 150 days from the end of the financial year.

Chairman of the Board of Administration
REMUS GABRIEL LĂPUȘAN