

No.95251/14.12.2021

Submitted for analysis and approval in the OGMS meeting of 20/21 January 2022

## REPORT

**on the approval of the maximum limit of the insurance premium and the minimum amount of the sum insured as regards professional liability insurance for the members of the Board of Administration of SNTGN "Transgaz" SA and the payment by the company of the insurance premium expenses**

## SUMMARY

On the basis of the OGMS Decision no. 2/22 April 2021, the following mandate contracts were concluded with the administrators:

Mandate contract no.34503/30.04.2021, between SNTGN TRANSGAZ SA and Mr Sterian Ion;

Mandate contract no.34496/30.04.2021, between SNTGN TRANSGAZ SA and Mr. Văduva Petru Ion;

Mandate contract no.34507/30.04.2021, between SNTGN TRANSGAZ SA and Mr Minea Nicolae;

On the basis of the OGMS Decision no. 9/14 December 2021, the following mandate contracts were concluded with the provisional administrators:

Mandate contract between SNTGN TRANSGAZ SA and Ms Toader Mihaela;

Mandate contract between SNTGN TRANSGAZ SA and Mr Orosz Csaba.

Article 4 of the above-mentioned Mandate Contracts stipulates that the administrators are entitled to benefit from a professional liability insurance policy at the expense of the Company. Payment of the premium for this insurance shall be made by the Company and shall not be deducted from the remuneration due to the administrator.

By OGM Decision no. 2/06.03.2018 it was established in art. 4 that the company shall bear the costs of professional liability insurance for the members of the Board of Administration up to an amount of EUR 50,000/year and the minimum amount of the sum insured related to professional liability insurance up to an amount of EUR 25,000,000/year per event and in aggregate.

## **PROPOSAL**

We submit for approval to the Ordinary General Meeting of Shareholders of SNTGN TRANSGAZ SA, in accordance with the provisions of Article 15, paragraph (3), letter I of the Articles of Incorporation of the company, updated, in conjunction with the provisions of Article 153<sup>12</sup>, paragraph (4) of Law no.31/1990 - Companies Law, republished, with subsequent amendments and additions, the following:

- a. setting the maximum limit of the annual insurance premium for the members of the Board of Administration of SNTGN "Transgaz" SA at EUR 50,000/year;
- b. to set the minimum amount of professional liability insurance cover for the members of the Board of Administration of SNTGN "Transgaz" SA at EUR 30,000,000/year per event and in aggregate.

### **Detailed content of the report**

Given:

- Law no.31/1990 - Companies Law, republished with subsequent amendments and additions, art.153<sup>12</sup>, paragraph (4) "The person appointed to one of the positions referred to in paragraph (3) must be insured for professional liability.";
- the provision of the company's Articles of Incorporation, updated, art.15, paragraph (3), letter I, according to which the Ordinary General Meeting of Shareholders of SNTGN TRANSGAZ SA, performs any other duties established by law in its charge;
- the provisions of GEO no.109/2011 on the corporate governance of public undertakings, as amended and supplemented, art.39 paragraph (2) "Payment of professional liability insurance may be provided by the public undertaking, is not part of the remuneration and will be mentioned in the mandate contract.";
- administrators' and managers' liability insurance, the D&O policy, is a group insurance policy which covers persons who have mandate contracts in force at the time the policy comes into force and persons who will have mandate contracts during the term of the insurance contract;
- the provisions of Article 4 of the aforementioned Mandate Contracts, which stipulate that the administrators are entitled to benefit from a professional liability insurance policy at the expense of the Company. Payment of the premium for this insurance shall be made by the Company and shall not be deducted from the remuneration due to the administrator.;
- the fact that the delegation of duties by the Board of Administration to the Director General and by the Director General to the Executive Directors implies the assumption of responsibilities and the signing of documents that present a high degree of risk, which is why we consider it necessary that the Director General, the Chief Financial Officer and the Executive Directors of

SNTGN TRANSGAZ SA be jointly and severally insured with the members of the Board of Administration for professional risks related to the exercise of executive management functions

The Remuneration and Nomination Advisory Committee submits for approval to the General Meeting of Shareholders the following:

- a. setting the maximum limit of the annual insurance premium for members of the Board of Directors of SNTGN "Transgaz" SA at EUR 50,000/year;
- b. setting the minimum sum insured for professional liability insurance for members of the Board of Administration of SNTGN "Transgaz" SA at EUR 30,000,000/year per event and in aggregate.

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

Văduva Petru Ion

Minea Nicolae

Orosz Csaba