

No. 106154/10.12.2025

Submitted for approval in the OGMS from 28/29.01.2026

## **Report**

### ***on the approval of the Policy and Criteria for the Remuneration of the Administrators, Director General and Chief Financial Officer of SNTGN „TRANSGAZ” S.A.***

## **SUMMARY**

*Law 24/2017 on issuers of financial instruments and market operations, amended and supplemented* brings a series of regulations and amendments among which:

- Obligation to draw up a remuneration policy for managers on which shareholders have the right to vote at the general meeting of shareholders, including remuneration elements, performance criteria for variable remuneration, the way in which performance is measured, responsibility for developing and approving this policy;
- The remuneration policy must be subject to a shareholder vote, must be reviewed at each significant change and at least once every 4 years, and must be published on the company's website.

*Law No. 158 of 17 October 2025 amending and supplementing Government Emergency Ordinance No. 109/2011 on corporate governance of public enterprises* introduced changes regarding the amount of remuneration of non-executive and executive members of the Board of Administration.

## **PROPOSAL**

- Pursuant to the provisions of Chapter V, art. 15, paragraph 3, letter a of the updated Articles of Incorporation;
- Pursuant to the provisions of Art. 106 of Law no. 24 of 2017 on issuers of financial instruments and market operations, as subsequently amended and supplemented;
- Pursuant to the provisions of Principle C2 of the BSE Governance Code: *The Board must ensure that there is a formal and transparent policy and procedure for determining the remuneration of executive management, which is aligned with the*

*long-term interests of the Company and the Company's strategy. This policy will be submitted to the GMS for approval, in accordance with legal requirements.*

We submit for approval the ***Policy and Criteria for the Remuneration of the Administrators, Director General and Chief Financial Officer of SNTGN „TRANSGAZ” S.A. to the Ordinary General Meeting of Shareholders.***

## **DETAILED CONTENT**

The Board of Administration of SNTGN „TRANSGAZ” SA, carries out its activity based on the provisions of GEO no. 109/2011 on corporate governance of public enterprises, with subsequent amendments and completions, of Company Law no. 31/1990, republished, with amendments and subsequent completions, of the Articles of Incorporation of SNTGN „TRANSGAZ” SA, updated, of the Corporate Governance Code of BVB and of the Rules of Organization and Functioning.

At the level of the Board of Administration, the Nomination and Remuneration Advisory Committee is established which, in accordance with the provisions of Law no. 24/2017 on issuers of financial instruments and market operations, with subsequent amendments and completions, elaborates the Remuneration Policy for Administrators, Director General and Chief Financial Officer of SNTGN „TRANSGAZ” SA (“Policy”) and assists the Board of Administration in establishing/overseeing remuneration policies and practices.

In accordance with the provisions of GEO no. 109/2011 on the corporate governance of public enterprises, with subsequent amendments and completions, art. 37, the General Meeting of Shareholders establishes the remuneration of the members of the Board of Administration.

Considering the legal provisions in force and considering the recommendations contained in the Guide for the implementation of the remuneration policy drafted by the Association for Investor Relations on the Romanian Stock Exchange, the Policy, submitted for approval to the Board of Administration of SNTGN „TRANSGAZ” S.A. is updated with the legal framework in force, the amendments made by Law 158 of 17.10.2025 amending and supplementing Government Emergency Ordinance No. 109/2011 on the corporate governance of public enterprises.

The remuneration policy establishes the general framework for the remuneration of the administrators, director general and chief financial officer of the company, this being completed in implementation by the legal provisions applicable to the field of activity, by the provisions of the Collective Labour Contract of SNTGN „TRANSGAZ” SA, mandate contracts and by the decisions of the Board of Administration and of the General Meeting of Shareholders.

**The objectives of the Remuneration Policy** are the following:

- establishing the principles of remuneration;

- establishing the structure of the remuneration of administrators, director general and chief financial officer.

The policy and criteria for the remuneration of the administrators, director general and chief financial officer, approved by the General Meeting of Shareholders, are published on the website of the public enterprise by the Board of Administration.

The Nomination and Remuneration Advisory Committee of the Board of Administration prepares an annual report on the remuneration and other benefits granted to the administrators and directors.

On the recommendation of the Nomination and Remuneration Committee, in exceptional cases, it may temporarily derogate from any section of the Policy, at its sole discretion.

Annexes: ***Policy and Criteria for the Remuneration of the Administrators, Director General and Chief Financial Officer of SNTGN „TRANSGAZ” S.A.***

**Chairman of the Board of Administration,**

**Minea Nicolae**

**BOARD OF ADMINISTRATION**

***Nomination and Remuneration Committee***

**POLICY AND CRITERIA FOR THE  
REMUNERATION  
of Administrators, Director General and  
Chief Financial Officer  
of SNTGN „TRANSGAZ” S.A.**



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## **Chapter 1. Preamble**

The Remuneration Policy ("Policy") of SNTGN "TRANSGAZ" S.A., a company established based on Government Decision no. 334/28 April 2000, a Romanian legal entity having the legal form of a joint stock company, is based on the good practices used at international and national level, as well as the legislative amendments recently introduced by Law no. 158 of 17 October 2025 amending and supplementing Government Emergency Ordinance No. 109/2011 on corporate governance of public enterprises and introducing the Corporate Governance Code of the Bucharest Stock Exchange.

**SNTGN "TRANSGAZ" S.A.** is the technical operator of the national natural gas transmission system and is responsible for its operation in conditions of quality, safety, economic efficiency and protection of the environment.

By Resolution No. 3 of the Ordinary General Meeting of Shareholders dated 27 April 2021, the Remuneration Policy and Criteria for the Administrators, Director General, and Chief Financial Officer of SNTGN TRANSGAZ SA were approved with a percentage of 87.730880% of the total votes cast.

## **Chapter 2. Definitions and terms**

<b>OGMS</b>	Ordinary General Meeting of Shareholders of SNTGN "TRANSGAZ" S.A.
<b>BoA</b>	The Board of Administration of SNTGN „TRANSGAZ” S.A. / Management and control body of the company managed in a unitary system.
<b>Advisory Committees</b>	Committees organized within the BoA in accordance with the provisions of art. 140 <sup>2</sup> of Law no. 31/1990 on companies
<b>NRC</b>	The Nomination and Remuneration Committee set up at the level of the BoA that assists the BoA in taking informed decisions in the field of remuneration by making recommendations.
<b>Non-executive Administrators</b>	The members of the Board of Administration of SNTGN „TRANSGAZ” S.A. who were not appointed directors in accordance with the provisions of art. 143 of Law 31/1990 on companies and who carry out their activity on the basis of mandate contracts for the administration of the company.
<b>Directors</b>	Natural persons to whom the management of the company has been delegated by the Board of Administration, in accordance with the provisions of art. 143 of Law no. 31/1990 on companies, and who carry out their activity under a mandate contract. In the case of SNTGN

	„TRANSGAZ” S.A., the Director General and the Chief Financial Officer are the only directors within the meaning of Law no. 31/1990 on companies.
<b>SNTGN „TRANSGAZ” S.A.</b>	SNTGN "TRANSGAZ" S.A. is the technical operator of the National Transport System (SNT) which is responsible for its operation in conditions of quality, safety, economic efficiency and protection of the environment, a company listed on the Bucharest Stock Exchange, that carries out natural gas transmission activity in accordance with the provisions of the legislation and European and national regulations in force on the transmission of natural gas through pipelines, and also with those of specific legislation on the capital market and corporate governance.
<b>Articles of Incorporation</b>	The Articles of Incorporation of SNTGN „TRANSGAZ” S.A, updated.
<b>Remuneration</b>	Payment received by the members of the Board of Administration and directors for the activity carried out during the mandate contract.
<b>Fixed allowance</b>	Part of total remuneration that is not directly related to the company's performance and is found in the mandate contracts of the directors.
<b>Variable component of remuneration</b>	Part of the remuneration that depends on the fulfillment of the key performance indicators approved by the Ordinary General Meeting of Shareholders and included in the annex to the mandate contracts.
<b>Remuneration report</b>	Document that reflects the implementation of the remuneration policy for the year ended and shows the current remuneration received by the members of the Board of Administration and directors.
<b>Agency for Monitoring and Evaluating the Performance of Public Enterprises (AMEPIP)</b>	The Agency for Monitoring and Evaluating the Performance of Public Enterprises is the specialized body of the central public administration with legal personality and is subordinate to the Government and coordinated by the Prime Minister.

### **Chapter 3. The legal framework regarding the remuneration policy and criteria for the Administrators, Director General and Chief Financial Officer of SNTGN „TRANSGAZ” S.A.**

**Law 24/2017 on issuers of financial instruments and market operations**, as subsequently amended and supplemented.

**Emergency Ordinance No. 109/2011** on corporate governance of public enterprises, as amended and supplemented, hereinafter referred to as **G.E.O. No. 109/2011**

**RESOLUTION No. 639 of 27 July 2023** approving the methodological norms for the application of Government Emergency Ordinance No. 109/2011 on the corporate governance of public enterprises

**Companies Law No. 31/1990**, republished, with subsequent amendments and additions

**Corporate Governance Code – Bucharest Stock Exchange 2025**

**Guide for the implementation of the remuneration policy drafted by the Romanian Investor Relations Association.**

#### **Chapter 4. Purpose, field, scope and objectives of the Remuneration Policy**

The remuneration policy establishes the general framework for the remuneration of the administrators, Director General and Chief Financial Officer of the company, this being completed in implementation by the legal provisions applicable to the field of activity, by the provisions of the Collective Labor Contract of SNTGN "TRANSGAZ" SA, mandate contracts and by the decisions of the Board of Administration and of the General Meeting of Shareholders.

The remuneration policy is in line with the company's business strategy, objectives, values and long-term interests and includes measures to avoid conflicts of interest and ensure an efficient corporate governance of the company.

The remuneration policy of SNTGN „TRANSGAZ” S.A. aims to stimulate the increase of financial and operational efficiency and the sustainable development of the company, respecting the principles of good corporate governance.

The purpose of this policy is to establish the principles and remuneration framework of the administrators, Director General and Financial Director to be applied during their term of office.

The Remuneration Policy prepared by the Nomination and Remuneration Committee is subject to the approval/revision of the Board of Administration. The policy is subject to the shareholders' vote in the GMS, on the occasion of each significant change and at least once every 4 years. The review of the Remuneration Policy will take into account the recommendations of the shareholders.

The revised remuneration policy and the result of the vote are published on the company's website.

**The objectives of the Remuneration Policy** are as follows:

- establishing principles regarding remuneration;
- establishing the remuneration structure for administrators, the Director General, and the Chief Financial Officer.



The remuneration policy aims to motivate, attract, and increase the confidence and commitment of the Administrators, the Director General, and the Chief Financial Officer in achieving the objectives set and approved by the company's development strategy, measured with a view to optimizing performance at the company level.

## **Chapter 5. Decision-making process regarding the remuneration policy**

The decision-making process regarding TRANSGAZ' remuneration policy is regulated in accordance with the provisions of Law No. 31/1990, Government Emergency Ordinance No. 109/2011, Law No. 24/2017, and the updated TRANSGAZ Articles of Incorporation, as follows:

**The public supervisory authority** has the following powers:

- monitors and evaluates, through its representatives in the general meeting of shareholders, the performance of the Board of Administration, in order to ensure, on behalf of the state, that the principles of economic efficiency and profitability are respected in the operation of the Company;
- mandates its representatives in the General Meeting of Shareholders to negotiate and approve the financial and non-financial performance indicators for the Board of Administration;
- monitors and evaluates, through its own corporate governance structures, the financial and non-financial performance indicators attached to the mandate contracts.

**The Ordinary General Meeting of Shareholders of TRANSGAZ** has the following powers:

- approves the remuneration policy for administrators and directors, upon each significant change and, in any case, at least once every 4 years;
- sets the level of remuneration for members of the Board of Administration;
- approves the form (terms and conditions) of the mandate contract concluded by the Company with the members of the Board of Administration;
- approves the general limits of the remuneration of the Director General and Directors, within the structure and limits provided by law;
- submits the remuneration report for the most recent financial year to a vote.

**The Board of Administration** has the following powers:

- appoints and dismisses TRANSGAZ' directors and determines their remuneration;
- approves the mandate contracts concluded with TRANSGAZ' directors;
- prepares the annual report of the administrators;
- reviews the Remuneration Policy and submits it to the Company's shareholders for approval.

**The Nomination and Remuneration Committee** has the following powers:

- formulates proposals for the General Meeting of Shareholders regarding the level of remuneration of directors;
- formulates proposals regarding the remuneration of directors, within the general limits established by the General Meeting of Shareholders and by law;
- formulates recommendations to the Board of Administration regarding the remuneration policy and any changes thereto;
- formulates recommendations regarding the verification of compliance with the conditions for derogation from changes made to it;
- formulates proposals regarding the assessment of compliance with key performance indicators (KPIs) and the calculation of variable remuneration;
- develops and submits for approval by the Board of Administration, for approval by the General Meeting of Shareholders, the remuneration policy for the company's administrators and directors;
- submits to the Board of Administration a remuneration report on the total amount of remuneration of administrators and directors, broken down into the fixed and variable components of such remuneration, as well as other benefits granted to them.

**AMEPIP** has the following main duties and responsibilities:

- approves the minimum level of key performance indicators for public enterprises, to which other indicators are added, and includes them in the scorecard;
- endorses the minimum level of key performance indicators for public enterprises, to which other indicators are added, and includes them in the scorecard;
- monitors, evaluates, and publishes an annual report on the degree of achievement of performance indicators for each public enterprise, based on information received from supervisory public authorities and public enterprises, with a view to developing future performance indicators and improving the performance of public enterprises.

## **Chapter 6. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee is a 3-member advisory committee whose role is to assist the Board of Administration in establishing/supervising remuneration policies and practices. The members of the Nomination and Remuneration Committee are members of the BoA who do not hold executive positions.

The Nomination and Remuneration Committee is responsible for establishing the remuneration policy, for supervising its implementation and will ensure the avoidance of conflicts of interest..

The Nomination and Remuneration Committee (NRC) is constituted at the level of the Board of Administration and has the following responsibilities regarding the remuneration of the administrators, the Director General and the Chief Financial Officer:

- develops the remuneration policy for administrators, Director General and Chief Financial Officer;
- submits the remuneration policy for the approval of the General Meeting of Shareholders;
- formulates proposals regarding the remuneration of the directors of the company;
- informs about the remuneration policy in the Corporate Governance documents of the company;
- presents in the Remuneration Report the total amount of the remuneration of the administrators, Director General and Chief Financial Officer broken down into their fixed and variable component. In establishing the remuneration of non-executive directors, the principle of proportionality of this remuneration with the responsibility and time dedicated by them to the exercise these functions shall be observed;
- prepares an annual report on the remuneration and other benefits granted to the administrators, Director General manager and Chief Financial Officer during the financial year, a report that is presented to the General Meeting of Shareholders and includes information provided in art. 55 para. (3) of GEO no. 109/2011 on the corporate governance of public enterprises.

## **Chapter 7. General principles underlying the remuneration policy**

The general principles for establishing the policy for the remuneration of the administrators, Director General and Chief Financial Officer are the following:

- attracting, retaining and motivating the best candidates for the positions of Administrators, Director General and Chief Financial Officer;
- ensuring the long-term sustainability of the company's profits and its activity and generating long-term value;
- rewarding the achievement of objectives;
- maintaining competitiveness;
- aligning remuneration with recommendations on good governance;
- promoting transparency on remuneration and the criteria for setting it;
- maintaining a fair balance between the fixed allowance and the variable component of the remuneration.

## **Chapter 8. Remuneration policy for Administrators**

### **8. 1. The mandate contract of the Administrators**

The appointment and dismissal of administrators shall be carried out, in compliance with the legal provisions and the Articles of Incorporation, by the Ordinary General Meeting of Shareholders.

The rights and obligations of administrators, as well as situations of incompatibility, are provided for in the mandate contracts, the Articles of Incorporation, and the legal provisions.

Mandate contracts are concluded for a period of 4 (four) years, except in cases provided for in the Articles of Incorporation or by law. The mandate of an administrator shall terminate for the reasons and under the conditions provided for in the mandate contract and/or by law.

## 8.2. Remuneration of Administrators

The remuneration of the members of the Board of Administration is determined by the General Meeting of Shareholders and consists of a fixed monthly allowance.

Given the complexity of TRANSGAZ S.A.'s activities and turnover, the fixed allowance:

- for *non-executive administrators*, it is established in accordance with the provisions of Government Emergency Ordinance No. 109/2011 on the corporate governance of public enterprises, as subsequently amended and supplemented, and may not exceed twice the average gross monthly salary for the last 12 months for the activity carried out in accordance with the main object of activity registered by the company, at class level, according to the classification of activities in the national economy, communicated by the National Institute of Statistics prior to the appointment.
- for *executive administrators*, it is established in accordance with the provisions of Government Emergency Ordinance No. 109/2011 on the corporate governance of public enterprises, as subsequently amended and supplemented, and may not exceed a maximum of three times the average gross monthly salary for the last 12 months for the activity carried out in accordance with the main object of activity registered by the company, at class level, according to the classification of activities in the national economy, communicated by the National Institute of Statistics prior to the appointment.

The level of remuneration is proposed by the **Nomination and Remuneration Committee** of the Board of Administration, endorsed by AMEPIP and approved by the General Meeting of Shareholders, taking into account the reference criteria in the private sector, as well as the complexity of the operations carried out by the public enterprise.

When determining the fixed monthly remuneration of each member of the TRANSGAZ Board of Administration, the General Meeting of Shareholders shall ensure that it is justified in relation to the specific duties, responsibilities within advisory committees, the number of meetings, the objectives and performance criteria set out in the mandate contract concluded with each administrator.

The remuneration of the executive members of the Board of Administration consists of a fixed monthly allowance and a variable allowance.

The variable component is based on the achievement of key performance indicators, including those specific to the activity of the public enterprise, negotiated and approved by the supervisory public authority, endorsed by AMEPIP, different from those approved for non-executive administrators.

The variable component is granted annually and may not exceed twice the average gross monthly salary for the last 12 months for the activity carried out in accordance with the main object of activity registered by the company, at class level, according to the classification of activities in the national economy, communicated by the National Institute of Statistics prior to the appointment, only if the company cumulatively meets at least the following conditions:

- a) has no outstanding debts to the general consolidated budget;
- b) has no outstanding debts to suppliers and other creditors;
- c) has investment programs implemented according to the execution schedules;
- d) has no previous accounting losses and does not record current accounting losses;
- e) the profitability ratio determined as the ratio between net profit and turnover is greater than 5%;
- f) the increase in turnover in the current year compared to the previous year is greater than 2.5%.

The variable component of remuneration is approved by the Ordinary General Meeting of Shareholders.

The variable component is paid according to the degree of achievement of the performance indicators identified at company level and included in the Company Management Plan, approved by the Ordinary General Meeting of Shareholders. The performance objectives are related to financial and non-financial criteria.

The annual variable component of remuneration will be based on financial, non-financial, and non-commercial performance indicators negotiated and approved by the General Meeting of Shareholders. The variable component of the remuneration of the members of the Board of Administration is reviewed annually, depending on the level of achievement of the objectives included in the Management Plan and the degree of fulfilment of the financial and non-financial performance indicators approved by the General Meeting of Shareholders, attached to the mandate contract.

When determining variable remuneration, the responsibilities of non-executive administrators are taken into account, namely identifying long-term strategy, developing governance policies, representing shareholders' interests, communicating with shareholders, and supervising management's implementation of the Company's strategies.

Remuneration and benefits offered in accordance with the law or the mandate contract of the administrators will be recorded in the annual financial statements, in the annual report of the nomination and remuneration committee, and in the report of the Board of Administration.

## **Chapter 9. The remuneration policy for the Director General and Chief Financial Officer of SNTGN "TRANSGAZ" S.A.**

The Board of Administration delegates the management powers of TRANSGAZ to one or more directors, appointing one of them as Director General.

The Board of Administration appoints the directors to whom it delegates the management powers of TRANSGAZ, in compliance with the provisions of Government Emergency Ordinance No. 109/2011 and the provisions of Company Law No. 31/1990. The directors are responsible for taking all measures related to the management of TRANSGAZ, within the limits of its scope of activity and in compliance with the exclusive powers of the Board of Administrators and the General Meeting of Shareholders, as provided by law or the Articles of Incorporation.

### **9.1 The mandate contract of the Director General and the Chief Financial Officer**

The mandate contracts concluded with the Director General and the Chief Financial Officer are concluded for a maximum period of 4 (four) years and terminate under the conditions provided for in the mandate contract and/or by law.

### **9.2 Remuneration of the Director General and Chief Financial Officer**

The Director General and Chief Financial Officer enjoy all the rights provided for in the Collective Labor Agreement concluded at company level.

#### **9.2.1 Remuneration of the Director General**

The remuneration of the Directorul General is determined by the Board of Administration and consists of:

- a) fixed allowance and
- b) variable component.

Notwithstanding the provisions of Article 37(3) of Government Emergency Ordinance No. 109 of 2011, in the case of companies whose shares are traded on a regulated market, the fixed monthly remuneration of the Director General may not exceed a maximum of 5 (five) times the average gross monthly salary for the last 12 months for the activity carried out in accordance with the main object of activity registered by the company, at class level, according to the classification of activities in the national economy, communicated by the National Institute of Statistics prior to the appointment.

The variable component of the remuneration of the Director General consists of an allowance based on the achievement of key performance indicators, including those specific to the activity of the public enterprise, negotiated and approved by the supervisory public authority, which differ from those approved for non-executive administrators.

The variable component is granted annually and may not exceed twice the average gross monthly salary for the last 12 months for the activity carried out in accordance with the main object of activity registered by the company, at class level, according to the classification of activities in the national economy, communicated by the National Institute of Statistics prior to the appointment.

#### **9.2.2. Remuneration of the Chief Financial Officer**

The remuneration of the Chief Financial Officer is determined by the Board of Administration and consists of:

- a) fixed allowance and

- b) variable component.

Notwithstanding the provisions of Article 37(3) of Government Emergency Ordinance No. 109 of 2011, in the case of companies whose shares are traded on a regulated market, the fixed monthly remuneration of the Chief Financial Officer may not exceed a maximum of 4 (four) times the average gross monthly salary for the last 12 months for the activity carried out in accordance with the main object of activity registered by the company, at class level, according to the classification of activities in the national economy, communicated by the National Institute of Statistics prior to the appointment.

The variable component of the Chief Financial Officer's remuneration consists of an allowance based on the achievement of key performance indicators, including those specific to the activity of the public enterprise, negotiated and approved by the supervisory public authority, which differ from those approved for non-executive administrators.

The variable component is granted annually and may not exceed twice the average gross monthly salary for the last 12 months for the activity carried out in accordance with the main object of activity registered by the company, at class level, according to the classification of activities in the national economy, communicated by the National Institute of Statistics prior to the appointment.

The remuneration granted to the Director General and the Chief Financial Officer consists of a fixed monthly allowance calculated in accordance with the provisions of Article 37(3) and a variable allowance. The variable component is based on the achievement of key performance indicators, including those specific to the activity of the public enterprise, negotiated and approved by the supervisory public authority, which differ from those approved for non-executive administrators. The variable component is granted annually and may not exceed twice the average gross monthly salary for the last 12 months for the activity carried out in accordance with the main object of activity registered by the company, at class level, according to the classification of activities in the national economy, communicated by the National Institute of Statistics prior to the appointment, only if the company cumulatively meets at least the following conditions:

- a) has no outstanding debts to the general consolidated budget;
- b) has no outstanding debts to suppliers and other creditors;
- c) has investment programs implemented according to the execution schedules;
- d) has no previous accounting losses and does not record current accounting losses;
- e) the profitability ratio determined as the ratio between net profit and turnover is greater than 5%;
- f) the increase in turnover in the current year compared to the previous year is greater than 2.5%;

The variable component is paid based on the degree of achievement of the key performance indicators identified at company level and included in the Company Management Plan, approved by the Ordinary General Meeting of Shareholders. The performance objectives are linked to financial and non-financial criteria.

## **Chapter 10. Other types of benefits**

The mandate contracts concluded with administrators and/or directors include provisions regarding the granting of benefits and/or other advantages for the execution of mandates.

The categories of benefits and/or other advantages that may be granted are, without limitation:

### **For the members of the BoA of SNTGN TRANSGAZ S.A.:**

- the right to benefit from a professional liability insurance policy, at the expense of the Company;
- the right to reimbursement of necessary and useful expenses, incurred in a justified manner in the interest of fulfilling the mandate, based on supporting documents, but not limited to: accommodation expenses, per diem, transportation, fees for participation in courses, seminars, and any other types of expenses related to the execution of the mandate;
- the right to use TRANSGAZ' inventory items/fixed assets necessary for the performance of the activity;
- the right to request the public company to contract specialized assistance to support its decisions, for example, but not limited to: audits, anti-fraud investigations, market analysis, and others.

### **For the Director General and Chief Financial Officer of SNTG TRANSGAZ S.A. :**

- the right to benefit from a professional liability insurance policy, at the expense of the Company;
- the right to payment/reimbursement of travel expenses incurred in the performance of their duties, including representation, transport, and daily allowance expenses;
- the right to 34 working days of annual leave per year, with holiday pay calculated in accordance with the provisions of Article 119 and Annex 14 of the Collective Labor Agreement in force at SNTGN TRANSGAZ S.A.
- the right to receive cash compensation for days of annual leave not taken for duly justified reasons
- the right to benefit, by assimilation, from all the rights enjoyed by the company's employees, based on the provisions of the Collective Labor Agreement in force.

Following negotiations, upon conclusion of management and/or mandate contracts with administrators and/or directors, the benefits and/or other advantages granted to each individual shall be specified and determined and shall be included in the mandate contracts.

The professional liability insurance premium shall be paid by the company, shall not form part of the remuneration, and shall be specified in the mandate agreement.

The total benefits granted in mandate agreements, including representation, transportation, and per diem expenses, shall be reimbursed within the limits of the applicable legal provisions.



## **Chapter 11. Duration of mandate contracts, applicable notice periods, conditions for cancellation/termination of contracts**

The mandate contracts signed with the members of the Board of Administration, the Director General and the Chief Financial Officer are concluded for a period of 4 years.

The mandate contracts of the non-executives on the Board of Administration end:

- a) upon expiry of the term for which it was concluded, if it has not been renewed in accordance with the law.
- b) by the Administrator's resignation with 35 calendar days' notice from the notification of the Company;
- c) upon the death of the Administrator;
- d) by the GMS as a result of failure to meet the key performance indicators set out in the mandate contract, for reasons attributable to the Administrator;
- e) by the opening of general insolvency or bankruptcy proceedings against the Company;
- f) by the Administrator's violation of the legal provisions regarding conflicts of interest, incompatibilities, including the integrity criteria provided by the Company's Code of Ethics, as well as the non-competition obligations;
- g) by breaching confidentiality obligations regarding any financial and/or commercial information classified as confidential or privileged according to legal regulations or contractual obligations assumed by the Company;
- h) by termination of full rights in the cases provided by law, including in the case of liability proceedings against members of the Board, as well as in the case of prosecution for committing one of the offenses provided for in art. 6 para. (1) of Company Law no. 31/1990;
- i) by withdrawal/non-granting of ORNISS authorization;
- j) by the impossibility of exercising the mandate/legal impediment – any circumstance that creates an unavailability lasting more than or equal to 90 consecutive calendar days, depriving the member of the Board of Administration of the possibility to perform his/her duties, personally or by representation;

If the Administrator is Permanently Unable to Exercise the Mandate/Legally Impeded, the termination shall take effect from the date of expiry of the period of 90 consecutive days of incapacity.

The mandate contracts of directors shall terminate by:

- a) the resignation of the Mandatary from the mandate entrusted to them, in compliance with the notice conditions stipulated in the contract;
- b) revocation of the Mandatary by the Mandator in accordance with the regulations and legal provisions in force and the Articles of Incorporation;
- c) expiration of the term for which it was concluded;
- d) by law, in other cases provided for in the applicable legal framework;
- e) the occurrence of a case of incompatibility or a prohibition provided for by law, established in accordance with the law;

- f) the occurrence of a Force Majeure event or unforeseeable circumstances that make it impossible to continue performing the mandate agreement;
- g) the agreement of the parties.

In the event of the Administrator's dismissal for just cause, he/she shall not be entitled to receive compensation from the Company. For the avoidance of any doubt, "just cause" within the meaning of this article, without limitation, the failure by the Administrator to fulfill or the improper fulfillment of any legal or contractual obligation and the unjustified refusal to conclude addenda to this contract establishing changes made by operation of law.

In the event of the Administrator/Mandatar being dismissed for just cause, they shall not be entitled to receive compensation from the Mandator. For the avoidance of any misunderstanding, "just cause" within the meaning of this article shall include any of the following reasons, the list not being exhaustive:

- a) failure to meet objectives and performance indicators;
- b) failure to fulfill any legal or contractual obligations stipulated in the contract;
- c) refusal to conclude addenda to the contract establishing performance indicators.

In the event of the administrator's dismissal for valid/justified reasons, the company shall not owe him any compensation for the unexpired term of office.

In the event of the administrator's dismissal without just cause, the administrator shall be entitled to receive from the Company compensation equivalent to a maximum of 24 fixed net monthly allowances if the dismissal without just cause occurs within the first 2 years of the term of office and if the dismissal without just cause occurs within the last 2 years of the term of office, the Company shall pay the Administrator compensation corresponding to the number of months remaining until the end of the term of office

For Transgaz' directors, in the event of revocation of the mandate, the Company shall not owe the MANDATARY any compensation for the unexpired period of the mandate in respect of the fixed remuneration. In this situation, the Company is obliged to pay the MANDATARY the fixed remuneration due up to the moment of revocation, including for the notice period, as well as the performance bonuses (variable component) calculated in proportion to the period of the mandate performed..

## **Chapter 12. Payments**

The fixed allowance of the Director General and the Chief Financial Officer shall be paid on the last working day of the month for which it is due, and the fixed allowance of non-executive members of the Board of Administration on the date of payment of the salary to employees.

The payment of the variable remuneration component is made annually, after the approval by the General Meeting of Shareholders of the annual financial statements prepared in accordance with IFRS and after the GMS takes note of the annual report of the Nomination and Remuneration Committee, approved by the Board of Administration.

## **Chapter 13. Conflict of interest**

When applying the remuneration practices in SNTGN „TRANSGAZ” S.A. staff with competences regarding remuneration decisions will monitor compliance with this policy, the Code of Ethics and other internal regulations, acting independently, without being affected by influences, pressures or conflicts of interest.

The persons responsible for the application of the Remuneration Policy must maintain the confidentiality of the information regarding the company's employees and the decisions regarding the remuneration they obtain from the exercise of their duties and its use in personal interest or of third parties is prohibited. It is forbidden to receive gifts or other benefits for performing/not performing an action during the activity.

The members of the Board of Administration have an obligation of loyalty to the Company and will avoid conflicts of interest, defined as situations in which their personal or professional interests make it difficult to take objective measures in the interest of the Company and its shareholders and fulfill their role as Administrator.

The members of the Board of Administration will report annually to the Audit Committee their main professional functions and activities, including duties within non-profit organizations, as well as any relevant legal entities in which the Administrators themselves or those they represent are significant shareholders. The Audit Committee will ensure that there are no conflicts of interest. In the event that, during the year, changes occur in the situation reported to the Audit Committee, they will be declared no later than five days after the change.

Administrators shall be required to declare any current or potential conflicts of interest at the beginning of all meetings of the Board and not to take part in any deliberations of the Board on the transactions in respect of which such conflict of interests exists, except the case in which their absence would prevent the formation of a quorum.

In the event of a conflict of interest and abstention from debating and voting on those matters, the justified absence of the administrator concerned shall be mentioned in the minutes of that meeting.

If a transaction in respect of which an Administrator has a current or potential conflict of interest cannot be avoided, the transaction or business relationship with the Company will be handled with due caution and in a fully transparent manner.

## **Chapter 14. Derogations from Policy**

Upon the recommendation of the Nomination and Remuneration Committee, in exceptional circumstances, a temporary derogation from any section of the Policy may be granted, at its sole discretion, in the following exceptional circumstances:

- a) in case of change of a member of the Board of Administration, in accordance with the new mandate contract;
- b) in the event of significant changes in its overall financial and/or operational performance which may result in the adjustment of the elements used to calculate the remuneration;
- c) in any other case where the derogation may be necessary to serve the long-term interests and sustainability of the company or to ensure its viability, but without increasing the remuneration of the members of the Board of Administration, the Director General and the Chief Financial Officer.

Changes in applicable legislation may result in deviations from the Remuneration Policy, as well as its updating in accordance with new legal regulations.