

BOARD OF ADMINISTRATION
SNTGN TRANSGAZ SA

ACTIVITY REPORT
For the duration of the mandate
2017-2021

PETRU ION VĂDUVA
NON-EXECUTIVE ADMINISTRATOR

*A document drawn up
pursuant to the provisions
set forth in Article 29,
paragraph 14
of Government Emergency
Ordinance no. 109/2011
on corporate governance
of public enterprises, as
amended and
supplemented by GEO no
51/2013,
GEO no 10/2015, Law no
111/2016, law no 14/2017;
GEO no 29/2017
and GEO no 73/2018*

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I. General considerations

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| Mandate term | Mandate Contract 30.04.2017-29.04.2021 |
| Appointing Instrument/Mandate | ■ Resolution of the Board of Administration No. 1/27.04.2017 - elected administrator (mandate renewal) |
| Capacity within the Board of Administration | Non-Executive Administrator Member of the Board of Administration |
| Advisory Committees of the Board he is a part of | <ul style="list-style-type: none"> ■ the Nomination and Remuneration Committee - according to Resolution no. 15/16.05.2017 made by the Board of Administration - non-executive administrator; ■ the Safety and Security Committee of the NTS - according to Resolution no. 15/16.05.2017 made by the Board of Administration - non-executive administrator; ■ the Strategy and Development Committee - according to Resolution no. 15/16.05.2017 made by the Board of Administration - non-executive administrator; ■ the Committee for Regulation and Relations with Public Authorities - according to Resolution no. 15/16.05.2017 made by the Board of Administration - non-executive administrator |
| Short biography | <p>I am a graduate of an MBA from Yale Business School, United States of America and have extensive experience in management, particularly in the management of financial investments, occupying key positions within American and European companies such as:</p> <ul style="list-style-type: none"> • JP Morgan, Bear Stearns and Caspian Securities (USA), • Renaissance Capital and UralSib (Russia), • SEB Investment Mgt and CLSA London (Great Britain). <p>In 2009, I held the position of Chief Executive Officer of Ţiriac Holding, and before, I was Chief Executive Officer of Intrepid GEM.</p> <p>Between 2013-2017, I was the Director-General of SNTGN TRANSGAZ SA, ensuring the overall management of the company's business concerning the management of the national gas transmission system, of the international gas</p> |

transmission activity, of the organization and coordination of the relevant material, financial, human, technical and informational resources in accordance with the overall strategic objectives.

Beginning with April 2017, I am a non-executive member of the Board of Administration of SNTGN TRANSGAZ SA, and together with the other four administrators, I ensure the administration, supervision and control of the company according to the objectives included in the Management Plan, approved by the BA resolution no. 36/10.10.2017. **KPIs for managerial performance were approved by the Ordinary General Meeting of Shareholders (OGMS).**

For more details, please refer to my Curriculum Vitae which is attached hereto.

Documents including responsibilities of the Board of Administration (BoA) and of the Director General.

■ **Companies Law No. 31/1990**, republished as amended and supplemented;

■ **Government Emergency Ordinance no. 109/2011 on corporate governance of state owned enterprises, as amended and supplemented (reporting duties);**

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

■ **Articles of Incorporation of Transgaz SA**, updated - Chapter V, Article 19 and Article 20;

■ **MANDATE Contract concluded;**

■ the **Organizational and Operational Rules (OOR) of the BoA** include information on: *the organization and operation of the BoA; the BoA tasks, the policy for management of conflicts of interest, operation mode, the liability of the administrators;*

■ the **Rules of Corporate Governance of Transgaz SA** include information on:

- *The role and duties of the Board of Administration;*
- *The structure of the Board of Administration;*
- *The appointment of the Board members;*
- *The remuneration of the Board members;*
- *The Advisory Committees of the Board of Administration;*
- *The executive management;*
- *The Code of Professional Conduct;*
- *The shareholders' rights and treatment;*
- *Transparency, Financial Reporting;*

- *Conflict of interest and transactions with stakeholders;*
- *Status of corporate information and CSR*

■ **The Internal Regulations on the organization and operation of the Advisory Committees established by the Board of Administration of the company** include information on:

- *The structure of the Advisory Committees;*
- *The members of the Advisory Committees;*
- *The duties of the Advisory Committees.*

the Nomination and Remuneration Committee;

the Audit and Rating Committee;

the Safety and Security Committee of the NTS;

the Strategy and Development Committee;

the Committee for Regulation and Relations with public authorities

The Advisory Committees constituted by the Board of Administration are responsible for carrying out analyses and for making recommendations to the Board of Administration in the specific areas, and to submit each semester to its attention reports on their activity.

■ The **Code of Ethics of Transgaz SA** in which the company employees become familiarized and support the ethical values and the assets of the company, observe and apply the rules on ethics, integrity, avoidance of any conflicts of interest, prevention and reporting of fraud, corruption and the reporting of irregularities within the organization.

Board of Administration business organization

■ Transgaz SA is administered in **one-tier management system**. The current **Board of Administration** consists of **5 members** and **was selected and appointed according to the provisions set forth in Government Emergency Ordinance no. 109/2011** on corporate governance of state-owned enterprises, as amended and supplemented;

■ For the effective management of the company, the administrators **decided to establish throughout the company an organizational entity – the Secretariat Service for the BoA and the GMS**, an entity that provides the **secretariat activities for all the powers of the Board of Administration/General Meeting of Shareholders** pursuant to the provisions set forth in Government Emergency Ordinance no. 109/2011, as amended and

supplemented; Law no. 24/2017 on issuers of financial instruments and market operations; Regulation no 5/2018 of the Financial Supervision Authority, updated;

■ **Together with the other administrators we have decided that, in order to ensure the compliance of the administrative decisions / top management actions with the requirements** of the regulatory documents regarding the companies, the corporate governance, the capital market, the transparency, the communication, **the overall activity of the Board of Administration has to be consistent with a procedure and permanently** in line with the legal regulations related to the business of the company;

■ **For documenting the activities during the mandate of the Board of Administration, the following documents are filed chronologically, according to the legal provisions in force by the Secretariat Service for the BoA and the GMS:**

- the agenda for each Board meetings;
- the minutes of the Board meetings;
- the decisions of the Board of Administration together with the documents that were the basis for making such decisions (reports, essays, briefings, etc.);
- the minutes of the Advisory Committees meetings;
- the reports of the Advisory Committees within the Board of Administration;
- the documents calling the Ordinary General Meeting of Shareholders and the Extraordinary General Meeting of Shareholders;
- the minutes of the Ordinary General Meeting of Shareholders and of the Extraordinary General Meeting of Shareholders;
- the decisions made by the Ordinary General Meeting of Shareholders and the Extraordinary General Meeting of Shareholders together with the documents that were the basis for making such decisions;
- other documents / addresses / received by the Board of Administration for information / analysis / ordering of measures.

■ **All the work that I have undertaken regarding the management of the company has been into full responsibility, professional ethics, integrity and transparency, efficiency and competitiveness, subject to sustainability and in line with the**

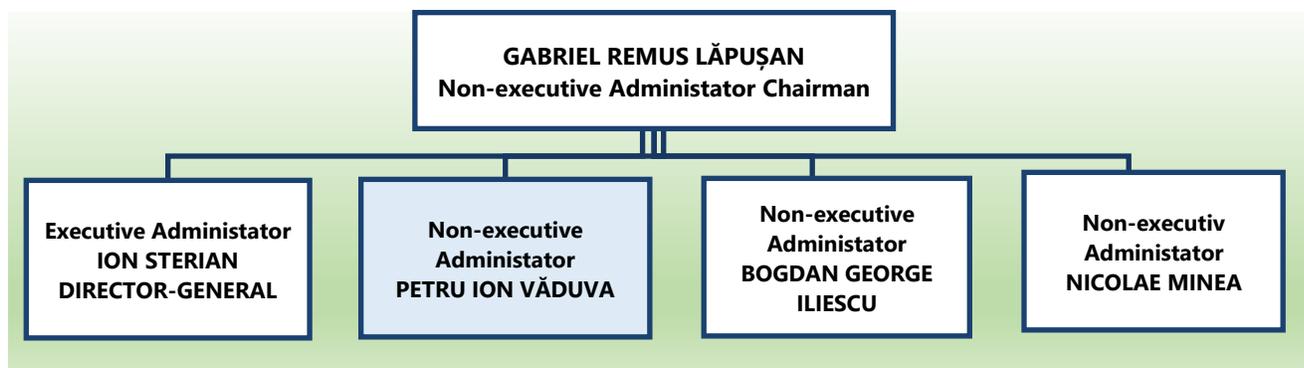
| | |
|---|--|
| | Articles of Incorporation of the Company, the Mandate Agreement signed and the best corporate governance practices. |
| Policies and procedures on the organization and conducting of Board of Administration activities | <p>■ Process Procedures (PP) and Work Instructions (WI) established for the organization and performance in line with the relevant legal framework of the specific activities of the Board of Administration are:</p> <ul style="list-style-type: none">- PP SF 01 - ORGANIZATION AND CONDUCT OF THE GENERAL MEETINGS of the SHAREHOLDERS edition 1, revision 0;- PS 10 SMI - ORGANIZATION AND CONDUCT OF THE MEETINGS OF THE BOARD OF ADMINISTRATION edition 1, revision 0 and revision 1 of August 2020;- IL 01 PS 10 SMI - ISSUE OF EXTRACTS OF RESOLUTIONS AS GMS edition 1, revision 0;- Process sheet PS 10 SMI - Organization and conduct of meetings of the Board of Administration, edition 1, revision 0 <p>■ Policies and procedures existing throughout the Board of Administration, according to Government Emergency Ordinance no. 109/2011 on corporate governance of state-owned enterprises, as subsequently amended and supplemented:</p> <ul style="list-style-type: none">- Policy on management of conflicts of interest;- Policy on dividend distribution – draft;- Policy on risk management;- Policy on transactions with `related parties`;- Policy on sponsorship;- Policy on internal and external communication <p>Note:</p> <p>Given that, at regional, European and national level there is strong focus on increasing transparency in business, the elimination of corruption and implementation of best corporate governance practices in the administration and management of companies with majority state capital, I analysed together with the other administrators, the drawing up at the Board of Administration level, a new policy, namely: The policy on transparency, information dissemination, data governance and anticorruption, a document that shall allow the Board to develop a referential framework to stimulate the stakeholders' confidence in the decisions and resolutions</p> |

| | |
|---|--|
| | <p>made by the Transgaz administrators and in the actions taken by the company management.</p> |
| | |
| <p>Information and communication</p> | <p>To ensure accurate and timely information of all stakeholders on the activity of the company, I have closely watched, monitored and coordinated the communication and public information activity, so that it is in line with the reporting requirements incumbent to Transgaz, as a listed company and as a transmission system operator, an important player on the national and international energy scene.</p> <p>The guidelines pursued with priority in this regard are contained in the `Policy of the Board of Administration on internal and external communication` and are taken over in the of the company's Overall Communication Management Plan mainly focused on issues such as:</p> <ul style="list-style-type: none">- permanently alignment of our website with the requirements of transparency and dissemination of information imposed by the good corporate governance practices;- the performance of public communications and financial reporting consistent with the legal provisions related to our business;- the provision of correct, complete and timely information and of equal and non-discriminatory treatment during the provision of information to all Transgaz shareholders;- the provision of efficient logistic support (including the Conference Room) for the organization and performance of the Board meetings and of the General Assemblies of Shareholders;- the dissemination of Board decisions pursuant to the procedures established;- the publication, pursuant to the law, of the convening notices and of the decisions made by the General Meeting of Shareholders on the company's website;- maintaining a permanent communication with the top management;- the improvement of the internal and external relations of the company. |
| | |

Documentation on the management control and supervision System, financial reporting and self-assessment of the Board of Administration

- Management plan of SNTGN Transgaz SA for the period between 2017 -2021;
- Report on the administrators' activity, drawn up pursuant to Government Emergency Ordinance no. 109/2011, amended and supplemented as follows:
 - Every six months, submitted to the Ordinary General Meeting of Shareholders (OGMS) to take note of the administrators' activity;
 - each year – submitted for approval to the OGMS together with the approval of the annual financial statements and the discharge of the administrators;
- Quarterly Report on the performance of the Director General's mandate, drawn up pursuant to Government Emergency Ordinance no. 109/2011, as amended and supplemented.
- Quarterly, half-yearly, annual financial reports pursuant to IFRS-EU
- Statutory Auditor's Report;
- Internal Auditor's Report;
- Management's report on the financial statements;
- Assessment Report pursuant to the Internal Control / Managerial System;
- Report (CSR) on Corporate Social Responsibility
- Declaration APPLY or EXPLAIN/ the status of compliance with the new Code of Corporate Governance of the BSE;
- Declaration of accession to the National Anticorruption Strategy for the period 2016 - 2020

Organization Chart of the Board of Administration



| Surname and given name(s) | Capacity in the Board | Legal basis under which the person was appointed | Mandate term |
|---------------------------|-----------------------|--|--------------|
|---------------------------|-----------------------|--|--------------|

Translation from Romanian

| | | | |
|-----------------------------|--|---|----------------------------|
| LĂPUȘAN REMUS GABRIEL | Non-executive Administrator Chairman of the Board of Administration | OGMS Resolution no. Interim administrator 3/19.06.2017 Art.2 | 11.07.2017 – 29.04.2021 |
| | | OGMS Resolution no. Interim administrator 7/23.10.2017 Art.3 | |
| | | OGMS Resolution no. Administrator 13/28.12.2017 Art.1 | |
| | | BA Resolution no. Appointed as 11/18.03.2019 Art.1 Chairman of the Board of Administration | |
| STERIAN ION | Executive Administrator Director General | OGMS Resolution no. Administrator 1/27.04.2017 art.11,12 (mandate renewal) | 4 years |
| | | OGMS Resolution no. Appointed acting 15/16.05.2017 art.3 Director General | |
| | | BoA Resolution no. appointed Director 24/21.07.2017 Art.2 General | |
| VĂDUVA PETRU ION | Non-executive Administrator | OGMS Resolution no. Administrator 1/27.04.2017 Art.11,12 (mandate renewal) | 4 years |
| ILIESCU BOGDAN GEORGE | Non-executive Independent Administrator | OGMS Resolution no. Administrator 1/27.04.2017 Art.11,12 (mandate renewal) | 4 years |
| MINEA NICOLAE | Non-executive Independent Administrator | OGMS Resolution no. Interim administrator 3/19.06.2017 Art.2 | 11.07.2017 – 29.04.2021 |
| | | OGMS Resolution no. Interim administrator 7/23.10.2017 Art.3 | |
| | | OGMS Resolution no. Administrator 13/28.12.2017 Art.1 | |

Composition of the Advisory Committees

The composition of the Advisory Committees (equivalent to the mandate term) established under the Board of Administration, pursuant to Law No. 31/1990, Article 138[^]1, paragraph 2, Article 138[^]2, paragraph 2, Article 140[^]2, paragraphs (1) and (2), Government Emergency Ordinance no. 109/2011, Article 34, Article 35, paragraph 2 and Article 55, paragraphs (2) and (3) of the Code of Corporate Governance is as follows:

| 1. NOMINATION AND REMUNERATION COMMITTEE | | |
|--|--|-------------------------------------|
| VĂDUVA PETRU ION | non-executive administrator | BoA Resolution no. 5/ 16.05.2017 |
| MINEA NICOLAE | non-executive administrator, independent | BoA Resolution no. 22/11.07.2017 |
| ILIESCU BOGDAN GEORGE | non-executive administrator, independent | BoA Resolution no. 13/29.07.2013 |
| 2. RATING AND AUDIT COMMITTEE | | |
| ILIESCU BOGDAN GEORGE | non-executive administrator, independent, | BoA Resolution no. 13/29.07.2013 |

| | | |
|--|---|-------------------------------------|
| | <i>Chairman of the Audit and Rating Committee</i> | |
| MINEA NICOLAE | non-executive administrator, independent | BoA Resolution no. 22/11.07.2017 |
| LĂPUȘAN REMUS GABRIEL | non-executive administrator, independent | BoA Resolution no. 22/11.07.2017 |
| 3. NTS SAFETY AND SECURITY COMMITTEE | | |
| STERIAN ION | executive administrator | BoA Resolution no. 15/16.05.2017 |
| VĂDUVA PETRU ION | non-executive administrator, independent | BoA Resolution no. 15/16.05.2017 |
| LĂPUȘAN REMUS GABRIEL | non-executive administrator, independent | BoA Resolution no. 22/11.07.2017 |
| 4. STRATEGY AND DEVELOPMENT COMMITTEE | | |
| STERIAN ION | executive administrator | BoA Resolution no. 15/16.05.2017 |
| VĂDUVA PETRU ION | non-executive administrator, independent | BoA Resolution no. 15/16.05.2017 |
| ILIESCU BOGDAN GEORGE | non-executive administrator, independent | BoA Resolution no. 13/29.07.2013 |
| MINEA NICOLAE | non-executive administrator, independent | BoA Resolution no. 22/11.07.2017 |
| 5. COMMITTEE FOR REGULATION AND RELATIONS WITH PUBLIC AUTHORITIES | | |
| STERIAN ION | executive administrator | BoA Resolution no. 15/16.05.2017 |
| VADUVA PETRU ION | non-executive administrator, independent | BoA Resolution no. 15/16.05.2017 |
| LĂPUȘAN REMUS GABRIEL | non-executive administrator, independent | BoA Resolution no. 22/11.07.2017 |

The entire activity of the Board of Administration of SNTGN Transgaz SA, since taking office in April 2017, following the selection conducted pursuant to Government Emergency Ordinance no. 109/2011, is detailed in the **Report of the Board of Administration** drawn up **quarterly/ annually** and is submitted for presentation / approval by the General Meeting of Shareholders.

The Report of the Board of Administration is public and can be found at the following address: <http://www.transgaz.ro/ro/informații-investitori/raportari-anuale>.

The work undertaken by the Board members within the Advisory Committees is shown in the **Reports prepared by them and submitted quarterly to the Board of Administrators**.

2. Mandate, strategy, objectives - Commitments and Achievements

By adopting Government Emergency Ordinance no. 109/2011 on corporate governance in state owned enterprises, as subsequently amended and supplemented, the Romanian Government undertaken responsibility that, in the future, these companies to be removed from the political sphere and **to be run by professional managers transparently selected** by internationally and nationally recognized recruitment companies approved through a single process by all partners involved (the Government, the IMF, the EU).

In view of the fact that the efficiency and competitiveness of an economic operator mostly depend on the performance of its management, on the proper implementation of good corporate governance mechanisms during the operation of the company, pursuant to Government Emergency Ordinance no. 109/2011, **SNTGN TRANSGAZ SA has implemented the private management since May 2013.**

SNTGN TRANSGAZ S.A. Medias is the technical operator of the National Transmission System for Natural Gas and provides the compliance in terms of efficiency, transparency, safety, non-discriminatory access and competitiveness with the national strategy established for domestic and international transmission of natural gas, the dispatching of natural gas, research and designing in the field of natural gas transmission, consistent with the national and European laws and standards of quality, performance, environment and sustainable development.

Transgaz was among the pioneering companies of a new stage of development in the national economy, being a company pioneering the implementation of the private professional management. In this context, considering the need to ensure the energy security of the country through the development of mega projects aimed to facilitate the transmission of new natural gas resources discovered in the Black Sea, while keeping to a minimum the cost of natural gas transmission, **the company entered under private professional management in a crucial moment in its history.**

SNTGN TRANSGAZ SA has a unified one-tier management system and is managed by a Board of Administrators consisting of 5 members.

Thus, the new administrators of the company selected professionally (*the active Board of Administration*) took the office for the administration of SNTGN Transgaz SA, and immediately started to develop the **Management Plan of the company for the mandate duration between 2017 and 2021**, as set forth in Article 30, paragraph 1 of Government Emergency Ordinance no. 109/2011 on corporate governance of state-owned enterprises, as amended and supplemented.

Whereas the **Administration Plan of SNTGN Transgaz SA Mediaș for the period between 2017 and 2021** is a crucial tool of strategic planning on the administration of the company, a company listed on the BSE, I have given full attention, together with the other administrators, to the set objectives, the clear establishment of the trajectory for the efficient operational activity and sustainable development and I have succeeded in building and implementing it so that the management plan would be governed by a responsible, professional and ethical attitude in relation to all stakeholders (shareholders, employees, partners, community, authorities and state institutions, media, etc).

The Management Plan of SNTGN Transgaz for the period between 2017 and 2021 was approved, according to the legal provisions, by the Resolution BoA no. 36/10 October 2017 and updated annually by BoA resolution no 38/28 august 2018, BoA Resolution no 41/27 August 2019 and BoA resolution no 17/29 May 2020. The key performance indicators were approved by the company's shareholders under the Resolution no. 12/19.12.2017 (art. 1) of the Ordinary General Meeting of the Shareholders and updated annually.

While empowering the importance of its mission for the country and for the company, the private, professional management of Transgaz is committed to ensure transparent, efficient and optimal corporate governance which, by making the most of the existing and future opportunities, to enable the company to achieve excellence in business, transforming it into a natural gas transmitter recognized on the international market of natural gas, a leader on the energy market in the region, thereby contributing to the definition of Romania as an important energy corridor for natural gas to Europe.

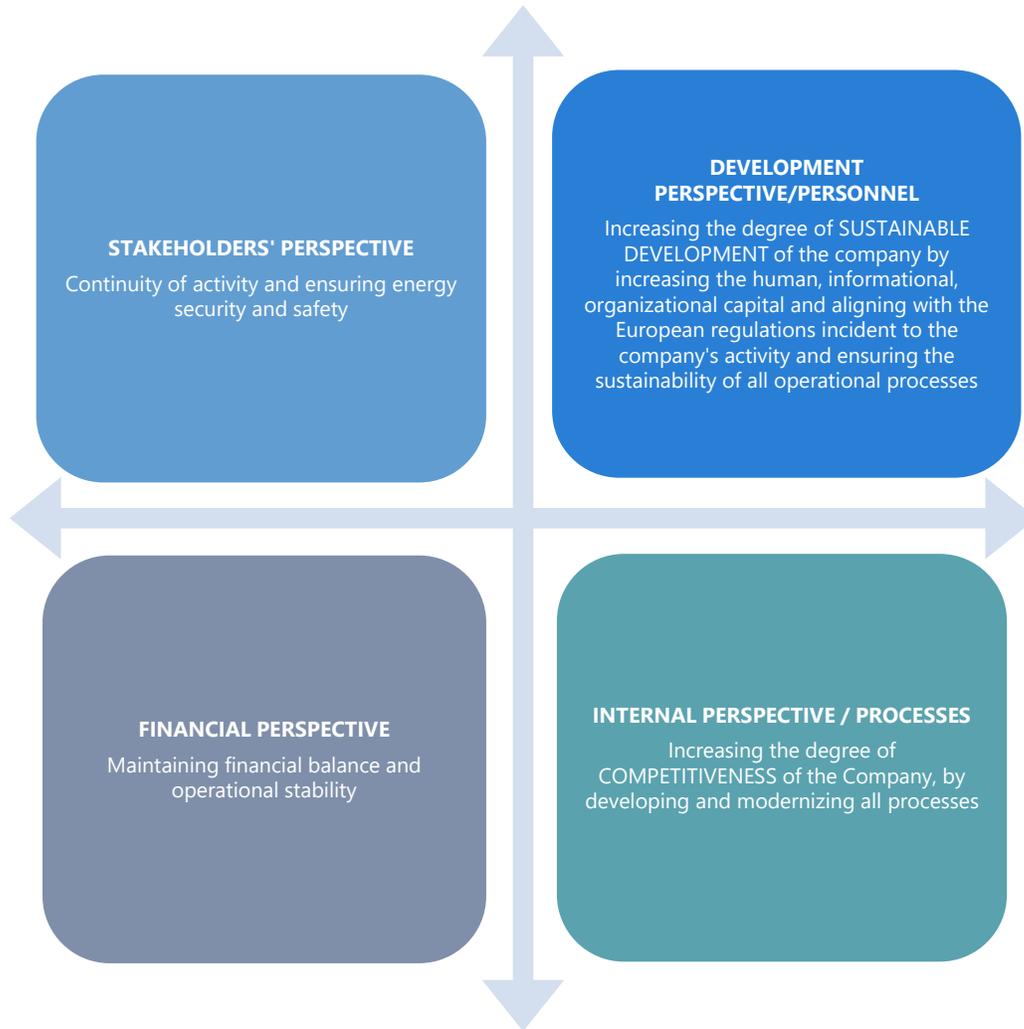
The Management Plan of the national gas transmission system operator prepared for the period between 2017 and 2021 confirms the strategic vision of the administrators regarding:

- ***efficiency and operational stability;***
- ***energy safety and security;***
- ***performance optimization;***
- ***sustainable development of the company.***

Starting from the overall diagnosis of the activity carried out and of the prerequisites of the environment in which it operates, while capitalizing with maximum efficiency all the existing and future opportunities, the **Management Plan for the period between 2017 and 2021** we rigorously structured the strategic directions for action on the management of resources, operational and management processes of the company in order to achieve maximum efficiency for the established performance targets and transforming the company into a

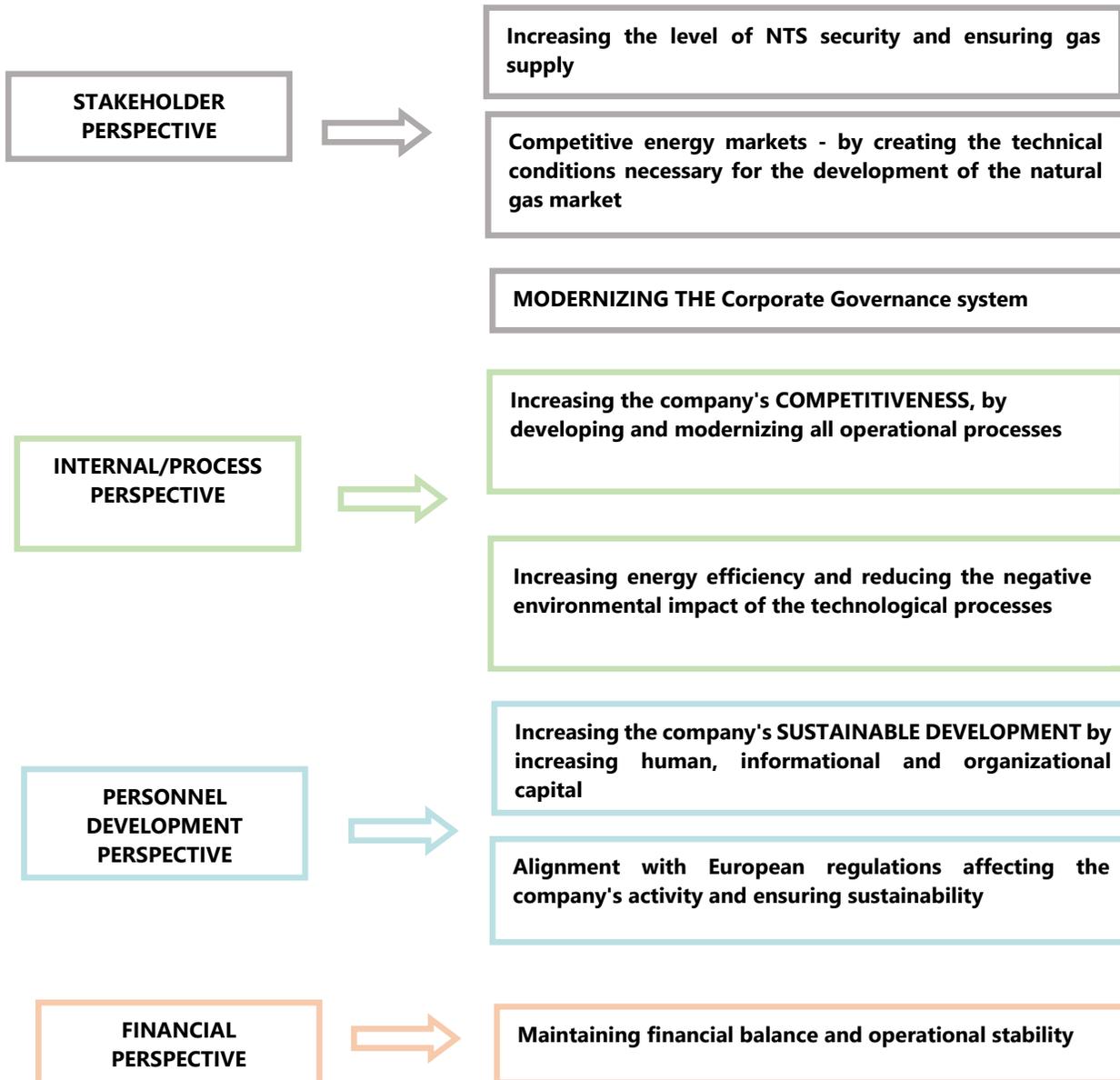
company with international recognition, a leader on the energy market in the region, which could help define Romania as an important energy corridor for natural gas to Europe.

Reconsidering activity of SNTGN Transgaz SA depending on the evolution of the European and national energy sector, the future objectives of the European energy policy, the priorities of the national energy strategy, the changes in the environment in which the company operates, the objectives and directions for the administration of the company established for the period between 2017 and 2021 are directed mainly towards the following areas:



The administrators of SNTGN TRANSGAZ S.A. Medias considered that the objectives set out in the Management Plan of the company for the period between 2017 and 2021, the objectives then taken over by the Director General and the executive management in the Management component of the Management Plan, as they are listed below, shall reach the desires regarding the improvement of the company efficiency and its redefining in line with the requirements of the modern standards of performance and competitiveness at regional, European and international levels.

BALANCED SCORECARD FOR TRANSGAZ` MANAGEMENT STRATEGY FOR THE PERIOD 2017-2021



In accordance with the strategic objectives of the **Management Component on the business continuity and ensuring energy security and safety, increasing the COMPETITIVENESS of the company, by developing and modernizing the NTS, increasing the SUSTAINABLE DEVELOPMENT of the company by increasing information, human capital and maintaining financial balance and operational stability**, Director General prepared the Management Component, in accordance with the

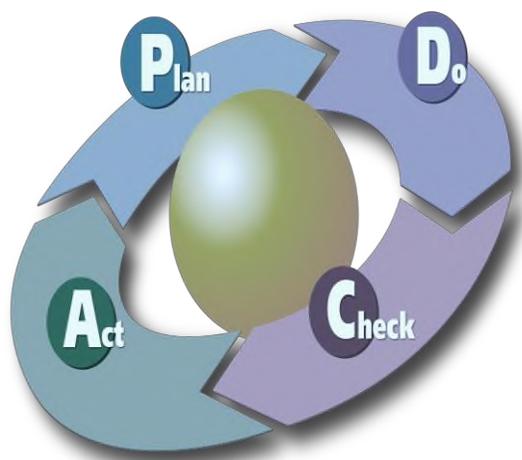
provisions of art. 36 paragraph 1 of the Government Emergency Ordinance no. 109/2011 on the corporate governance of public enterprises as amended.

The management component includes the vision of the general and executive management regarding the measures that will be taken to fulfill the strategic objectives included in the Management component and the performance criteria and objectives under the mandate contract.

The management component of SNTGN TRANSGAZ SA Mediaș for the period 2017-2021 focuses on EXECUTION, as a discipline that brings things to a successful end, on PERFORMANCE OBJECTIVES, on the correlative and simultaneous achievement of the EFFICIENCY and EFFECTIVENESS of the managerial systems at methodological, organizational, informational and decisional level, in order to increase the company's economic-social and managerial performance.

In accordance with the assumed mission, the **Management Component of SNTGN TRANSGAZ SA is PDCA (Plan-Do-Check-Act) type and includes the following stages:**

- **Strategic and budgetary forecasting / programming;**
- **Implementation of programs and projects;**
- **Analysis and Control;**
- **Review / Update;**
- **Optimization.**



The management component includes for each of the strategic objectives established in the administration component, measures and ways of action to achieve these objectives, it being the main working tool for the company's management.

The Management Component together with the Administration Component and the financial and non-financial performance indicators form Transgaz' Management Plan for the period 2017-2021, which was approved by Resolution no. 36/ 10.10.2017 of the Board of Administration.

Commitments and achievements

With experience of more than 107 years in the transmission of natural gas, a strategic activity of the national economy, SNTGN TRANSGAZ SA is one of the largest national companies where the corporate governance model has been successfully implemented and is operated successfully.

The results achieved during the period between 2017 and 2021 are based on the measures and approaches of the Board of Administrators on the company's management, mainly by:

- Redesigning the organizational structure through a modern and efficient new organization chart consistent with the safe and secure activity requirements regarding the exploitation of the natural gas National Transmission System (NTS), its competitiveness and sustainable development;
- Improving the institutional relations at national level (the Parliament, the Government, ANRE, ANRM) and at international level with TSOs of countries of the European Union and other countries;
- Making the activity of the Advisory Committees efficient and responsible, including increased increasing the responsibility of the operational personnel;
- Optimizing the operational, investment and development activity, improving the works related to the operational activity

The presentation of the manner the strategic objectives undertaken under the Management Plan of the company for the period between 2017 and 2021 have been met is illustrated below (and presented in detail in Annexes 1-4):

| PERSPECTIVES | STRATEGIC OBJECTIVE | LINES OF ACTION | General objectives | Status | |
|--------------|---|--|---|---|-------------------|
| STAKEHOLDERS | 1. Continuity of activity and ensuring energy security and safety. | <i>1.1 Increasing the level of NTS security and ensuring the gas supply.</i> | 1.1.1 Completion of strategic investment projects included in the 10-year NTS Development Plan | Achieved according to the planning | Continuous |
| | | | 1.1.2 Expansion and modernization of natural gas transmission infrastructure to improve natural gas supply (modernization development investment) | Achieved according to the planning | Continuous |
| | | | 1.1.3 Rehabilitation of gas transmission pipelines in order to ensure the technical parameters necessary for natural gas transmission (NTS repairs and rehabilitation). | Ongoing | Continuous |
| | | | 1.1.4 Increasing the degree of adaptability and responsiveness of the system to permanent environmental changes. | Achieved according to the planning | Continuous |

Translation from Romanian

| PERSPECTIVES | STRATEGIC OBJECTIVE | LINES OF ACTION | General objectives | Status | |
|--------------|---------------------|--|--|------------------------------------|--------------------------------|
| | | | 1.1.5 Increasing the degree of operational safety through local automation. | Ongoing | Continuous |
| | | | 1.1.6. Ensuring the physical security and integrity of the facilities of SNTGN „TRANSGAZ” SA. | Ongoing | Continuous |
| | | | 1.1.7 Prevention and intervention in case of emergencies. | Achieved according to the planning | Continuous |
| | | | 1.1.8 Ensuring the security of critical infrastructures. | Ongoing | Continuous |
| | | 1.2 Competitive energy markets - by creating the technical conditions necessary for the development of the natural gas market. | 1.2.1 Ensuring permanent and non-discriminatory access to the natural gas transmission system and to international interconnections. | Achieved according to the planning | Continuous |
| | | | 1.2.2 Diversification of natural gas supply sources and routes. | Achieved according to the planning | Continuous |
| | | | 1.2.3 Ensuring technological parameters at all interconnection points. | Achieved according to the planning | Continuous |
| | | 1.3 Modernization of the Corporate Governance System | 1.3.1 Increasing transparency and standardizing the display of information of public interest. | Achieved according to the planning | Continuous |
| | | | 1.3.2 Increasing institutional integrity. | Achieved according to the planning | Continuous |
| | | | 1.3.3 Publication and management of insider dealing and market abuse strategy. | Achieved according to the planning | Continuous |
| | | | 1.3.4 Optimizing the risk management process. | Achieved according to the planning | Continuous – updated regularly |
| | | | 1.3.5 Improving the process of general, internal and external communication of the company, reputation and image capital. | Ongoing | Continuous |
| | | | 1.3.6 Increasing market value, stock market capitalization and investor confidence in the company's shares | Achieved according to the planning | Continuous |
| | | | 1.3.7 Optimizing the model of social responsibility and sponsorship policy. | Achieved according to the planning | Continuous |

Translation from Romanian

| PERSPECTIVES | STRATEGIC OBJECTIVE | LINES OF ACTION | General objectives | Status | | | |
|--|---|---|--|---|---|------------------------------------|------------|
| INTERNAL/ PROCESSES | 2. Increasing the degree of COMPETITIVENESS of the company. | 2.1 Development and modernization of all operational processes. | 2.1.1 Optimization and efficiency of management systems and processes in the company, the quality of execution of operational processes and their alignment with the requirements of the Integrated Management System Quality Environment Health and Occupational Safety (SMICMSSO) and modern standards of performance and competitiveness. | Achieved according to the planning | Continuous | | |
| | | | 2.1.2 Remote NTS control via automation systems and SCADA system. | Ongoing | Continuous | | |
| | | 2.2 Increasing energy efficiency and reducing the negative impact of technological processes on the environment | 2.2.1 Reduction of technological consumption and maintenance within reasonable limits compared to the state of the NTS | Achieved according to the planning | Continuous | | |
| | | | 2.2.2 Promoting renewable energy supply solutions. | Ongoing | Continuous | | |
| | | | 2.2.3 Pollution prevention. | Achieved according to the planning | Continuous | | |
| | | DEZVOLTĂRII PERSONAL | 3. Increasing the degree of the company's SUSTAINABLE DEVELOPMENT by increasing the capital and aligning with the European regulations applicable to the company's activity and ensuring sustainability. | 3.1 Optimization of human resources management processes. | 3.1.1 Optimal sizing of human resources needs in relation to the real needs of activity and development of the company. | Achieved according to the planning | Continuous |
| | | | | | 3.1.2 Improving the process of the staff's training, education and professional development. | Achieved according to the planning | Continuous |
| 3.1.3 Ensuring the certification of the Integrated Management System Quality Environmental Health and Occupational Safety according to the standards SR EN ISO 9001: 2015, SR EN ISO 14001: 2015 and SR-OHSAS 18001: 2008. | Achieved according to the planning | | | | Continuous | | |
| 3.1.4 Improving occupational safety and security. | Achieved according to the planning | | | | Continuous | | |
| 3.2 Alignment with national and European regulations applicable to the company's activity. | 3.2.1 Ensuring compliance with legal requirements regarding the company's authorization and licensing in the natural gas field. | | | Achieved according to the planning | Continuous | | |
| | 3.2.2 Documentation and information on the obligations and related implementation deadlines stipulated in European regulations. | | | Achieved according to the planning | Continuous | | |

Translation from Romanian

| PERSPECTIVES | STRATEGIC OBJECTIVE | LINES OF ACTION | General objectives | Status | |
|------------------|--|--|--|---|-------------------|
| | | | 3.2.3 Participation in public consultations initiated by various authorities/institutions. | Achieved according to the planning | Continuous |
| | | | 3.2.4 Collaboration with European transmission system operators. | Realizat conform planificării | Continuous |
| FINANCIAL | 4. Maintaining financial balance and operational stability. | 4.1 Ensuring sustainable financial, economic and social performance. | 4.1 Maintaining financial balance and operational stability. | Achieved according to the planning | Continuous |
| | | | 4.2 Ensuring a level of cash flow that covers the long-term and short-term needs of the company. | Achieved according to the planning | Continuous |
| | | | 4.3 Reducing losses, overdue payments, consumption and operating costs. | Achieved according to the planning | Continuous |

After summarizing the data presented above in a matrix of the strategic objectives undertaken under the Management Plan undertaken by SNTGN Transgaz SA in the period between 2017 and 2021 and the way the company acted in order to achieve/fulfil them, we achieve the following assessment (as at 31 December 2020):

34 ASSUMED GENERAL OBJECTIVES of which:

**27 OBJECTIVES – Achieved as planned;
7 OBJECTIVES – ongoing and continuous**

3. Performance objectives and criteria pursuant to the mandate - Degree of fulfilment

Because performance matters on the road to excellence, the Board of Administration of SNTGN Transgaz SA had in view the determination of the performance criteria and objectives, SMART performance indicators metering the business, profitability and productivity, effectiveness of quantitative and qualitative objectives set and expressing the company's strategic development direction and its dynamics between 2017 and 2021.

Although all performance indicators are important, some indicators are important at strategic level and they are the ones that are part of the functional areas of the company.

Throughout the process of strategic forecast regarding the administration of SNTGN TRANSGAZ S.A. in the period between 2017 and 2021, the changes to the current strategy are translated into strategic objectives that determine the reasons why new initiatives for the company's managerial redesign and the use of major investment programs for the development and modernization of the NTS, for business development and international cooperation are appropriate and necessary for the sustainable development of the company.

The performance criteria and objectives established in the Administration Plan of SNTGN Transgaz SA for the period between 2017 and 2021 also appear in the Management Plan and are deemed as economic, financial and managerial performance objectives for the management of the company.

3.1. Standard performance indicators

| No | Indicator | | 2017 | 2018 | 2019 | 2020 preliminary |
|----|---|---|---|----------------|----------------|------------------|
| 1. | Commissioned investments (lei thousand) | Performance objective | Achievement of the planned level | | | |
| | | Weighting coefficient | 0,15 | 0,15 | 0,15 | 0,15 |
| | | Management Plan | 92.670 | 187.956 | 206.991 | 524.685 |
| | | Achieved | 54.286 | 113.334 | 57.400 | 1.694.816 |
| | | Degree of achievement | 58,58% | 60,30% | 27,73% | 323,02% |
| | | Level of achievement depending on the weighting coefficient | 8,79% | 9,04% | 4,16% | 48,45% |
| 2. | EBITDA (lei thousand) | Performance objective | EBITDA increase | | | |
| | | Weighting coefficient | 0,15 | 0,15 | 0,15 | 0,15 |
| | | Management Plan | 565.892 | 458.599 | 329.594 | 349.317 |
| | | Achieved | 849.201 | 749.506 | 587.914 | 478.828 |
| | | Degree of achievement | 150,06% | 163,43% | 178,38% | 137,08% |
| | | Level of achievement depending on the weighting coefficient | 22,51% | 24,52% | 26,76% | 20,56% |

Translation from Romanian

| No | Indicator | | 2017 | 2018 | 2019 | 2020 preliminary |
|--------------|--|--|---|----------------|----------------|------------------|
| 3. | Work productivity (lei thousand/person) | Performance objective | Increasing labor productivity in value units (turnover/ average number of staff) | | | |
| | | Weighting coefficient | 0,15 | 0,15 | 0,15 | 0,15 |
| | | Management Plan | 321 | 301 | 311 | 336 |
| | | Achieved | 396 | 407 | 436 | 355 |
| | | Degree of achievement | 123,39% | 134,92% | 140,13% | 105,65% |
| | | Level of achievement depending on the weighting coefficient | 18,51% | 20,24% | 21,03% | 15,85% |
| 4. | Outstanding payments (lei thousand) | Performance objective | Making payments within the contractual term (in current prices) | | | |
| | | Weighting coefficient | 0,15 | 0,15 | 0,15 | 0,15 |
| | | Management Plan | 0 | 0 | 0 | 0 |
| | | Achieved | 0 | 0 | 0 | 0 |
| | | Degree of achievement | 100% | 100% | 100% | 100% |
| | | Level of achievement depending on the weighting coefficient | 15% | 15% | 15% | 15% |
| 5. | Outstanding receivables (lei) | Performance objective | Reducing the volume of outstanding receivables (in current prices) | | | |
| | | Weighting coefficient | 0,1 | 0,1 | 0,1 | 0,1 |
| | | Management Plan | 255.126 | 289.858 | 299.855 | 387.842 |
| | | Achieved | 307.210 | 315.637 | 404.509 | 464.287 |
| | | Degree of achievement | 83,05% | 91,83% | 74,13% | 83,53% |
| | | Level of achievement depending on the weighting coefficient | 8,30% | 9,18% | 7,41% | 8,35% |
| 6. | NTS gas consumption (%) | Performance objective | Framing in the quantities of natural gas representing technological consumption | | | |
| | | Weighting coefficient | 0,15 | 0,15 | 0,15 | 0,15 |
| | | Management Plan | 100% | 100% | 100% | 100% |
| | | Achieved | 37% | 70% | 82,97% | 92,38% |
| | | Degree of achievement | 270,42% | 143,24% | 120,52% | 108,25% |
| | | Level of achievement depending on the weighting coefficient | 40,57% | 21,49% | 18,08% | 16,47% |
| 7. | Operating expenses per 1000 lei operating income (lei) | Performance objective | Reduction of operating expenses to 1,000 lei operating income | | | |
| | | Weighting coefficient | 0,15 | 0,15 | 0,15 | 0,15 |
| | | Management Plan | 769,00 | 838,00 | 906,00 | 906,00 |
| | | Achieved | 614,00 | 650,91 | 751,00 | 825,00 |
| | | Degree of achievement | 125,34% | 128,74% | 120,70% | 109,82% |
| | | Level of achievement depending on the weighting coefficient | 18,80% | 19,31% | 18,10% | 16,47% |
| TOTAL | | Level of achievement depending on the weighting coefficient | 132,48% | 118,78 | 110,53% | 140,93% |

Table 1- The degree of achievement of the standard performance indicators in the period 2017 - 2020

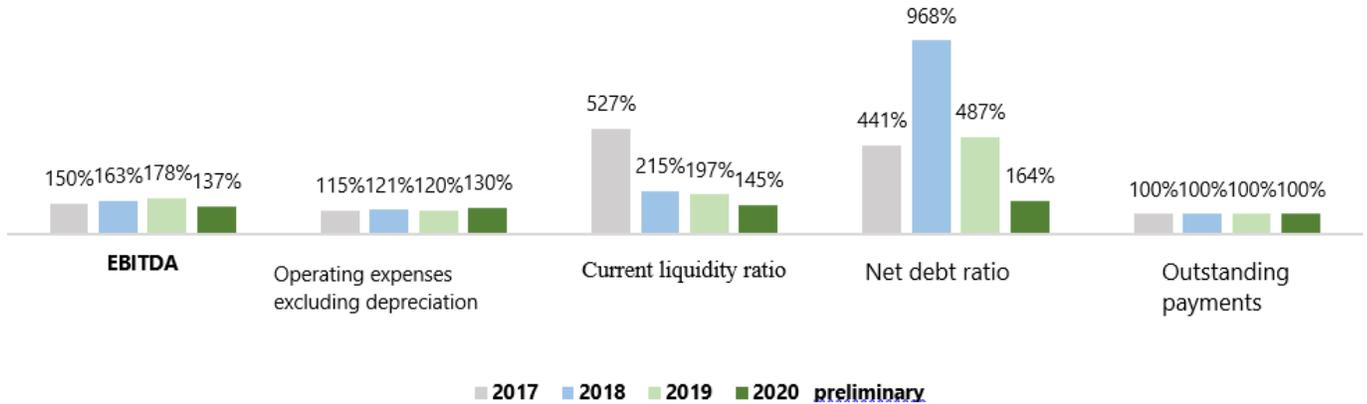
3.2. Performance criteria and objectives for the calculation of the variable component of the remuneration

Key financial performance indicators

| Nr. crt. | Indicator | | 2017 | 2018 | 2019 | 2020 preliminary |
|----------|--|-----------------------|--|-----------|-----------|------------------|
| 1. | EBITDA (lei thousand) | Performance objective | Achieving the EBITDA target undertaken in the Management Plan | | | |
| | | Management Plan | 565.892 | 458.599 | 329.594 | 349.317 |
| | | Achieved | 849.201 | 749.506 | 587.914 | 478.828 |
| | | Degree of achievement | 150,06% | 163,43% | 178,38% | 137% |
| 2. | Operating expenses excluding depreciation (lei thousand) | Performance objective | Maintaining the level of operating expenses at the level undertaken in the Management Plan. | | | |
| | | Management Plan | 952.321 | 1.002.101 | 1.070.891 | 1.095.239 |
| | | Achieved | 831.262 | 825.782 | 794.795 | 845.452 |
| | | Degree of achievement | 115% | 121% | 120% | 130% |
| 3. | Immediate liquidity rate | Performance objective | Current liquidity rate (acid test) to record annual values over 1. | | | |
| | | Management Plan | 1 | 1,39 | 0,91 | 1,11 |
| | | Achieved | 5,27 | 2,99 | 1,79 | 1,61 |
| | | Degree of achievement | 527% | 215% | 197% | 145% |
| 4. | Net debt ratio | Performance objective | Maintaining a level of the net borrowing rate below the limits established for obtaining bank financing, respectively: 3 -2017; 3- 2018; 5.5 -2019; 5.5-2020; 4-2021 | | | |
| | | Management Plan | 3 | 3,00 | 5,5 | 5,5 |
| | | Achieved | 0,68 | 0,31 | 1,13 | 3,36 |
| | | Degree of achievement | 441% | 968% | 487% | 164% |
| 5. | Outstanding payments | Performance objective | Maintaining outstanding payments at zero | | | |
| | | Management Plan | 0 | 0 | 0 | 0 |
| | | Achieved | 0 | 0 | 0 | 0 |
| | | Degree of achievement | 100,00% | 100,00% | 100,00% | 100,00% |

Table 2 - The achievement of the financial performance indicators for the calculation of the remuneration variable component for the period between 2017 – 30 September 2020

Achievement degree-key financial performance indicators



| No. | Indicator | Objective | 2017 | | 2018 | | 2019 | | 2020 | |
|---|--|---|-----------------------------|-------------|-----------------------------|---------------|-----------------------------|------------|-----------------------------|----------------------|
| | | | Planned | Achieved | Planned | Achieved | Planned | Achieved | Planned | Preliminary Achieved |
| Operational | | | | | | | | | | |
| 6 | Monitoring the Implementation and Investment Strategy | Achievement of the FID projects from the 10 years Development Plan I = (achieved + initiated actions)/proposed actions | Measures in TYNDP 2017-2026 | 100% | Measures in TYNDP 2018-2027 | 100% | Measures in TYNDP 2018-2027 | 100% | Measures in TYNDP 2019-2028 | 100% |
| 7 | Increasing energy efficiency | Maintaining the share of the NTS gas consumption in the total circulated gas below 1% | <1 | 0,73 (137%) | <1 | 0,62 (161,3%) | <1 | 0,5 (200%) | <1 | 0,56% (178,6%) |
| Oriented towards public services | | | | | | | | | | |
| 8 | Performance indicators related to the gas transmission service | Achievement of the targets provided for in the Performance Standard for the gas transmission service (ANRE Order 161/26.11.2015 entered into force as at 1 October 2016) | 100% | 0% | 100% | 100% | 100% | 100% | 100% | 100% |
| Corporate governance | | | | | | | | | | |
| 9 | Implementing the internal/management control system | Implementing the provisions of the SGG Order no. 400/2015 on the approval of the Internal/management control Code of public enterprises as subsequently amended. I = implemented standards/standards provided by Order 400/2015*100 Achievement of the targets provided for in the | 94% | 100% | 94% | 100% | 94% | 100% | 94% | 100% |

Translation from Romanian

| No. | Indicator | Objective | 2017 | | 2018 | | 2019 | | 2020 | |
|-----|---|---|---------|---------------|---------|---------------|---------|----------|---------|----------------------|
| | | | Planned | Achieved | Planned | Achieved | Planned | Achieved | Planned | Preliminary Achieved |
| | | <i>Program for the implementation of SCIM I = measures achieved on time/proposed measures *100</i> | | | | | | | | |
| 10 | Customer satisfaction | <i>Achievement of the targets provided for in the administration plan (According to PP 165 Evaluation of Clients satisfaction, a score between 6-8 represents the fact that the services offered satisfied accordingly the requirements of the customers)</i> | 7,7 | 7,7 (100%) | 7,8 | 7,8 (100%) | 7,9 | 7,9 | 8 | 8 (100%) |
| 11 | Setting the risk management policies and risk monitoring | <i>Achievement of the targets provided for in the administration plan related to the implementation of the requirements of Standard 8 of SGG Order no. 400/2015 on the approval of the internal/management Control Code of public entities as subsequently amended.</i> | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| 12 | Timely reporting of the key performance indicators | <i>Compliance with the legal deadlines for reporting I = actual reporting deadlines/reporting deadlines provided *100</i> | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| 13 | Increasing institutional integrity by including the measures for the prevention of corruption as an element of the managerial plans | <i>Compliance with the measures undertaken by the approved Integrity Plan I = measures achieved within the deadline /proposed measures *100</i> | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

Table 3 - The achievement of the financial performance indicators for the calculation of the remuneration variable component for the period 2017 – 2020

PERFORMANCE CRITERIA FOR THE NATURAL GAS TRANSMISSION SERVICE

| Performance Indicator of the transmission service | Objective | Achieved 2017 | Achieved 2018 | Achieved 2019 | Achieved 2020 |
|---|--------------------|---------------|---------------|---------------|---------------|
| IPO Registration of requests/notifications/complaints regarding the natural gas transmission and system service | $IP_0^1 \geq 90\%$ | 0% | 98,43% | 92,44% | 99,72% |
| IP1 Observance of the gas delivery - takeover conditions | $IP_1^1 \geq 95\%$ | 100% | 100% | 100% | - |
| | $IP_1^2 \geq 95\%$ | 100% | 100% | 100% | - |
| | $IP_1^3 \geq 95\%$ | 100% | 99,53% | 100% | 100% |
| | $IP_1^4 \geq 95\%$ | 100% | - | 100% | 100% |
| | $IP_1^5 \geq 95\%$ | 100% | - | 100% | 100% |
| IP2 TS Access | $IP_2^1 \geq 95\%$ | 100% | 100% | 100% | 97,06% |
| | $IP_2^2 \geq 95\%$ | 100% | - | - | - |
| IP3 Connection to the TS | $IP_3^1 \geq 95\%$ | 100% | 100% | 100% | 100% |
| | $IP_3^2 \geq 95\%$ | 100% | - | - | - |
| | $IP_3^3 \geq 95\%$ | 0% | - | - | - |
| | $IP_3^4 \geq 95\%$ | 100% | 100% | - | - |
| IP4 Restoration of lands and/or goods affected by the execution of works at the TS facilities | $IP_4^1 \geq 95\%$ | 100% | - | - | - |
| IP5 Notification of unplanned limitations and / or interruptions and resumption of the gas transmission and system service | $IP_5^1 \geq 98\%$ | 78,16% | 99,70% | 100% | 100% |
| | $IP_5^2 \geq 98\%$ | 0% | 100% | 100% | 100% |
| IP6 Notification of planned limitations and/or interruptions and resumption of natural gas transmission and system service | $IP_6^1 \geq 98\%$ | 10,5% | 100% | 100% | 100% |
| | $IP_6^2 \geq 98\%$ | 78,12% | 100% | 100% | 100% |
| IP7 Resolving requests/notifications/ complaints regarding the provision of the natural gas transmission and system service, other than those treated separately under this standard | $IP_7^1 \geq 80\%$ | 76,39% | 92,04% | 96,77% | 87,86% |
| IP8 Tel Verde | $IP_8^1 \geq 98\%$ | 100% | 100% | 100% | 100% |
| | $IP_8^2 \geq 98\%$ | 100% | - | - | - |
| IP9 Realization of the obligation to pay the compensations due in accordance with the provisions of the performance standard for the natural gas transmission and system service | $IP_9^1 \geq 90\%$ | 100% | - | - | - |

Note: for the indicators marked with - no requests / notifications / complaints are registered, so the indicators are considered fulfilled according to the requirements of the Performance Standard, but the degree of fulfillment of these indicators cannot be determined by mathematical calculation.

Table 2– The degree of achievement of the standard performance indicators of the gas transmission service in the period 2017-2020

4. Activity carried out within the Advisory Committees

In order to comply with the capital market legal provisions (Law no 297/2004 on the capital market, as amended, and the Code of Corporate Governance of the Bucharest Stock Exchange), the Board of Administration approved by Resolution no 7/27.05.2013 the update of the structure of the Advisory Committees as follows:

- **the Nomination and Remuneration Committee;**
- **the Audit and Rating Committee;**
- **the NTS Safety and Security Committee;**
- **the Strategy and Development Committee;**
- **the Committee for Regulation and Relations with public authorities**

The Internal Regulations on the organization and operation of the Advisory Committees established by the company's Board of Administration (pursuant to Article 34, Article 35, paragraph 2 and Article 55, paragraph 2 and paragraph 3) (the latest version approved by BoA Resolution no. 39/17.12.2015) includes information on:

- the structure of the Advisory Committees;
- the members of the Advisory Committees;
- the duties of the Advisory Committees.

The Advisory Committees established by the Board of Administration are responsible for carrying out analyses and for making recommendations to the Board of Administration in the specific areas, submitting regular / quarterly reports on their activity.

The composition of the Advisory Committees (equivalent to the mandate term) established under the Board of Administration, pursuant to Law No. 31/1990, Article 138¹, paragraph 2, Article 138², paragraph 2, Article 140², paragraphs (1) and (2), Government Emergency Ordinance no. 109/2011, as amended and supplemented, Article 34, Article 35, paragraph 2 and Article 55, paragraphs (2) and (3), and of the Code of Corporate Governance is as shown in Chapter I:

I am a member of the following Advisory Committees:

| |
|--|
| 1. THE NOMINATION AND REMUNERATION COMMITTEE |
| 2. THE NTS SAFETY AND SECURITY COMMITTEE |
| 3. THE STRATEGY AND DEVELOPMENT COMMITTEE |
| 4. THE COMMITTEE FOR REGULATION AND RELATIONS WITH PUBLIC AUTHORITIES |

The activity carried out along with the other administrators, who are members in these Advisory Committees, was constructive, analytical and in line with the duties set for each of these Committees and has consisted primarily of:

- **Consultations** on the materials / documents prepared by various entities within the SNTGN Transgaz SA organizational structure (departments/divisions/services) and submitted to the **Committee**;
- **Analyses** carried out based on the following documents: Reports / Notes / Briefings;
- **Proposals / Measures / Recommendations** to the Board of Administration, after analyzing the submitted documents

In details, the activity carried out by the Advisory Committees is presented in the Reports concluded, reports stored in the archive of SNTGN Transgaz SA.

The Internal Regulations on the organization and operation of the Advisory Committees established at the Board of Administration include the tasks set out as follows:

THE NOMINATION AND REMUNERATION COMMITTEE

- coordinates the process for the appointing of Board members;
- develops and proposes to the Board of Administration the Procedure for election of Board members;
- makes recommendations for both the administrator position and for the occupation of vacancies in the Board of Administration;
- assesses the aggregate of professional skills, knowledge and experience of the Board of Administration, of the administrators and of other officers;
- establishes the requirements for the occupation of a certain position in the company management;
- develops and proposes to the Board of Administration the procedure for the selection of candidates for the positions of director and of other officers;
- recommends the Board of Administration candidates for the listed positions;
- applies the best corporate governance practices by improving knowledge of the company's business and constantly updating the professional skills of the Board members;
- develops the remuneration policy for administrators;
- submits to the General Meeting of Shareholders such remuneration policy for approval;
- makes proposals on the remuneration of directors and other officers;
- informs about the remuneration policy in the company Memorandum of Association / Rules of Corporate Governance;
- indicates in the Annual Report the total amount of the administrators and directors' direct and indirect remuneration, broken down per fixed and variable components of such remuneration; for the determination of the non-executive administrators' remuneration it

shall observe the principle of such remuneration being directly proportional to the responsibility and the time devoted to the duties by them;

- draws up an annual report on the remuneration and other benefits granted to administrators and directors during the financial year, a report which is submitted to the General Meeting of Shareholders and includes information set forth in Article 55, paragraph (3) of Government Emergency Ordinance no. 109/2011 on the corporate governance of public enterprises.

THE NTS SAFETY AND SECURITY COMMITTEE

- periodically analyzes the list of Transgaz' critical infrastructure objectives and established security measures;
- ensures the necessary conditions for the implementation of protection measures for all the company's critical infrastructure objectives or under the authority/coordination of the company;
- monitors/re - updates own programs for the prevention and combating of terrorism through optimum physical and organizational measures with recommendations in this respect to the Board of Administration;
- monitors the compliance with the NTS maintenance upgrading and development programs as well as the manner of compliance with the technical norms for the operation and maintenance of production facilities.

THE STRATEGY AND DEVELOPMENT COMMITTEE

- assists the Board of Administration in fulfilling its responsibilities in developing and updating the overall development strategy of the company;
- analyses the opportunities identified for the development of the business and issues recommendations to the Board of Administration in relation to them;
- analyses and provides assistance to the Board of Administration regarding the company's directions of development and international cooperation;
- monitors and analyses the fulfilment of the strategic and action plans / programs regarding the obligations of Transgaz as a NTS technical operator and issuer on the stock exchange;
- makes proposals to improve and streamline the strategic, development and collaboration activity;
- makes recommendations to the Board of Administration on the effective operability of the strategic and action plans / programs;
- monitors and analyses the fulfilment of the performance indicators of the transmission system and of the economic and financial performance of the company's business.

THE COMMITTEE FOR REGULATION AND RELATIONSHIP WITH PUBLIC AUTHORITIES

- assists the Board of Administration in analysing the regulatory activity and the legal obligations devolving upon the company in this field;

- monitors the compliance by the company with the obligations provided by the regulations incidental to the activity performed;
- analyses and submits proposals regarding the regulation framework to the Board of Administration.
- monitors the relationships with the public authorities and assists the BoA in the establishment and management of the collaboration policy;

THE NOMINATION AND REMUNERATION COMMITTEE

1. The Nomination and Remuneration Committee members are the following:

- **NICOLAE MINEA** **non-executive, independent administrator.**
- **PETRU ION VĂDUVA** **non-executive administrator;**
- **BOGDAN GEORGE ILIESCU** **non-executive, independent administrator;**

2. Specifications regarding the activities performed:

- **Consultations** regarding the documents prepared by organizational structures within SNTGN Transgaz SA (divisions / units / departments), submitted to the Strategy and Development Committee.
- **Analyses** performed based on the following documents: reports / notes
- **Proposals / Measures / Recommendations** following analysis of the presented documents

| No | Contents / The issues presented and analysed |
|-------------|--|
| 2017 | |
| 1. | The Report on the execution of the mandate of the Director general of SNTGN "Transgaz" SA for the first quarter of 2017 was analyzed. |
| 2. | The Report on the delegation of powers to the General Director of S.N.T.G.N. Transgaz S.A. |
| 3. | The report on the initiation of the selection procedure for the directors of SNTGN Transgaz SA was prepared. |
| 4. | The selection procedure for the directors of SNTGN Transgaz SA was prepared. |
| 5. | The template of the mandate contract with the fixed component of the remuneration of the General Manager of SNTGN TRANSGAZ SA was prepared |
| 6. | The Addendum no. 1 to the Mandate Contract no. 26446/12.06.2017 of the Interim Director General, Mr. Sterian Ion. |
| 7. | The candidacies submitted at the indicated term and conditions for the position of Director general and the position of Chief Financial Officer at SNTGN Transgaz SA |

| No . | Contents / The issues presented and analysed |
|-------------|---|
| | were verified, as they were communicated through the selection announcement published according to the provisions of GEO no. 109/2011 on corporate governance at public enterprises, as subsequently amended and supplemented. |
| 8. | The files submitted by the candidates for the position of Director general and the position of Chief Financial Officer at SNTGN Transgaz SA were evaluated, according to the requirements of the selection announcement published based on GEO no. 109/2011 on corporate governance in public enterprises, as subsequently amended and supplemented. |
| 9. | The interviews for the shortlisted candidates for the position of Director general and the position of Chief Financial Officer at SNTGN Transgaz SA were evaluated, as well as their support for the declaration of intent, (Stage II - point 4.2.2 of the Procedure for the selection of the Director general and the Chief Financial Officer of SNTGN Transgaz SA, approved by the Board of Administration through BA resolution No. 18 / 12.06.2016), as they were established and communicated. |
| 10. | The interview was evaluated for the candidate no.2 registered on the short list for the position of Director general of SNTGN Transgaz SA, respectively Mr. Cindrea Corin Emil and for his support of the declaration of intent, (Stage II a - point 4.2.2 of the selection procedure of the Director general and the Chief Financial Officer of SNTGN Transgaz SA, approved by the Board of Administration through BA resolution No. 18/12.06.2016), as they were established and communicated. |
| 11. | The Report issued by the Board of Administration of SNTGN TRANSGAZ SA regarding the activity carried out in the first semester of 2017 was analyzed, in order to present it to the Ordinary General Meeting of Shareholders. |
| 12. | The Report on the execution of the mandate of the Director general of SNTGN "Transgaz" SA for the second quarter of 2017 was analyzed. |
| 13. | The template of the mandate contract with the fixed remuneration valid for the Chief Financial Officer of SNTGN TRANSGAZ SA was prepared |
| 14. | The proposal for the Management Component of the Management Plan of SNTGN Transgaz SA in the period 2017-2021 was analyzed. |
| 15. | The report on the supplementing of the delegation of powers to the Director General of the S.N.T.G.N. Transgaz S.A. |
| 16. | The Report on the execution of the mandate of the Director general of SNTGN "Transgaz" SA in the third quarter of 2017 was analyzed. |
| 17. | The proposal for approving the monthly gross fixed allowance for the Director General and the Chief Financial Officer of SNTGN TRANSGAZ SA was prepared. |
| 2018 | |

| No . | Contents / The issues presented and analysed |
|---------|---|
| 1. | The proposal for the approval of Addendum no. 4 to the Mandate Contract no. 26446 of 12.06.2017 following the delegation of additional powers to the Director General of S.N.T.G.N. Transgaz S.A. |
| 2. | The Report on the approval of the remuneration of non-executive members of the Board of Administration of SNTGN Transgaz SA (fixed allowance and variable component) was prepared. |
| 3. | The Report on the approval of the general limits of the remuneration of the directors of SNTGN Transgaz SA was prepared. |
| 4. | The Report on the approval of the maximum limit of the insurance premium and the minimum amount of the insured amount related to the professional liability insurance for non-executive members of the Board of Administration of SNTGN "Transgaz" SA and the company's bearing the expenses with the insurance premium were prepared. |
| 5. | The Report on the approval of the form of the addendum to the mandate contract signed with the non-executive members of the Board of administration of SNTGN "Transgaz" SA and authorizing the representative of the Ministry of Economy in the GMS to sign on behalf of the company the addendums to the mandate contracts of the non-executive members of the Board of Administration of SNTGN "Transgaz" SA. |
| 6. | The Report of the Nomination and Remuneration Advisory Committee regarding the remunerations and other benefits granted to the administrators and directors during the financial year 2017 was prepared, in order to present it to the Ordinary General Meeting of Shareholders. |
| 7. | The Report on the approval of the maximum limit of the insurance premium and the minimum amount of the insured amount related to the professional liability insurance for the Director General, the Chief Financial Officer and the Executive Directors of SNTGN "Transgaz" SA, the company incurring the expenses with the insurance premium and joint and several conclusion of the professional liability policy for the members of the Board of Administration, the Director General, the Chief Financial Officer and the Executive Directors |
| 8. | The Report on the approval of the general limits of the variable component of the remuneration of the directors of SNTGN Transgaz SA was prepared, in order to approve them by the Ordinary General Meeting of Shareholders. |
| 9. | The proposal for the discharge of the administrators for the activity carried out in 2017 was analyzed. |
| 10. | The annual report of the administrators of SNTGN „Transgaz” SA Mediaş regarding the activity carried out in 2017 was analyzed. |

| No . | Contents / The issues presented and analysed |
|-------------|--|
| 11. | The Report on the execution of the mandate of the Director general of SNTGN "Transgaz" SA for 2017 was analyzed |
| 12. | The Report on the execution of the mandate of the Chief Financial Officer of SNTGN "Transgaz" SA for 2017 was analyzed. |
| 13. | The consolidated annual report of the administrators of SNTGN „Transgaz” SA Mediaș regarding the activity carried out in 2017 was analyzed. |
| 14. | The Evaluation Report of the activity of the directors of SNTGN Transgaz SA was prepared, which aims at the execution of the mandate contract and of the management component of the management plan, related to 2017. |
| 15. | The Report on the approval of the variable component of the remuneration of the Director general and Chief Financial Officer of SNTGN TRANSGAZ SA and of the form of the addendum to the mandate contract of the company's directors was prepared. |
| 16. | The Report on the variable component of the remuneration of the Director General and the Chief Financial Officer of SNTGN TRANSGAZ SA for 2017 was prepared. |
| 17. | The Report on the execution of the mandate of the Director general of SNTGN "Transgaz" SA for the first quarter of 2018 was analyzed. |
| 18. | The Information on granting the rights as a variable component of the remunerations of the administrators and directors of SNTGN Transgaz SA was prepared. |
| 19. | The report of the administrators of SNTGN TRANSGAZ SA regarding the activity carried out in the first semester of 2018 was analyzed, in order to present it to the Ordinary General Meeting of Shareholders. |
| 20. | The Report on the execution of the mandate of the Director general of SNTGN "Transgaz" SA for the second quarter of 2018 was analyzed |
| 21. | The need to appoint a new administrator at EUROTRANSGAZ SRL was analyzed. |
| 22. | The proposal to establish the indemnity of the members of the Board of the Company Vestmoldtransgaz SRL was analyzed. |
| 23. | The proposal for the appointment of a new administrator at EUROTRANSGAZ SRL was analyzed. |
| 24. | The Report on the execution of the mandate of the Director general of SNTGN "Transgaz" SA in the third quarter of 2018 was analyzed. |
| 2019 | |
| 1. | The Report of the Nomination and Remuneration Advisory Committee regarding the remunerations and other benefits granted to the administrators and directors |

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| | during the financial year 2018 was prepared, in order to present it to the Ordinary General Meeting of Shareholders. |
| 2. | The proposal for the discharge of the directors for the activity carried out in 2018 was analyzed, in order to submit for approval to the Ordinary General Meeting of Shareholders |
| 3. | The annual report of the administrators of SNTGN TRANSGAZ SA regarding the activity carried out in 2018 was analyzed, in order to present it to the Ordinary General Meeting of Shareholders. |
| 4. | The Report on the execution of the mandate of the Director general of SNTGN "Transgaz" SA for 2018 was analyzed. |
| 5. | The Report on the execution of the mandate of the Chief Financial Officer of SNTGN „Transgaz” SA, for 2018 was analyzed |
| 6. | The Report on the evaluation of the fulfillment of the key financial and non-financial performance indicators that is annexed to the mandate contracts of the non-executive directors was prepared, in order to submit for approval to the Ordinary General Meeting of Shareholders. |
| 7. | The Report on the approval of the addendum to the mandate contract signed with non-executive members of the Board of administration of SNTGN "Transgaz" SA was prepared, which includes the revised indicators and the power of attorney of the representative of the Ministry of Economy in the GMS to sign on behalf of the company non-executive members of the Board of Directors of SNTGN "Transgaz" SA, in order to approve it by the Ordinary General Meeting of Shareholders |
| 8. | The Evaluation Report of the activity of the directors of SNTGN Transgaz SA was prepared, which aims at the execution of the mandate contract and of the management component of the management plan, related to 2018. |
| 9. | The consolidated annual report of the administrators of SNTGN TRANSGAZ SA regarding the activity carried out in 2018 was analyzed. |
| 10. | The Report on the execution of the mandate of the Director general of SNTGN "Transgaz" SA for the first quarter of 2019 was analyzed. |
| 11. | The Report on the release of Mr. Tudor Alexandru Duțu from the position of administrator of Vestmoldtransgaz SRL and from the position of member of the Board of the Company of Vestmoldtransgaz SRL, as a result of his resignation, was analyzed |
| 12. | The Report on the approval of the form and content of the addendum to the mandate contract of the Director General and the Chief Financial Officer of SNTGN Transgaz SA was prepared. |

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| 13. | The Report issued by the Board of administration of SNTGN TRANSGAZ SA regarding the activity carried out in the first semester of 2019 was prepared, in order to present it to the Ordinary General Meeting of Shareholders. |
| 14. | The Report on the execution of the mandate of the Director general of SNTGN "Transgaz" SA for the second quarter of 2019 was analyzed. |
| 15. | The proposal to appoint a new administrator at "EUROTRANSGAZ" SRL was analyzed |
| 16. | The Report on the conclusion of an addendum to the Mandate Contract of the Director General of S.N.T.G.N. was prepared together with the responsible organizational structures within the company. Transgaz S.A. for the settlement of travel expenses. |
| 17. | The Report on the execution of the mandate of the Director general of SNTGN "Transgaz" SA in the third quarter of 2019 was analyzed. |
| 18. | The proposal to appoint a new member of the Board of Directors of Vestmoldtrasgaz S.R.L. was analyzed. |
| Anul 2020 | |
| 1. | The Report on the approval of the addendum to the mandate contract signed with the non-executive members of the Board of Administration of SNTGN "Transgaz" SA, which includes the revised indicators and the empowerment of the representative of the General Secretariat of the Government in the GMS to sign on behalf of the company the additional documents to the mandate contracts of the non-executive members of the Board of Administration of SNTGN "Transgaz" SA, in order to approve it by the General Meeting of Shareholders. |
| 2. | The proposal to appoint a new member of the Board of Directors of Vestmoldtransgaz S.R.L. |
| 3. | The Annual Report issued by the Board of administration of SNTGN „Transgaz” SA Mediaș was prepared regarding the activity carried out in 2019, in order to present it to the Ordinary General Meeting of Shareholders |
| 4. | The Report of the Nomination and Remuneration Advisory Committee on the remuneration and other benefits granted to the administrators and directors during the financial year 2019 was prepared, in order to present it to the Ordinary General Meeting of Shareholders. |
| 5. | The proposal for the discharge of the administrators for the activity carried out in 2019 was analyzed, in order to submit it for approval to the Ordinary General Meeting of Shareholders. |

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| 6. | The Report on the approval of the evaluation of the fulfillment of the key financial and non-financial performance indicators that is annexed to the mandate contracts of the non-executive administrators was prepared |
| 7. | The Report on the execution of the mandate of the Director general of SNTGN "Transgaz" SA for 2019 was analyzed. |
| 8. | The Report on the execution of the mandate of the Chief Financial Officer of SNTGN "Transgaz" SA for 2019 was analyzed. |
| 9. | The consolidated annual report issued by the Board of administration of SNTGN TRANSGAZ SA regarding the activity carried out in 2019 was prepared, in order to present it to the Ordinary General Meeting of Shareholders. |
| 10. | The Evaluation Report of the activity of the directors of SNTGN Transgaz SA was prepared, aiming at the execution of the mandate contract and of the management component of the management plan, for 2019. |
| 11. | The Report on the execution of the mandate of the Director General of SNTGN "Transgaz" SA for the first quarter of 2020 was analyzed. |
| 12. | The proposal to modify the composition of the Board of Vestmoldtransgaz S.R.L. |
| 13. | The proposal to appoint a new member of the Board of Vestmoldtransgaz S.R.L and to modify the amount of the allowance of the members of the Board of Directors of Vestmoldtransgaz SRL were analyzed |
| 14. | The Report issued by the Board of Administration of SNTGN TRANSGAZ SA regarding the activity carried out in the first semester of 2020 was prepared. |
| 15. | The Report on the execution of the mandate of the Director general of SNTGN "Transgaz" SA for the first semester of 2020 was analyzed. |
| 16. | The proposal to extend the employment contract concluded with the administrator of EUROTRANSGAZ SRL was analyzed |
| 17. | The Report on the approval of the evaluation of the fulfillment of the key financial and non-financial performance indicators that is annexed to the mandate contracts of the non-executive administrators was prepared. |
| 18. | The Report of the Advisory Committee for Nomination and Remuneration regarding the evaluation of the performances of the administrative and executive management of SNTGN TRANSGAZ SA was prepared for the activity carried out in 2019, in order to present it to the Ordinary General Meeting of Shareholders. |
| 19. | The Report on the execution of the mandate of the Director general of SNTGN "Transgaz" SA in the third quarter of 2020 was analyzed. |
| 20. | The Consolidated Report issued the Board of Administration for the first semester of 2020 was analyzed. |

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| 7. | It was analysed investment progress regarding the Pecineaga – Techirghiol pipeline. |
| 8. | The Report on the administration component of the management plan was prepared. |
| 9. | It was analysed the proposal for approving the number of positions and the organizational structure of SNTGN Transgaz SA. |
| 10. | It was analysed the proposals for the modification of the organizational structure of SNTGN Transgaz SA. |
| 11. | It was analysed the 2017 PAAS implementation progress on 31.05.2017. |
| 12. | The May 2017 S procurements not exceeding 100.000 euro were analysed. |
| 13. | It was analysed activity performed by the Marea Neagră Project Management Unit in May 2017. |
| 14. | It was analysed SNTGN Transgaz SA Agreement with GRT Gaz SA for the joint participation in the auction for the procurement of 66% stake in the Greek Natural Gas Transmission System Operator (DESFA). |
| 15. | It was analysed the start of negotiations with foreign partners for participation in the tender for the acquisition of a 66% stake in the Greek Natural Gas Transmission System Operator (DESFA). |
| 16. | It was analysed the submission of the letter of interest to participate in the acquisition of a 66% stake in the Greek Natural Gas Transmission System Operator (DESFA). |
| 17. | It was analysed the 2017 PAAS implementation progress on 30.06.2017. |
| 18. | The June 2017 procurements the value of which does not exceed 100,000 euro were analysed. |
| 19. | It was analysed the activity carried out by the Black Sea Project Management Unit in June 2017. |
| 20. | It was analysed the activity report of the Transgaz Brussels Representative Office for Q II 2017. |
| 21. | It was analysed the Report on the procurement of assets, services and works having a value higher than 500,000 Euro / procurement (for the procurement of assets and works) and 100,000 Euro / procurement (for services) by Transgaz in Q II 2017 , for its presentation to the Ordinary General Meeting of the Shareholders. |
| 22. | It was analysed the 2017 PAAS implementation progress on 31.07.2017. |
| 23. | The July 2017 procurements the value of which does not exceed 100,000 euro were analysed. |
| 24. | It was analysed the activity carried out by the Black Sea Project Management Unit in July 2017. |

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| 25. | It was analysed the activity report of the Human Resources Division for Semester I 2017. |
| 26. | It was analysed the activity report of the Corporate Strategy and Management Division for Semester I 2017. |
| 27. | It was analysed the activity report of the European Funds and International Relations Division for the Semester I 2017. |
| 28. | It was analysed the activity report of the Sectoral Procurement and Contracting Division Semester I 2017. |
| 29. | It was analysed the 2017 PAAS implementation progress on 31/08/2017. |
| 30. | The August 2017 procurements the value of which does not exceed 100,000 euro were analysed. |
| 31. | It was analysed the modification of the annual plans of the company in May - June 2017. |
| 32. | It was analysed the activity carried out by the Black Sea Project Management Unit in August 2017. |
| 33. | It was analysed the justification of the need for the procurement and the estimated volume for Contract No. 309 (brooms, brushes and other items of various types and cleaning cloths) and Contract No. 319 (toilet paper, handkerchiefs, hand towels and napkins). |
| 34. | It was analysed the activity report of the Research and Design Division for Semester I 2017. |
| 35. | It was analysed the activity report of the Development Division for Semester I 2017. |
| 36. | It was analysed the activity report of the Projects Analysis, Verification and Approval Division for Semester I 2017. |
| 37. | It was analysed the activity report of the PMU BRUA for Semester I 2017. |
| 38. | It was analysed the Management Component of the Management Plan of SNTGN Transgaz SA for 2017-2021. |
| 39. | The Management Plan of SNTGN Transgaz SA for 2017 - 2021 was prepared . |
| 40. | It was analysed the need to obtain a 50 million euro loan with the European Investment Bank. |
| 41. | It was analysed the need to obtain a 50 million euro loan with the European Investment Bank. |
| 42. | It was analysed the Report on the conclusion of the EUR 50 million Loan Agreement with the European Investment Bank for the financing of BRUA Phase I. |
| 43. | It was analysed the need to increase the share capital of SNTGN Transgaz SA with the value of land for which in the period 2006 - March 2016 certificates of |

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| | ownership were obtained according to GD no. 834/1991, assessed according to the assessment reports submitted with Delivery-Acceptance Report 17BV09011/01.09.2017 and the selection of the agent for the preparation of the proportionate offer prospectus as a result of the increase of the share capital, in compliance with the provisions of Law no. 99/2016 on sectoral procurement. |
| 44. | It was analysed the 2017 PAAS implementation progress on 30.09.2017. |
| 45. | The September 2017 procurements the value of which does not exceed 100,000 euro were analysed. |
| 46. | It was analysed the modification of the annual plans of the company in July - September 2017. |
| 47. | It was analysed the Report on the justification by assigning by different CPV codes of the repairs specified in Contract 402 and Contract 412 contained in Report DG44254 / 21.09.2017, performed by the same supplier. |
| 48. | It was analysed the Report on the plan of measures to reduce the diminish the stock without movement through its priority use. |
| 49. | It was analysed the activity carried out by the Black Sea Project Management Unit in September 2017. |
| 50. | It was analysed the Report regarding the preparation of the document WHITE PAPER OF THE ADMINISTRATION OF SNTGN TRANSGAZ SA in May 2013- June 2017. |
| 51. | It was analysed the Report on the completion of the liquidation of Nabucco Gas Pipeline International GmbH. |
| 52. | It was analysed the activity report of the Transgaz Brussels Representative Office for Q III 2017. |
| 53. | It was analysed the opportunity to establish a limited liability company on the territory of the Republic of Moldova, for approval by the Extraordinary General Meeting of Shareholders. |
| 54. | It was analysed the report on the procurement of assets, services and works whose value is higher than 500,000 euro / procurement (for the procurement of assets and works) and 100,000 euro / procurement (for services) made by SNTGN TRANSGAZ SA Mediaş in Q III 2017. |
| 55. | It was analysed the need to ratify the financing agreement concluded with the European Investment Bank on 27 October 2017. |
| 56. | It was analysed the need to sign an addendum to the EBRD Letter of Mandate for obtaining a EBRD loan of EUR 45,230. |
| 57. | It was analysed the 2017 PAAS implementation progress on 31.10.2017. |

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| 58. | The October 2017 procurements the value of which does not exceed 100,000 euro were analysed. |
| 59. | It was analysed the activity carried out by UMP Black Sea in October 2017. |
| 60. | It was analysed the Report on the completion of the liquidation of Nabucco Gas Pipeline International GmbH. |
| 61. | It was analysed the opportunity to conclude a Memorandum of Understanding with Regasificadora del Noroeste SA |
| 62. | It was analysed the need to complete the Financing Strategy of BRUA Phase I. |
| 63. | It was analysed the need to approve the EUR 50 million financing agreement with the European Investment Bank. |
| 64. | It was analysed the opportunity of associating SNTGN Transgaz SA with Regasificadora del Noroeste SA |
| 65. | It was analysed the Supply Plan for 2018. |
| 66. | It was analysed the Design Plan for 2018. |
| 67. | It was analysed the research plan of SNTGN Transgaz SA for 2018. |
| 68. | It was analysed Plan of other services performed by third parties for 2018. |
| 69. | It was analysed the Training and professional development plan for employees for 2018. |
| 70. | It was analysed the Report on the activity carried out by Mr. Mittrache Rares - ENTSOG Consultant in September - November 2017. |
| 71. | It was analysed the 2017 PAAS implementation progress on 30.11.2017. |
| 72. | The November 2017 procurements the value of which does not exceed 100,000 euro were analysed. |
| 73. | It was analysed the activity carried out by PMU Black Sea in November 2017. |
| 74. | It was analysed the need to set up a secondary office of SNTGN TRANSGAZ SA |
| 75. | It was analysed the opportunity to participate in the investment tender for the privatization of the State Enterprise Vestmoldtransgaz. |
| 2018 | |
| 1. | It was analysed the agenda of the national and international events in which SNTGN TRANSGAZ SA was invited to participate. |
| 2. | It was analysed the Annual sectoral procurement plan for 2018. |
| 3. | It was analysed the 2017 PAAS implementation progress on 31.12.2017. |
| 4. | It was analysed the modification of the annual plan of the company in October - December 2017. |

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| 5. | The December 2017 procurements the value of which does not exceed 100,000 euro were analysed. |
| 6. | It was analysed the activity carried out by the Black Sea Project Management Unit in December 2017. |
| 7. | It was analysed the state of investment regarding the Pecineaga - Techirghiol pipeline. |
| 8. | It was analysed the Report on the evolution of the stock without movement in Q IV 2017. |
| 9. | It was analysed the Report on the situation of the slow-moving and non-moving stock and the action plan to reduce the stock. |
| 10. | It was analysed the activity report of the Transgaz Brussels Representative Office for Q IV 2017. |
| 11. | It was analysed the need to incur costs in the amount of 200,000 euro representing the assessment fee due under the Letter of Mandate signed with the European Bank for Reconstruction and Development. |
| 12. | It was analysed the need to change position 2.2.2.2 - Execution works of compressor stations (Podișor, Bibești, Jupa) from the Modernization and Investment Development Plan for 2018. |
| 13. | It was analysed the need to rectify the Design Plan of SNTGN Transgaz SA for 2018. |
| 14. | It was analysed the opportunity for SNTGN TRANSGAZ SA to participate in the Bid Submission Stage for the procurement of a 66% stake in the Greek Natural Gas Transmission System Operator SA and for the submission of a binding offer in accordance with the terms of the Bidding Request issued on 10 October 2017 by the Asset Development Fund of the Hellenic Republic SA |
| 15. | It was analysed the opportunity to negotiate the offer submitted in the investment tender for the privatization of the State Enterprise Vestmoldtransgaz. |
| 16. | It was analysed the need to conclude a loan agreement with the European Bank for Reconstruction and Development worth up to RON 277,938,000. |
| 17. | It was analysed the implementation stage of PAAS 2018 on 31.01.2018. |
| 18. | The January 2018 procurements the value of which does not exceed 100,000 euro were analysed. |
| 19. | It was analysed the activity carried out by the Black Sea Project Management Unit in January 2018. |
| 20. | It was analysed the activity report of the Human Resources Division for 2017. |
| 21. | It was analysed the Activity Report of the Corporate Strategy and Management Division for 2017. |

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| 22. | It was analysed the activity report of the European Funds and International Relations Division for 2017. |
| 23. | It was analysed the activity report of the Sectoral Procurement and Contracting Division for 2017. |
| 24. | It was analysed the need to change the organizational structure of SNTGN Transgaz SA. |
| 25. | It was analysed the Report regarding the publication of the 2018-2027 TYNDP on the company's website, for public consultation, according to ANRE Decision 910 / 22.06.2017. |
| 26. | It was analysed the Report on the procurement of assets, services and works having a value higher than 500,000 Euro / procurement (for the procurement of assets and works) and 100,000 Euro / procurement (for services) by Transgaz in Q IV 2017. |
| 27. | It was analysed the implementation stage of PAAS 2018 on 28.02.2018. |
| 28. | The February 2018 procurements the value of which does not exceed 100,000 euro were analysed. |
| 29. | It was analysed the activity carried out by the Black Sea Project Management Unit in February 2018. |
| 30. | It was analysed the activity report of the Research and Design Division for 2017. |
| 31. | It was analysed the Activity Report of the Development Division for 2017. |
| 32. | It was analysed the activity report of the Projects Analysis, Verification and Approval Division for 2017. |
| 33. | It was analysed the activity report of UMP BRUA for 2017. |
| 34. | It was analysed the need to approve the sale-purchase contract in the process of privatization of the State Enterprise VESTMOLDTRANSGAZ. |
| 35. | It was analysed the 2018-2027 TYNDP. |
| 36. | It was analysed the implementation stage of PAAS 2018 on 31.03.2018. |
| 37. | It was analysed the Report on the modification of the company's annual plans in January-March 2018. |
| 38. | The March 2018 procurements the value of which does not exceed 100,000 euro were analysed. |
| 39. | It was analysed the activity carried out by the Black Sea Project Management Unit in March 2018. |
| 40. | It was analysed the Report on the evolution of the stock without movement in Q I 2018. |
| 41. | It was analysed the activity report of the Transgaz Brussels Representative Office in Q I 2018. |

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| 42. | It was analysed the Report on the procurement of assets, services and works having a value higher than 500,000 Euro / procurement (for the procurement of assets and works) and 100,000 Euro / procurement (for services) by Transgaz in Q I 2018. |
| 43. | It was analysed the implementation stage of PAAS 2018 on 30.04.2018. |
| 44. | The April 2018 procurements the value of which does not exceed 100,000 euro were analysed. |
| 45. | It was analysed the activity carried out by the Black Sea Project Management Unit in April 2018. |
| 46. | It was analysed the Report on the preparation of a plan of measures, with the assumption of a clear objective, on the reduction of the stock without movement until the end of 2018. |
| 47. | It was analysed the opportunity to approve the financial contribution of SNTGN Transgaz SA from the total estimated costs related to the investment NTS developments in North-East Romania to enhance gas supply to the area and to ensure transmission capacity to Moldova. |
| 48. | It was analysed the implementation stage of PAAS 2018 on 31.05.2018. |
| 49. | The May 2018 procurements the value of which does not exceed 100,000 euro were analysed. |
| 50. | It was analysed the activity carried out by the Black Sea Project Management Unit in May 2018. |
| 51. | It was analysed the implementation stage of PAAS 2018 on 30.06.2018. |
| 52. | It was analysed the modification of the annual plans of the company and the rectification of PAAS for the months of April - June 2018. |
| 53. | The June 2018 procurements the value of which does not exceed 100,000 euro were analysed. |
| 54. | It was analysed the activity carried out by the Black Sea Project Management Unit in June 2018. |
| 55. | It was analysed the Report on the evolution of the stock without movement in Q II 2018 and the degree of implementation of the plan of measures, on the reduction of the stock without movement by the end of 2018. |
| 56. | It was analysed the activity report of the Transgaz Brussels Representative Office for Q II 2018. |
| 57. | It was analysed the need to approve the 2018-2027 TYNDP completed according to the ANRE requirements sent by Letter 51080 / 09.07.2018. |
| 58. | It was analysed the Report on the procurement of assets, services and works having a value higher than 500,000 Euro / procurement (for the procurement of assets |

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| | and works) and 100,000 Euro / procurement (for services) by Transgaz in Q II 2018, for its presentation to the Ordinary General Meeting of the Shareholders. |
| 59. | It was analysed SNTGN Transgaz SA's management plan for 2017-2021, updated. |
| 60. | It was analysed the implementation stage of PAAS 2018 on 31.07.2018. |
| 61. | The July 2018 procurements the value of which does not exceed 100,000 euro were analysed. |
| 62. | The procurements from 01.01.2018 - 30.06.2018 were analysed according to Art.7 of BoA Resolution 34 / 31.07.2018. |
| 63. | It was analysed by the activity carried out by the Black Sea Project Management Unit in July 2018. |
| 64. | It was analysed the Report on the average purchase price of mobile phones, the value of monthly bills and the policy for allocating mobile phones at Transgaz level. |
| 65. | It was analysed the activity report of the Human Resources Division for Semester I 2018. |
| 66. | It was analysed the activity report of the Corporate Strategy and Management Division for Semester I 2018. |
| 67. | It was analysed the Report on the activities carried out by the European Funds and International Relations Division for Semester I 2018. |
| 68. | It was analysed the activity report of the Sectoral Procurement and Contracting Division for Semester I 2018. |
| 69. | It was analysed the need to amend the Framework Regulation no. 12797 / 08.04.2014 for the organization and conduct of public tenders organized by SNTGN TRANSGAZ SA. |
| 70. | It was analysed the need to start the capitalization procedure by sale at public auction organized through the Romanian Commodity Exchange, of the pipes buried and stored, resulting from the decommissioning of the assets subject to GD no. 1146/2011. |
| 71. | It was analysed the need to start the procedure of capitalization by sale at public auction of pipes and scrap metal, resulting from maintenance-rehabilitation works on natural gas transmission pipelines and scrapping of fixed assets. |
| 72. | It was analysed the need to set up working points within SNTGN TRANSGAZ SA. |
| 73. | It was analysed the need to approve the reorganization procedure of SE Vestmoldtransgaz in a Limited Liability Company by SRL EUROTRANSGAZ. |
| 74. | It was analysed the implementation stage of PAAS 2018 on 31.08.2018. |
| 75. | The August 2018 procurements the value of which does not exceed 100,000 euro were analysed. |

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| 76. | It was analysed the activity carried out by the Black Sea Project Management Unit in August 2018. |
| 77. | It was analysed the activity report of the Research and Design Division related to the first semester of 2018. |
| 78. | It was analysed the activity report of the Analysis, Verification and Approval of Projects Division for Semester I 2018. |
| 79. | It was analysed the activity report of PMU BRUA for Semester I 2018. |
| 80. | It was analysed the activity report of the Development Division for Semester I 2018. |
| 81. | It was analysed the implementation stage of PAAS 2018 on 30.09.2018. |
| 82. | It was analysed the modification of the annual plans of the company and the rectification of PAAS for July - September 2018. |
| 83. | The September 2018 procurements the value of which does not exceed 100,000 euro were analysed. |
| 84. | It was analysed the activity carried out by the Black Sea Project Management Unit in September 2018. |
| 85. | It was analysed the Report on the evolution of the stock without movement in the third quarter of 2018 and the degree of implementation of the plan of measures, on the reduction of the stock without movement by the end of 2018. |
| 86. | It was analysed the activity report of the Transgaz Brussels Representative Office for Q III 2018. |
| 87. | It was analysed the Report regarding the transmission of the Letter 55391 / 24.10.2018 regarding the Rejection of the award documents to the following recipients: Mr. Minister Eugen Orlando Teodorovici, Mr. President of ANAP Bogdan Puscas, and attention of Mr. Deputy Prime Minister Viorel Ştefan, Mr. Minister Dănuţ Andruşcă, Mr. President ANRE Dumitru Chiriţă. |
| 88. | It was analysed the Report on the procurement of assets, services and works having a value higher than 500,000 Euro / procurement (for the procurement of assets and works) and 100,000 Euro / procurement (for services) by Transgaz in Q III 2018. |
| 89. | It was analysed the need to complete the secondary object of activity of SNTGN Transgaz SA. |
| 90. | It was analysed the implementation stage of PAAS 2018 on 31.10.2018. |
| 91. | The October 2018 procurements the value of which does not exceed 100,000 euro were analysed. |
| 92. | It was analysed by the activity carried out by the Black Sea Project Management Unit in October 2018. |
| 93. | It was analysed the need to approve the models obtained after the completion of the REBRANDING activity. |

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| 94. | It was analysed the Report on the activities carried out on the occasion of the delegation in the Republic of Moldova, in order to update the documentation requested by the EBRD, in the context of the Ungheni - Chisinau Gas Pipeline Project. |
| 95. | It was analysed the annual modernization and investment development plan for 2019. |
| 96. | It was analysed the Design Plan for 2019. |
| 97. | It was analysed the Research Plan of SNTGN Transgaz SA for 2019. |
| 98. | It was analysed Plan for other services performed by third parties in 2019. |
| 99. | It was analysed the training and professional development program for employees for 2019. |
| 100. | It was analysed Supply Plan for 2019. |
| 101. | It was analysed the implementation stage of PAAS 2018 on 30.11.2018. |
| 102. | The November 2018 procurements the value of which does not exceed 100,000 euro were analysed. |
| 103. | It was analysed the activity carried out by the Black Sea Project Management Unit in November 2018. |
| 104. | It was analysed the need to extend the period of validity of Service consultancy, assistance and legal representation contract no. 92 from 03.03.2017, until 31.12.2019. |
| 105. | It was analysed the need to extend the period of validity of Service contract, consultancy, assistance and legal representation no. 486 from 25.09.2017, until 31.12.2019. |
| 2019 | |
| 1. | It was analysed the annual modernization and investment development plan for 2019. |
| 2. | It was analysed Design Plan for 2019. |
| 3. | It was analysed the Research Plan of SNTGN Transgaz SA for 2019. |
| 4. | It was analysed the Plan for other services performed by third parties for 2019. |
| 5. | It was analysed the training and professional development plan for employees for 2019. |
| 6. | It was analysed the Supply Plan for 2019. |
| 7. | It was analysed the agenda of international events in which SNTGN Transgaz SA was invited to participate. |
| 8. | It was analysed the policy regarding the granting of sponsorships and social support at the level of SNTGN Transgaz SA in 2019. |

| No. | Content / Issue presented and analysed |
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| 9. | It was analysed the need to approve the financing of the 2018 - 2027 TYNDP for submission for approval to the GMS. |
| 10. | It was analysed the annual sectoral procurement plan for 2019. |
| 11. | It was analysed the Report on sponsorships made in 2018, according to MECT Order 278/2015. |
| 12. | It was analysed the implementation stage of PAAS 2018 on 31.12.2018. |
| 13. | It was analysed the Report on the modification of the annual plans of the company in October - December 2018. |
| 14. | The December 2018 procurements the value of which does not exceed 100,000 euro were analysed. |
| 15. | It was analysed the activity carried out by PMU Black Sea in December 2018. |
| 16. | It was analysed the Report on the evolution of the stock without movement in the fourth quarter of 2018 and the degree of implementation of the plan of measures, on the reduction of the stock without movement by the end of 2018. |
| 17. | It was analysed the activity report of the Transgaz Brussels Representative Office for Q IV 2018. |
| 18. | It was analysed the need to change the organizational structure of SNTGN Transgaz SA |
| 19. | It was analysed the opportunity to conclude the trilateral agreement of strategic collaboration with LUKOIL Overseas Atash BV and the National Natural Gas Company Romgaz SA |
| 20. | It was analysed the implementation stage of PAAS 2019 on 31.01.2019. |
| 21. | The January 2019 procurements the value of which does not exceed 100,000 euro were analysed. |
| 22. | It was analysed the activity carried out by PMU Black Sea in January 2019. |
| 23. | It was analysed the activity report of the Human Resources Division for 2018. |
| 24. | It was analysed the Activity Report of the Corporate Strategy and Management Division for 2018. |
| 25. | It was analysed the activity report of the European Funds and International Relations Division for 2018. |
| 26. | It was analysed the activity report of the Sectoral Procurement and Contracting Division for 2018. |
| 27. | It was analysed the need to issue a decision of SNTGN TRANSGAZ SA for the signature by Vestmoldtransgaz SRL Moldova of the contract with GRTGaz SA. |

| No. | Content / Issue presented and analysed |
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| 28. | It was analysed the need to issue a decision of SNTGN TRANSGAZ SA for the signature by Vestmoldtransgaz SRL Moldova of the contract on technical expertise and management services with GRTGaz SA. |
| 29. | It was analysed the Report on the procurement of assets, services and works having a value higher than 500,000 Euro / procurement (for the procurement of assets and works) and 100,000 Euro / procurement (for services) by Transgaz in Q IV 2018, for its presentation to the Ordinary General Meeting of the Shareholders. |
| 30. | It was analysed the implementation stage of PAAS 2019 on 28.02.2019. |
| 31. | The February 2019 procurements the value of which does not exceed 100,000 euro were analysed. |
| 32. | It was analysed the activity carried out by PMU Black Sea in February 2019. |
| 33. | It was analysed the activity report of the Research and Design Division for 2018. |
| 34. | It was analysed the Activity Report of the Development Division for 2018. |
| 35. | It was analysed the activity report of the Projects Analysis, Verification and Approval Division for 2018. |
| 36. | It was analysed the activity report of UMP BRUA for 2018. |
| 37. | It was analysed the plan for other services performed by third parties for 2019, updated. |
| 38. | It was analysed the Report on the conclusion on 1 March 2019 of a Memorandum (MOU) between GRTgaz SA and SNTGN Transgaz SA which aims to establish the conditions under which GRTgaz SA could become a minority shareholder in Eurotransgaz or Vestmoldtransgaz. |
| 39. | It was analysed the implementation stage of PAAS 2019 on 31.03.2019. |
| 40. | It was analysed the Report on the modification of the annual plans of the company in January - March 2019. |
| 41. | The March 2019 procurements the value of which does not exceed 100,000 euro were analysed. |
| 42. | It was analysed the Report on the evolution of the stock without movement in Q I 2019. |
| 43. | It was analysed the activity report of the Transgaz Brussels Representative Office in Q I 2019. |
| 44. | It was analysed the Report on the modification of the structure of the Board of Directors and the appointment of a sole director of Phaedra Energy Investment SL |
| 45. | It was analysed the Report on the procurement of assets, services and works having a value higher than 500,000 Euro / procurement (for the procurement of assets and works) and 100,000 Euro / procurement (for services) by Transgaz in Q I 2019, for its presentation to the Ordinary General Meeting of the Shareholders. |

| No. | Content / Issue presented and analysed |
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| 46. | It was analysed the draft 2019-2028 TYNDP for submission to public consultation. |
| 47. | It was analysed the opportunity for SNTGN Transgaz SA Mediaş to join the Employers' Federation of Oil and Gas (FPPG). |
| 48. | It was analysed the Report on ensuring from own resources the necessary additional funds related to the investment NTS developments in North-East Romania to enhance gas supply to the area and to ensure transmission capacity to Moldova. |
| 49. | It was analysed the implementation stage of PAAS 2019 on 30.04.2019. |
| 50. | The April 2019 procurements the value of which does not exceed 100,000 euro were analysed. |
| 51. | It was analysed the Report regarding the withdrawal of SNTGN Transgaz SA from the company Phaedra Energy Investments SL established on 14.02.2018. |
| 52. | It was analysed the Report on ensuring from own resources the necessary additional funds related to the investment NTS developments in North-East Romania to enhance gas supply to the area and to ensure transmission capacity to Moldova. |
| 53. | It was analysed the 2019 - 2028 TYNDP updated after the public consultation, for submission for GMS approval. |
| 54. | It was analysed the implementation stage of PAAS 2019 on 31.05.2019. |
| 55. | The May 2019 procurements the value of which does not exceed 100,000 euro were analysed. |
| 56. | It was analysed the need to supplement the value of the Consultancy, assistance and legal representation contract no. 92 dated 03.03.2017. |
| 57. | It was analysed SNTGN Transgaz SA's corporate communication strategy. |
| 58. | It was analysed the Report on the state of execution of the BRUA Project - Phase 1, taking into account the new deadline - end of 2020. |
| 59. | It was analysed the Report on the impact of the postponement of BRUA Phase 1 deadline until the end of 2020, on the non-reimbursable financing provided by the financing contract concluded with INEA and the reimbursable financing provided by the contracts concluded with EIB and EBRD. |
| 60. | It was analysed the Report on the stage of implementation of the Project Interconnection Pipeline between the National Gas Transmission System in Romania and the Gas Transmission System in the Republic of Moldova, in the Todireşti village, Ungheni District - Chisinau Municipality direction . |
| 61. | It was analysed the implementation stage of PAAS 2019 on 30.06.2019. |
| 62. | It was analysed the Report on the modification of the annual plans of the company and the rectification of PAAS for April - June 2019. |

| No. | Content / Issue presented and analysed |
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| 63. | The June 2019 procurements the value of which does not exceed 100,000 euro were analysed. |
| 64. | It was analysed the Report on the evolution of the stock without movement in Q II 2019. |
| 65. | It was analysed the activity report of the Transgaz Brussels Representative Office for Q II 2019. |
| 66. | It was analysed the procurement of assets, services and works whose value is higher 500,000 euro / procurement (for the acquisition of assts and works) and 100,000 euro / procurement (for services) made by SNTGN TRANSGAZ SA Medias in Q II 2019 ,for submission to the Ordinary General Meeting of Shareholders. |
| 67. | It was analysed Management Plan for 2017-2021 - updated. |
| 68. | It was analysed the report on the degree of fulfilment of the investment plan for the current year. |
| 69. | It was analysed the Report on the modification of the annual plans of the company and the rectification of PAAS in the period 01.01-31.07.2019. |
| 70. | It was analysed the Report on procurements whose value does not exceed 100,000 euro in July 2019. |
| 71. | The July 2019 procurements the value of which does not exceed 100,000 euro were analysed. |
| 72. | It was analysed the activity report of the Human Resources Organization Division for Semester I 2019. |
| 73. | It was analysed the activity report of the Corporate Strategy and Management Division for Semester I 2019. |
| 74. | It was analysed the Report on the activities carried out by the European Funds and International Relations Division for Semester I 2019. |
| 75. | It was analysed the activity report of the Sectoral Procurement and Contracting Division for Semester I 2019. |
| 76. | It was analysed the implementation stage of PAAS 2019 on 31.08.2019. |
| 77. | The August 2019 procurements the value of which does not exceed 100,000 euro were analysed. |
| 78. | It was analysed the activity report of the Energy Management, Automation and SCADA Division for Semester I 2019. |
| 79. | It was analysed the activity report of the Maintenance Division for Semester I 2019. |
| 80. | It was analysed the activity report of the Research and Design Division for Semester I 2019. |
| 81. | It was analysed the activity report of the Development Division for Semester I 2019. |

| No. | Content / Issue presented and analysed |
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| 82. | It was analysed the activity report of the Projects Analysis, Verification and Approval Division for Semester I 2019. |
| 83. | It was analysed the activity report of the Procurement and Transport Unit for Semester I 2019. |
| 84. | It was analysed the activity report of PMU BRUA for Semester I 2019. |
| 85. | It was analysed the activity report of the Archaeological Unit for Semester I 2019. |
| 86. | It was analysed the implementation stage of PAAS 2019 on 30.09.2019. |
| 87. | It was analysed the modification of the annual plans of SNTGN TRANSGAZ in July-September 2019. |
| 88. | The September 2019 procurements the value of which does not exceed 100,000 euro were analysed. |
| 89. | It was analysed the information on the evolution of the stock without movement in the third quarter of 2019 and the degree of achievement of the plan of measures on the reduction of the stock without movement until the end of 2019. |
| 90. | It was analysed the activity report of the Transgaz Brussels Representative Office for the third quarter, 2019. |
| 91. | It was analysed the Report on the procurement of assets, services and works having a value higher than 500,000 Euro / procurement (for the procurement of assets and works) and 100,000 Euro / procurement (for services) by Transgaz in Q III 2019, for its presentation to the Ordinary General Meeting of the Shareholders. |
| 92. | It was analysed Modernization and investment development plan for 2020 and estimates for 2021, 2022. |
| 93. | It was analysed Design Plan for 2020 and estimates for 2021, 2022. |
| 94. | It was analysed the Research Plan of SNTGN Transgaz SA for 2020 and estimates for 2021, 2022. |
| 95. | It was analysed Supply Plan for 2020 and estimates for 2021, 2022. |
| 96. | It was analysed Plan for other services performed by third parties for the year 2020 and estimates for the years 2021, 2022. |
| 97. | It was analysed the training and professional development program for employees for 2020. |
| 98. | It was analysed the implementation stage of PAAS 2019 on 30.11.2019. |
| 99. | The November 2019 procurements the value of which does not exceed 100,000 euro were analysed. |
| 2020 | |
| 1. | The annual sectoral procurement plans (PAAS, PAAS BRUA and PAAS Moldova) for 2020 were analysed. |

| No. | Content / Issue presented and analysed |
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| 2. | It was analysed the financing proposal for the 2019 - 2028 TYNDP for submission to the approval of the General Meeting of Shareholders. |
| 3. | It was analysed the proposal to update the Modernization and Investment Development Plan for 2020 and estimates for 2021,2022. |
| 4. | It was analysed the agenda of the national and international events in which SNTGN TRANSGAZ SA was invited to participate. |
| 5. | It was analysed the policy regarding the granting of sponsorships and social support at the level of SNTGN Transgaz SA in 2020. |
| 6. | It was analysed the Report on 2019 sponsorships, according to MECT Order 278/2015. |
| 7. | It was analysed the Report on the total value of natural gas procurement contracts necessary to balance the NTS, for Q III 2019 and the evolution of purchase prices. |
| 8. | It was analysed the implementation stage of PAAS 2019 on 31.12.2019. |
| 9. | It was analysed the Report on the modification of the annual plans of the company and the rectification of PAAS for the months of October - December 2019. |
| 10. | It was analysed the Report no. DG2281 / 16.01.2020 regarding the procurements in December 2019 whose value does not exceed 100,000 euro. |
| 11. | It was analysed the Report 3438 / 22.01.2020 on the evolution of the stock without movement in the fourth quarter of 2019 and the degree of achievement of the plan of measures on the reduction of the stock without movement by the end of 2019. |
| 12. | It was analysed the Report on the TGN retrospective at BSE in December 2007-31.12.2019. |
| 13. | It was analysed the Report no. 3345 / 22.01.2020 of the Transgaz Brussels Representative Office for Q IV 2019. |
| 14. | It was analysed the need to change the organizational structure of SNTGN Transgaz SA |
| 15. | The development plan of Vestmoldtransgaz SRL for 2020-2029 was analysed . |
| 16. | It was analysed the financing proposal of Vestmoldtransgaz SRL in the Republic of Moldova. |
| 17. | The commitments proposed by SNTGN Transgaz SA in case AT. 40335 of the European Commission, Directorate General for Competition. |
| 18. | It was analysed the proposal for approving the establishment of Romanian Gas Hub Services SA and the Articles of Incorporation of the new company, for submission for EGMS approval . |
| 19. | It was analysed the implementation stage of PAAS 2020 on 31.01.2020. |

| No. | Content / Issue presented and analysed |
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| 20. | The January 2020 procurements the value of which does not exceed 100,000 euro were analysed . |
| 21. | It was analysed the activity report of the Human Resources Organization Division for 2019. |
| 22. | It was analysed the activity report of the Corporate Strategy and Management Division for 2019. |
| 23. | It was analysed the activity report of the European Funds and International Relations Division for 2019. |
| 24. | It was analysed the activity report of the Sectoral Procurement and Contracting Division for 2019. |
| 25. | It was analysed the proposal to approve the extension of the validity of letters of bank guarantee in favour of the operators of the Centralized Natural Gas Market of short-term standardized products. |
| 26. | It was analysed the Report on the procurement of assets, services and works having a value higher than 500,000 Euro / procurement (for the procurement of assets and works) and 100,000 Euro / procurement (for services) by Transgaz in Q IV 2019, for its submission to the Ordinary General Meeting of the Shareholders. |
| 27. | It was analysed the proposal to approve the accession of SNTGN Transgaz SA Mediaş, as an Associate Member, to the Association for Investor Relations on the Romanian Stock Exchange (ARIR) for submission for approval to the Extraordinary General Meeting of SNTGN Transgaz Shareholders. |
| 28. | It was analysed SNTGN Transgaz SA's corporate communication strategy. |
| 29. | It was analysed the activity report of the Research and Design Division for 2019. |
| 30. | It was analysed the Activity Report of the Development Division for 2019. |
| 31. | It was analysed the activity report of the Projects Analysis, Verification and Approval Division for 2019. |
| 32. | It was analysed the activity report of PMU BRUA for 2019. |
| 33. | It was analysed the implementation stage of PAAS 2020 on 29.02.2020. |
| 34. | The February 2020 procurements the value of which does not exceed 100,000 euro were analysed. |
| 35. | It was analysed the draft 2020-2029 TYNDP for submission to public consultation. |
| 36. | It was analysed Activity report of the Transgaz Brussels Representative Office in Q I 2020. |
| 37. | It was analysed the implementation stage of PAAS 2020 on 31.03.2020. |

| No. | Content / Issue presented and analysed |
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| 38. | It was analysed the Report on the modification of the annual plans of the company and the rectification of the annual program of sectoral procurements for January - March 2020. |
| 39. | The March 2020 procurements the value of which does not exceed 100,000 euro were analysed. |
| 40. | It was analysed the Report on the evolution of the stock without movement in Q I 2020 and the degree of implementation of the action plan, on the reduction of the stock without movement by the end of 2020. |
| 41. | It was analysed the proposal regarding the substantiation of the rectification of the Design Plan of SNTG.N Transgaz SA for the year 2020 and estimates for the years 2021, 2022. |
| 42. | It was analysed the Report on the procurement of assets, services and works having a value higher than 500,000 Euro / procurement (for the procurement of assets and works) and 100,000 Euro / procurement (for services) by Transgaz in Q I 2020, for its presentation to the Ordinary General Meeting of the Shareholders. |
| 43. | The updated Management Plan of SNTGN Transgaz SA for the period 2017-2021 was prepared. |
| 44. | It was analysed the implementation stage of PAAS 2020 on 30.04.2020. |
| 45. | The April 2020 procurements the value of which does not exceed 100,000 euro were analysed. |
| 46. | It was analysed 2020 - 2029 TYNDP updated, after public consultation, for submission for prior approval of the GMS. |
| 47. | It was analysed the Report on the state of implementation of PAAS 2020 on 31.05.2020. |
| 48. | It was analysed the Report regarding the April 2020 procurements the value of which does not exceed 100,000 euro - according to Art.7 of BoA Resolution no.17 / 29.05.2020. |
| 49. | It was analysed the Report on the May 2019 procurements the value of which does not exceed 100,000 euro. |
| 50. | It was analysed the proposal regarding the updating of the Development Plan of Vestmoldtransgaz SRL for the years 2020-2029. |
| 51. | It was analysed the Report on the progress of the project Development on the Romanian territory of the National Natural Gas Transmission System on the Bulgaria – Romania – Hungary – Austria - Corridor Phase I. |
| 52. | It was analysed the implementation of PAAS for 2020, between 01.01.2020 - 30.06.2020. |

| No. | Content / Issue presented and analysed |
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| 53. | It was analysed the Report on the modification of the annual plans of the company and the rectification of the Annual Program of sectoral procurements for April - June 2020. |
| 54. | The June 2020 procurements the value of which does not exceed 100,000 euro were analysed. |
| 55. | It was analysed the Report on the evolution of the stock without movement in Q II 2020 and the degree of achievement of the action plan on the reduction of the stock without movement by the end of 2020 . |
| 56. | It was analysed the activity report of the Transgaz Brussels Representative Office for Q II 2020. |
| 57. | It was analysed TransGasFormation 2020 Annual Procurement Plan. |
| 58. | It was analysed the proposal to rectify the Modernization and Investment Development Plan for 2020 and reduce the funds allocated to it. |
| 59. | It was analysed the proposal to approve the supplement the Supply Plan for 2020 . |
| 60. | It was analysed the Report on the procurement of assets, services and works having a value higher than 500,000 Euro / procurement (for the procurement of assets and works) and 100,000 Euro / procurement (for services) by Transgaz in Q II 2020, for its presentation to the Ordinary General Meeting of the Shareholders. |
| 61. | It was analysed the implementation stage of PAAS for 2020, between 01.01.2020 - 31.07.2020. |
| 62. | The July 2020 procurement the value of which does not exceed 100,000 euro were analysed. |
| 63. | It was analysed the activity report of the Human Resources Division for Semester I 2020. |
| 64. | It was analysed the activity report of the Corporate Strategy and Management Division for Semester I 2020. |
| 65. | It was analysed the activity report of the European Funds and International Relations Division for Semester I 2020. |
| 66. | It was analysed the activity report of the Sectoral Procurement and Contracting Division for Semester I 2020. |
| 67. | It was analysed the proposal to complete the secondary object of activity of SNTGN TRANSGAZ SA. |
| 68. | It analysed the proposal empowering the Director - General of Transgaz for approval of the procurement of natural gas for NTS balancing . |
| 69. | It was analysed the proposal to approve the allocation of the financial flow for the implementation of the project Interconnection of the National Natural Gas Transmission System in Romania with the similar natural gas transmission system |

| No. | Content / Issue presented and analysed |
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| | in the Republic of Serbia, including electricity supply, cathodic protection and optical fibre. |
| 70. | It was analysed the implementation stage of PAAS 2019 on 31.08.2020. |
| 71. | The August 2020 sectoral procurements the value of which does not exceed 100,000 euro were analysed . |
| 72. | It was analysed the activity report of the Energy Management, Automation and SCADA Division for Semester I 2020. |
| 73. | It was analysed the activity report of the Maintenance Division for the first half of 2020. |
| 74. | It was analysed the activity report of the Research and Design Division for Semester I 2020. |
| 75. | It was analysed the activity report of the Research and Design Division for Semester I 2020. |
| 76. | It was analysed the activity report of the Projects Analysis, Verification and Approval Unit for Semester I 2020. |
| 77. | It was analysed the activity report of the Logistics Division for Semester I 2020. |
| 78. | It was analysed the activity report of PMU BRUA for Semester I 2020. |
| 79. | It was analysed the activity report of the Archaeological Unit for Semester I 2020. |
| 80. | It was analysed the implementation stage of PAAS 2020 on 30.09.2020. |
| 81. | It was analysed the Report on the modification of the annual plans of the company and the rectification of the annual plan of sectoral procurements for July - September 2020. |
| 82. | The September 2020 sectoral procurements the value of which does not exceed 100,000 euro, were analysed. |
| 83. | It was analysed the Report on the evolution of the stock without movement in Q III 2020 and the degree of achievement of the plan of measures, on the reduction of the stock without movement by the end of 2020. |
| 84. | It was analysed the activity report of the Transgaz Brussels Representative Office for Q III 2020. |
| 85. | It was analysed the Report on the procurement of assets, services and works having a value higher than 500,000 Euro / procurement (for the procurement of assets and works) and 100,000 Euro / procurement (for services) by Transgaz in Q III 2020, for its presentation to the Ordinary General Meeting of the Shareholders. |
| 86. | It was analysed the implementation stage of PAAS 2020 on 31.10.2020. |
| 87. | The October 2020 sectoral procurements the value of which does not exceed 100,000 euro were analysed . |

| No. | Content / Issue presented and analysed |
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| 88. | It was analysed Modernization and investment development plan for 2021 and estimates for 2022, 2023 . |
| 89. | It was analysed Design Plan for 2021 and estimates for 2022, 2023. |
| 90. | It was analysed the Research Plan of SNTGN Transgaz SA for 2021 and estimates for 2022, 2023. |
| 91. | It was analysed Supply Plan for 2021 and estimates for 2022, 2023. |
| 92. | It was analysed Plan for other services performed by third parties for the year 2021 and estimates for the years 2022, 2023 . |
| 93. | It was analysed the training and professional development plan for employees for 2021. |
| 94. | It was analysed the need to approve the financing of the 2020 - 2029 TYNDP for submission for approval to the GMS . |
| 95. | It was analysed the implementation stage of PAAS 2020 on 30.11.2020. |
| 96. | The November 2020 procurements the value of which does not exceed 100,000 euro were analysed . |
| 97. | It was analysed the proposal to approve the conclusion of the Agreement for the termination of the Legacy Contract between SNTGN Transgaz SA and Gazprom Export LLC and the empowerment of the director-general of SNTGN Transgaz SA for its signature. |
| 2021 | |
| 1. | The annual sectoral procurement plans for 2021 were analysed . |
| 2. | It was analysed the implementation stage of PAAS 2020 on 30.11.2020. |
| 3. | The November 2020 procurements the value of which does not exceed 100,000 euro were analysed . |
| 4. | It was analysed the report on the modification of the annual plans of the company and the rectification of the PAAS for October - December 20 20. |
| 5. | It was analysed the agenda of external events in which SNTGN Transgaz SA was invited to participate. |
| 6. | It was analysed the policy regarding the granting of sponsorships and social support at the level of SNTGN Transgaz SA in 2021. |
| 7. | It was analysed the Report on sponsorships granted by SNTGN Transgaz SA in 2020. |
| 8. | It was analysed the Report on the evolution of the stock without movement in Q IV 2020 and the degree of implementation of the action plan, on the reduction of the stock without movement by the end of 2020. |

| No. | Content / Issue presented and analysed |
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| 9. | It was analysed the Report on the TGN retrospective at BVB during December 2007-31.12.2020. |
| 10. | It was analysed the activity report of the Transgaz Brussels Representative Office for Q IV 2020. |
| 11. | It was analysed the need to change the organizational structure of SNTGN Transgaz SA |
| 12. | It was analysed the draft 2021-2030 TYNDP for submission to public consultation. |
| 13. | It was analysed the Report on the draft Sustainability Report for 2020. |
| 14. | It was analysed the implementation stage of PAAS 2021 in the period 01.01.2021 - 31.01.2021. |
| 15. | The January 2021 procurements the value of which does not exceed 100,000 euro were analysed. |
| 16. | It was analysed the activity report of the Human Resources Division for the year 2020. |
| 17. | It was analysed the activity report of the Corporate Strategy and Management Division for 2020. |
| 18. | It was analysed the activity report of the European Funds and International Relations Division for 2020. |
| 19. | It was analysed the activity report of the Sectoral Procurement and Contracting Division for the year 2020. |
| 20. | It was analysed the Report regarding the modification of the Collective Labour Contract of SNTGN Transgaz SA. |
| 21. | It was analysed the need to change the organizational structure of SNTGN Transgaz SA. |

THE NTS SAFETY AND SECURITY COMMITTEE

3. The NTS Safety and Security Advisory Committee members are the following:

- **ION STERIAN** executive administrator;
- **PETRU ION VADUVA** non-executive administrator;
- **REMUS GABRIEL LAPUSAN** non-executive, independent administrator

4. Specifications regarding the activities performed:

- **Consultations** regarding the documents prepared by organizational structures within SNTGN Transgaz SA (divisions / units / departments), submitted to the NTS Safety and Security Committee.
- **Analyses** performed based on the following documents: reports / notes
- **Proposals / Measures / Recommendations** following analysis of the presented documents

| Tag no. | Contents / the issues presented and analysed |
|------------------|---|
| Year 2017 | |
| 1. | The activity of the Steering Committee for monitoring the implementation of the measures included in the "Priority Program for reducing technological consumption during 2013-2017" was analyzed. |
| 2. | The activity of the Working Group for the revision of the Network Code for the National Gas Transmission System was analyzed. |
| 3. | The proposal for approving the Assessment Report no. 32251 / 10.07.2017 in order to capitalize on the piping material and iron waste resulting from the maintenance-rehabilitation works to the natural gas transmission pipelines and from the scrapping of fixed assets, by selling it by public auction. |
| 4. | The Activity Report of the Operations Department related to the first half of 2017 was analyzed. |
| 5. | The Activity Report of the Operation and Maintenance Department related to the first half of 2017 was analyzed. |
| 6. | The Activity Report of the NTS Infrastructure Risk Tracking Service for the first half of 2017 was analyzed. |
| 7. | The need to introduce additional clauses in the Gas Transmission Contract with commercial partners (NU) having debts registered with the records of SNTGN Transgaz SA for the gas year 2017-2018 was analyzed. |
| 8. | The NTS Repair, Rehabilitation and Maintenance Program for 2018 was analyzed. |
| Year 2018 | |
| 1. | The Information on the preparation of NTS for safe operation during the winter period 2017-2018 was analyzed. |
| 2. | The activity of the Steering Committee for monitoring the implementation of the measures included in the "Priority Program for reducing technological consumption during the period 2013-2017" was analyzed. |
| 3. | The activity of the Working Group for the revision of the Network Code for the National Gas Transmission System was analyzed. |

| Tag no. | Contents / the issues presented and analysed |
|---------|--|
| 4. | The need to empower the Director General to conclude contracts for the purchase of balancing gas was analyzed. |
| 5. | The activity of reducing NTS technological consumption was analyzed. |
| 6. | The activity of the Working Group meant to prepare the draft revisions of the Network Code for the National Gas Transmission System necessary to configure a gas market model on the entry-exit system using the virtual trading point (PVT), established on the basis of Decision no.1005 / 24.10.2017, was analyzed. |
| 7. | The Report on the procurement of gas for the physical balancing of the NTS during the period February 22 and March 1, 2018 was analyzed. |
| 8. | The Activity Report for 2017 of the Operation Division was analyzed. |
| 9. | The Activity Report 2017 of the Maintenance Division for was analyzed. |
| 10. | The need to conclude the Contract for underground storage of natural gas for the period 2018/2019 and the empowerment of the Director General of SNTGN Transgaz SA for its signing was analyzed. |
| 11. | The Report on the procurement of natural gas in March 2018 for the physical balancing of the NTS was analyzed. |
| 12. | The need to purchase natural gas to cover the technological consumption of SNTGN Transgaz SA during the period October 1, 2018 and September 30, 2019 was analyzed. |
| 13. | The Report on the procurement of gas for the physical balancing of the NTS in April 2018 was analyzed. |
| 14. | The need to approve the Addendum no. 1 to the gas underground storage contract no. 73/2018 and the empowerment of the Director General of SNTGN Transgaz SA for its signing. |
| 15. | The Report on the procurement of natural gas in May 2018 for the physical balancing of the NTS was analyzed. |
| 16. | The Report on the procurement of natural gas in June 2018 for the physical balancing of the NTS was analyzed. |
| 17. | The Report regarding the approval of the transmission tariffs for the gas transmission activity on the natural gas transmission pipeline Isaccea 1 - Negru Vodă 1 for the period October 1, 2018 - September 30, 2019 by ANRE Order no. 99/29 May 2018 was analyzed. |
| 18. | The Report regarding the approval of the regulated income, of the total income and of the transmission tariffs for the gas transmission activity through the National Transmission System, by ANRE Order no. 98/29 May 2018 was analyzed. |

| Tag no. | Contents / the issues presented and analysed |
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| 19. | The Report on the procurement of natural gas in August 2018 for the physical balancing of the NTS was analyzed. |
| 20. | The Activity Report of the Operation Division related to the first half of 2018 was analyzed. |
| 21. | The Activity Report of the Maintenance Division related to the first half of 2018 was analyzed. |
| 22. | The need to empower the Director General of SNTGN Transgaz SA in order to approve the natural gas procurement operations necessary for balancing the NTS was analyzed, including the signing of the contracts concluded in this respect, as appropriate. |
| 23. | The Report on the procurement of natural gas in September 2018 for the physical balancing of the NTS was analyzed. |
| 24. | The Report on the procurement of natural gas in October 2018 for the physical balancing of the NTS was analyzed. |
| 25. | The NTS Repair, Rehabilitation and Maintenance Program for 2019 was analyzed. |
| 26. | The Report on the procurement of natural gas in November 2018 for the physical balancing of the NTS was analyzed. |
| Anul 2019 | |
| 1. | The NTS Repair, Rehabilitation and Maintenance Program for 2019 was analyzed. |
| 2. | The activity for reducing the NTS technological consumption was analyzed. |
| 3. | The Report on the procurement of natural gas for the physical balancing of the NTS in January 2019 was analyzed. |
| 4. | The activity of the Working Group meant to prepare the draft revisions of the Network Code for the National Gas Transmission System necessary to configure a natural gas market model on the entry-exit system using the virtual trading point (PVT), established based on Decision no.1005 / 24.10.2017 was analyzed. |
| 5. | The Report on the procurement of natural gas for the physical balancing of the NTS in February 2019 was analyzed. |
| 6. | The Activity Report of the Operation Division for 2018 was analyzed. |
| 7. | The Activity Report of the Energy Management, Automation and SCADA Division for 2018 was analyzed. |
| 8. | The Activity Report of the Maintenance Division for 2018 was analyzed. |

| Tag no. | Contents / the issues presented and analysed |
|---------|---|
| 9. | The Report on the procurement of natural gas for the physical balancing of the NTS in March 2019 was analyzed. |
| 10. | The Report on the design and installation of Security and Surveillance Systems for gas metering and regulation (MRS) stations was analyzed. |
| 11. | The opportunity to approve the purchase of natural gas to cover the technological consumption of SNTGN Transgaz S.A. during the period October 1, 2019 - September 30, 2020 was analyzed. . |
| 12. | The need to approve the conclusion of the Contract for underground storage of natural gas for the period 2019/2020 was analyzed. |
| 13. | The Report on the procurement of natural gas for the physical balancing of the NTS in April 2019 was analyzed. |
| 14. | The need to store in the underground storage facilities a quantity of natural gas purchased in order to cover the technological consumption of the NTS for the current gas year was analyzed. |
| 15. | The Report on the procurement of natural gas in May 2019 for the physical balancing of the NTS was analyzed. |
| 16. | The adequacy or not of the transport capacities on the alternative routes was analyzed in the event that Gazprom will stop any gas transit through Ukraine. |
| 17. | The need to approve the tariffs for the implementation of special works was analyzed. |
| 18. | The need to purchase natural gas to cover the technological consumption of SNTGN Transgaz SA during the period October 1, 2019 - September 30, 2020 was analyzed. |
| 19. | The Report on the procurement of natural gas for the physical balancing of the NTS in June 2019 was analyzed. |
| 20. | The Report on the procurement of natural gas for the physical balancing of the NTS in July 2019 was analyzed. |
| 21. | The substantiation of the regulated tariffs for the activities related to the operation of the natural gas transmission system during October 1, 2019 - September 30, 2020 was analyzed. |
| 22. | The substantiation of the tariffs to be practiced by the administrator of the natural gas balancing market during October 1, 2019 - September 30, 2020 was analyzed. |
| 23. | The Report on the procurement of natural gas for the physical balancing of the NTS in August 2019 was analyzed. |

| Tag no. | Contents / the issues presented and analysed |
|------------------|--|
| 24. | The opportunity to approve the conclusion of Addendum no. 1 to the Contract no. 327 / 24.04.2019 on the underground storage of natural gas and the approval of the procurement of natural gas necessary to ensure the minimum stock established by the Decision of the A.N.R.E. no. 1773 / 16.10.2019. |
| 25. | The actions carried out by the TSO for the physical balancing of the NTS were analyzed. |
| 26. | The total value of the procurement contracts necessary to balance the NTS for the gas year 2018-2019 and the evolution of the procurement prices were analyzed. |
| 27. | The NTS Repair, Rehabilitation and Maintenance Program for 2020 and estimates for 2021, 2022 were analyzed. |
| 28. | The Report on the actions carried out by the TSO for the physical balancing of the NTS in November 2019 were analyzed. |
| Year 2020 | |
| 1. | The activity for reducing NTS technological consumption was analyzed. |
| 2. | The Report on the actions carried out by TSO for the physical balancing of the NTS in December 2019 was analyzed. |
| 3. | The activity of the Working Group meant to prepare the draft revisions of the Network Code for the National Gas Transmission System necessary to configure a natural gas market model on the entry-exit system using the virtual trading point (PVT), established based on Decision no.1005 / 24.10.2017 was analyzed. |
| 4. | The Report on the actions carried out by the TSO for the physical balancing of the NTS in January 2020 was analyzed. |
| 5. | The proposal to adjust the regulated tariffs for the natural gas transmission activity for the period October 1, 2020 - September 30, 2021 was analyzed. |
| 6. | The Activity Report of the Operations Department for 2019 was analyzed. |
| 7. | The Activity Report of the Energy Management, Automation and SCADA Division for 2019 was analyzed. |
| 8. | The Activity Report of the Maintenance Division for 2019 was analyzed. |
| 9. | The Report on the actions carried out by the TSO for the physical balancing of the NTS in February 2020 was analyzed. |
| 10. | The Report on the actions carried out by TSO for the physical balancing of the NTS in March 2020 was analyzed. |

| Tag no. | Contents / the issues presented and analysed |
|---------|---|
| 11. | The activity of the Working Group meant to prepare the draft revisions of the Network Code for the National Gas Transmission System necessary to configure a natural gas market model on the entry-exit system using the virtual trading point (PVT), established based on Decision no.780 / 17.07.2019 was analyzed. |
| 12. | The proposal for approving the total revenue and transport tariffs related to the Isaccea - Negru Vodă transmission pipeline 2, 3 for the period October 1, 2020 - September 30, 2021 was analyzed by benchmarking against tariffs of European Union countries. |
| 13. | The Report on the actions carried out by the TSO for the physical balancing of the NTS in April 2020 was analyzed. |
| 14. | The Report on the actions carried out by the TSO for the physical balancing of the NTS in May 2020 was analyzed. |
| 15. | The Report regarding the status of works in progress performed by the constructor SC TOTAL GAZ SA, Iași was analyzed. |
| 16. | The Report on the actions carried out by the TSO for the physical balancing of the NTS in June 2020 was analyzed. |
| 17. | The Report on the total value of the gas procurement contracts necessary to balance the NTS for the second half of 2020 and the evolution of the purchase prices was analyzed. |
| 18. | The Report on the actions carried out by the TSO for the physical balancing of the NTS in July 2020 was analyzed. |
| 19. | The Report on the actions carried out by the TSO for the physical balancing of the NTS in August 2020 was analyzed. |
| 20. | The activity report of the Operation Division for the first half of 2020 was analyzed. |
| 21. | The Report on the actions carried out by the TSO for the physical balancing of the NTS in September 2020 was analyzed. |
| 22. | The Report on the total value of natural gas procurement contracts necessary to balance the NTS for the third quarter of 2020 and the evolution of purchase prices was analyzed. |
| 23. | The Report on the actions taken by the TSO for the physical balancing of the NTS in October 2020 was analyzed. |
| 24. | The Report on the status of actions / transmission scenarios for the safe operation of the NTS during the cold season 2020-2021 was analyzed. |
| 25. | The NTS Repair, Rehabilitation and Maintenance Program for 2021 and estimates for 2022 and 2023 were analyzed. |

| Tag no. | Contents / the issues presented and analysed |
|------------------|---|
| 26. | The Report on the actions taken by the TSO for the physical balancing of the NTS in November 2020 was analyzed. |
| 27. | The proposal for approving the procedure for starting / continuing / resuming the provision of natural gas transmission services and / or approving the transfers of booked capacity and the posting thereof on Transgaz website was analyzed. |
| Year 2021 | |
| 1. | The activity of reducing NTS technological consumption was analyzed. |
| 2. | The actions carried out by the TSO for the physical balancing of the NTS in December 2020 were analyzed. |
| 3. | The activity of the Working Group meant to prepare the draft revisions of the Network Code for the National Gas Transmission System necessary to configure a natural gas market model on the entry-exit system using the virtual trading point (PVT), established based on Decision no. 1420 / 10.12.2020 was analyzed. |
| 4. | The Report on the total value of gas procurement contracts necessary to balance the NTS for the fourth quarter of 2020 and the evolution of the purchase prices was analyzed. |
| 5. | The activity of reducing NTS technological consumption was analyzed. |
| 6. | The Report on the actions carried out by TSO for the physical balancing of the NTS in January 2021 was analyzed. |
| 7. | The activity of the Working Group meant to prepare the draft revisions of the Network Code for the National Gas Transmission System necessary to configure a natural gas market model on the entry-exit system using the virtual trading point (PVT), established based on Decision no. 1420 / 10.12.2020 was analyzed. |

THE COMMITTEE FOR REGULATION AND RELATIONS WITH PUBLIC AUTHORITIES

3. The Advisory Committee for Regulation and Relations with Public Authorities members are the following:

- **ION STERIAN** executive administrator;
- **PETRU ION VADUVA** non-executive administrator;
- **REMUS GABRIEL LAPUSAN** non-executive, independent administrator.

4. Specifications regarding the activities performed:

- **Consultations** regarding the documents prepared by organizational structures within SNTGN Transgaz SA (divisions / units / departments), submitted to the Committee for Regulation and Relations with Public Authorities.
- **Analyses** performed based on the following documents: reports / notes
- **Proposals / Measures / Recommendations** following analysis of the presented documents

| Tag no. | Contents / Presented and analysed issues |
|------------------|---|
| Year 2017 | |
| 1. | The Report regarding the approval by ANRE order no. 74/2 August 2017 of the regulated income, of the total income and of the transmission tariffs for the natural gas transmission activity through the national transmission system was analyzed. |
| 2. | The Report on the approval by ANRE Order no. 73/2 August 2017 of transmission tariffs for the natural gas transmission activity related to the gas transmission pipeline Isaccea 1 - Negru Vodă 1 for the period October 1, 2017 - September 30, 2018. |
| 3. | The Report on the legality and validity of the adjustments operated by ANRE to Transgaz SA proposals regarding the regulated income, total income and tariffs for natural gas transmission activity for the period October 1, 2017 - September 30, 2018, approved by Order no. 74/2017 and the measures taken to challenge them in court. |
| 4. | The Report on the activity carried out by Mr. Mihai Goage - ENTSOG Consultant during June 2017 - August 2017 was analyzed. |
| 5. | The Report on the activity of the Regulations and Licensing Unit for the first half of 2017 was analyzed. |
| 6. | The Activity Report of the Land Regulations and Formalities Division for the first half of 2017 was analyzed. |
| 7. | The Report on the activity carried out by Mr. Mihai Goage - ENTSOG Consultant during March 2017 - May 2017 was analyzed. |
| Year 2018 | |
| 1. | The request for the approval of the Ministry of Economy to incur total monthly costs in accordance with the provisions of art. 8. paragraph (2) of the Government Ordinance. no. 26/21 August 2013 was analyzed. |
| 2. | The Report on the adjustment of the regulated tariffs for the gas transmission activity for the period October 1, 2018-30 September 2019 was analyzed. |
| 3. | The Activity Report of the Regulations and Licenses Unit for 2017 was analyzed. |

| Tag no. | Contents / Presented and analysed issues |
|------------------|--|
| 4. | The Activity Report of the Division of Regulations and Land Formalities for 2017 was analyzed. |
| 5. | The Report on the activity carried out by Mr. Rareș Mitrache - ENTSG Consultant during December 2017 - February 2018 was analyzed. |
| 6. | The need to substantiate the regulated tariffs related to the process of connection to the natural gas transmission system was analyzed. |
| 7. | The need to approve the commitments proposed by SNTGN Transgaz SA in respect of case no. AT. 40335 of the European Commission, General Directorate of Competition. |
| 8. | The Activity Report of the Division of Land Regulations and Formalities for the first half of 2018 was analyzed. |
| 9. | The Report on the activity carried out by Mr. Rareș Mitrache - ENTSG Consultant during March - August 2018 was analyzed. |
| 10. | The Report on the activity carried out by Mr. Mitrache Rares - ENTSG Consultant during September - November 2018 was analyzed. |
| Year 2019 | |
| 1. | The Activity Report of the Land Regulations and Formalities Division for 2018 was analyzed. |
| 2. | The Report on the activity carried out by Mr. Rareș Mitrache - ENTSG Consultant during December 2018 - February 2019 was analyzed. |
| 3. | The need to approve the regulated tariffs for the natural gas transmission activity for the period October 1, 2019-30 September 2020 was analyzed. |
| 4. | The Report regarding the modifications of the Methodology for Establishing the Regulated Tariffs for the natural gas transmission services approved by ANRE Order no. 41 of March 15, 2019 with a significant negative impact on the regulated income of SNTGN Transgaz SA was analyzed. |
| 5. | The Report regarding the approval by ANRE Order no. 64/30 May 2019 of the regulated income, of the total income and of the transmission tariffs for the natural gas transmission activity through the National Transmission System was analyzed. |
| 6. | The Report on the activity carried out by Mr. Rareș Mitrache - ENTSG Consultant between March 2019 - May 2019 was analyzed. |
| 7. | The Report on the total revenues and transmission tariffs related to Isaccea 2 and Isaccea 3 - Negru Vodă 2 and Negru Vodă 3 pipelines for the period October 1, 2019 - September 30, 2020 was analyzed, in order to be submitted to the National Energy Regulatory Authority for analysis and approval. |

| Tag no. | Contents / Presented and analysed issues |
|------------------|---|
| 8. | The Report on the activity carried out by Mr. Rareş Mitrache - ENTSOG Consultant between June 2019 - August 2019 was analyzed. |
| 9. | The Report on the modification of provisions of Transgaz' updated Articles of Incorporation was analyzed. |
| 10. | The report on the activity carried out by Mr. Mitrache Rares - ENTSOG Consultant during September - November 2019 was analyzed. |
| Year 2020 | |
| 1. | The Activity Report of the Natural Gas Regulation Unit for 2019 was analyzed. |
| 2. | The Report on the activity carried out by Mr. Rareş Mitrache - ENTSOG Consultant during December 2019 - February 2020 was analyzed. |
| 3. | The Activity Report of the Regulations and Land Formalities Division for 2019 was analyzed. |
| 4. | The Report on the approval by ANRE Order no. 83/27 May 2020 of the regulated income, of the total income and of the transmission tariffs for the natural gas transmission activity through the National Transmission System was analyzed. |
| 5. | The report on the activity carried out by Mr. Rareş Mitrache - ENTSOG Consultant between March 2020 - May 2020 was analyzed. |
| 6. | The proposal to substantiate the regulated tariffs for the activities related to the operation of the natural gas transmission system during October 1, 2020 - September 30, 2021 was analyzed. |
| 7. | The proposal to substantiate the tariffs to be practiced by the administrator of the natural gas balancing market during October 1, 2020 - September 30, 2021 was analyzed. |
| 8. | The report on the activity of the Regulations and Land Formalities Division for the first half of 2020 was analyzed. |
| 9. | The report on the activity carried out by Mr. Rareş Mitrache - ENTSOG Consultant between June 2020 - August 2020 was analyzed. |
| 10. | The report on the activity carried out by Mr. Mitrache Rares - ENTSOG Consultant during September - November 2020 was analyzed. |
| Year 2021 | |
| 1. | The Activity Report of the Natural Gas Regulation Unit for 2020 was analyzed. |

5. Supervision and control of the company management

The Board of Administration, the main body supervising the company's activity and functions as a buffer between the executive management of the company represented by directors and its shareholders, delegated the management of the company to the director-general.

During the 2017-2021 mandate, the number of the Board of Administration meetings and of General Assemblies of the Shareholders is shown in the table below:

| Year | No. of BoA meetings | No. of OGMS meetings | No of EGMS meetings |
|------|---------------------|----------------------|---------------------|
| 2017 | 38 | 8 | 3 |
| 2018 | 55 | 7 | 1 |
| 2019 | 60 | 11 | 1 |
| 2020 | 44 | 7 | 4 |

The Board of Administration sends the General Meeting of the Shareholders **annual reports on their activity, as they are required** by Government Emergency Ordinance 109/2011, as further amended and supplemented, the accounting, financial and capital market laws and the sectoral laws related to the company's business.

The **system of procedures** established for each of the procedural activities of the company is one of the effective tools for supervising the company's activity as part of the mechanism for monitoring and control of the actions taken for the fulfilment of the objectives set.

The divisions for the supervision and control of the company's executive management activity were focused mainly on the following areas of action and organizational intervention:



Managed by a Board of Administration composed of professional administrators with extensive expertise in the field, year by year SNTGN TRANSGAZ SA has managed to achieve economic and financial performances and to follow an upward trend regarding the development of its business and resources contributing to its execution.

The Transgaz Board of Administration meets at the company's registered office or in any other another place which it establishes, whenever necessary but at least once every three months, and is convened by the Chairman of the Board following the request of two Board members or by the Director - General. During the meetings, the Board of Administration adopts resolutions for the efficient and effective fulfilment of the duties.

While exercising the powers / duties they have under the Articles of Incorporation and the Mandate Contract, the administrators of Transgaz have been in charge with the supervision and control of the executive management according to the good corporate governance practices and the professional ethics, with full responsibility, good faith and professionalism, reliability, sound control and spared no effort to meet the objectives undertaken for the management of the company between 2017 and 2021.

The main powers of the Board of Administration are as follows:

- to establish the main directions of activity and development of the company, to prepare the policy of Transgaz S.A., according to the applicable laws;
- to establish accounting and financial control system and approve financial planning;
- to approve the organizational structure and the regulation of organization and

functioning of TRANSGAZ S.A.;

- to appoint and revoke the general director of TRANSGAZ S.A. and determine his/her remuneration;
- to supervise the work of the general director;
- to prepare the annual report, organize the general meeting of shareholders and implement its decisions;
- to introduce the request for initiating insolvency proceedings for TRANSGAZ S.A., in accordance with the legal regulations in force;
- to approve the level of guarantees for persons who are managers;
- to conclude legal documents by which to acquire, change or warrant assets in the patrimony of TRANSGAZ S.A., with the approval of the general meeting of shareholders when the law imposes this condition;
- to approve the competences of the branches by field of activity (economic, commercial, technical, administrative, financial, legal etc.) in order to achieve the activity of TRANSGAZ SA;
- to approve the conclusion of any contracts for which it has not delegated the competence of the general director of TRANSGAZ S.A. ;
- to submit annually to the general meeting of the shareholders, after the end of the financial year, the report on the activity of TRANSGAZ S.A., the balance sheet and the profit and loss account for the previous year;
- to submit to the general meeting of the shareholders the activity program and the draft income and expenditure budget for the following year;
- to convene the general meeting of shareholders whenever necessary;
- to establish the rights, obligations and responsibilities of the TRANSGAZ SA staff, according to the approved organizational structure;
- to decide on the contracting of bank loans, including foreign ones; to establish the competencies and level of contracting of current bank loans, of short-term and medium-term trade credits and to approve the release of guarantees;
- to approve the number of posts and the normative act for the establishment of functional and production departments;
- to approve production, research, development and investment programs;
- to approve policies for environmental protection, occupational safety, according to the legal regulations in force;
- to approve, within the limits of the revenue and expenditure budget approved by the general meeting of shareholders, changes in its structure within the limits of the powers for which it was mandated;

- to negotiate the collective labour agreement by mandating the general director and to approve the status of the staff;
- to ensure and to be responsible for the fulfilment of any other tasks and duties established by the general meeting of the shareholders or which are provided by the legislation in force;
- to adopt any other decisions concerning the activity of the company, except those which are within the competence of the general meeting of the shareholders.
- to draw up the management plan, which includes the management strategy for the duration of the mandate to achieve the objectives and performance criteria set by mandate contracts;
- to approve the internal regulation on the organization and functioning of the advisory committees set up at the level of the Board of Administration and their composition;
- to approve the management plan for the duration of the mandate and for the first year of the term of the general director of TRANSGAZ S.A. ;
- to approve the change of the secondary activity scope of SNTGN Transgaz S.A;
- to approve the set-up or closure of work points - objective of NTS.

SNTGN TRANSGAZ SA draws up periodic and continuous reports about important events concerning the company, including but not limited to its financial situation, performance, ownership and management, both in the media and on its website (www.transgaz.ro).

The company prepares and disseminates relevant periodical and continuous information pursuant to the International Financial Reporting Standards (IFRS) and to other reporting standards or environment, social and governance standards (ESG). The information is disseminated both in Romanian and in English.

Pursuant to the schedule of financial communication with the Bucharest Stock Exchange, the administrative and executive management of Transgaz has organized and organizes meetings with financial analysts, brokers, financial advisors and investors both during the dissemination of the financial statements and of the economic-financial results and on the occasion of other aspects of the life and activity of the company, impacting the TGN stock prices and the decisions to invest in the company shares.

The members of the Board of Administration made and will make decisions in the sole interest of the company and did not take and will not take part in the debates or decisions that create a conflict between their personal interests and those of the company or the subsidiaries controlled by it.

Each member of the Board of Administration shall ensure that there is no conflict of interest either directly or indirectly with the company or a subsidiary controlled by it, and in the event

of such conflict, it will refrain from debating and voting on those matters, in accordance with the legal provisions in force.

In order to ensure the procedural fairness of the transactions with the parties involved, the members of the Board of Administration resort to the following criteria, but not limited to:

- retaining the competence of the Board of Administration or the GMS, as appropriate, to approve the most important transactions;
- asking for a prior opinion on the most important transactions from internal control structures;
- entrusting negotiations relating to these transactions to one or more independent administrators or to administrators who have no links with the concerned parties;
- the use of independent experts.

The Board of Administration **sets the corporate policy for dissemination of information** in compliance with the current laws and the company's Articles of Incorporation. This policy must guarantee equal access to information for shareholders, investors and the significant shareholders and it must not allow abuses on confidential information or information about `transactions with itself`.

Corporate Social Responsibility is an aspect of corporate governance through which companies have initiated a range of socially responsible actions that can be quantified in terms of sustainability and sustainable performance.

Corporate social Responsibility is an aspect of corporate governance, with TRANSGAZ' key role in the energy field in Romania and Europe being naturally complemented by the desire to support the real needs of all those who are constantly contributing to the smooth way of its activity. As part of Transgaz's sustainable development strategy, the social responsibility policy aims to increase the company's commitment to employees, shareholders, partners, the community and the environment. The priority areas where TRANSGAZ S.A. gets involved and will be involved from social point of view are: sustainable development of the community, education, sport, arts and culture, humanitarian activities, health, environment.

6. Risk management

The risks identified in the company and requiring proper management and control include:

| Risks related to the natural gas sector |
|---|
| The risk associated with government intervention in the key infrastructure sectors; |
| The amendment of the regulatory framework specific to the natural gas market and of the legal regulations applicable to the company's business; |

| |
|--|
| The impact of competing projects on the international transmission of natural gas; |
| The seasonal fluctuation of business; |
| The changing in gas prices in Romania. |
| Risks related to natural gas transmission activity |
| The regulated nature of the activity of natural gas transmission; |
| The variations in the price of gas purchased by the company; |
| The risk related to the implementation of the new business model of SNTGN Transgaz SA; |
| The conclusion of international transmission contracts on the basis of intergovernmental agreements; |
| The failure to meet the minimum investment program – an obligation of SNTGN Transgaz SA undertaken under the Concession Agreement; |
| The risk of failing to improve the profitability of the current activity of gas transmission and the reduction of the technological consumption; |
| The risk regarding the limited access to own sources for financing the development plans; |
| The failure to develop other income generating activities as its main field of business |
| The risk that ANRE does not accept the remuneration of investments made and their inclusion in RAB |
| The risk that the National Transmission System can be affected by natural disasters; |
| The risk on the regime of classified information of SNTGN Transgaz SA; |
| Strong unions that can make the process of optimizing and streamlining the company's business difficult. |
| Financial Risks |
| Credits; |
| Exchange rates; |
| Interest rate; |
| Liquidities. |

By the nature of the activities carried out, the company is exposed to the risks identified and shown above and, in the event that any of these risks materializes, it could adversely affect the business, financial status and/or operational results of SNTGN Transgaz SA.

By ensuring an effective optimization of the management of risks identified, through the proper and effective implementation and development of a risk management system, of a measure program regarding the risks for the company, the administrators

of Transgaz believe that it can avoid / reduce / assume the impact of risks over the company's business and its financial-economic results.

The objective of the risk management system within SNTGN Transgaz SA is to secure long-term sustainability and to reduce the uncertainty associated with its strategic objectives and financial targets.

There are five pyramidal risk management levels in the company, figure 1:



Fig. 1- The risk management system levels

Risk management policies

- **The Risk Management Strategy**, approved by BoA Resolution 41/2018, for 2017-2021, establishes both the actions necessary to optimize the risk management process and the framework for identifying, evaluating, monitoring and controlling significant risks, in order to maintain them at acceptable levels depending on the *risk tolerance limit*. Through the risk management strategy it is established the risk tolerance in relation to risk exposure, using a **3-step scale** resulting in a **matrix with 9 values** for risk exposure;
- **Statement – Commitment** of the Director General on Risk Management;
- **System procedure PS 05 SMI Risk Management** establishes a unitary set of rules for risk management and for drafting and updating of the Risk Register.

SNTGN Transgaz SA defined its **Risks Grouping System** by using the risk categories.

| Internal context | External context |
|----------------------------|---------------------------|
| RISK CATEGORY | |
| Human resources | Suppliers/Subcontractors |
| Information/communication | Legislative |
| Control of activities | Exonomin environment |
| Organizational environment | Institutional environment |

| | |
|------------------------------------|------------------|
| Location availability | Hazard |
| Material/financial resources | External/Clients |
| Engineering/construction | External/social |
| Infrastructure/working environment | Force majeure |
| Technical | |

The risk categories provide a structured and manageable overview of the company risks. By using the risk categories the risk monitoring function is improved and helps us to:

- determine the common causes that lead to the highest concentrations of risks;
- develop better risk responses;
- think in a structured and oriented way during the risk identification stage;
- cover all possible aspects of the risk conditions;
- improve the effectiveness of internal/management control systems;
- report the risks between the organizational structures.

The strategic risks are directly related to Transgaz's development strategy and are associated with the strategic objectives:



Fig. 2- Strategic risks categories

The operational risks are directly related to the activity carried out at the level of services, offices, departments, sectors and are associated with **operational objectives**.

Risk awareness, understanding of the company's risk profile and risk management skills improved considerably throughout the company.

The following documents specific to risk management are prepared/approved **annually** for the information of the Board of Administration:

- the risk profile by comparison with the tolerance limit of the company;
- the risk register, at the company level;
- the plan of measures for mitigating risks at company level;
- annual report on risk management and monitoring within SNTGN Transgaz SA.

7. Financial performance achieved during the mandate

The sustainable financial performance is the main expectation of being a majority shareholder.

THE MAIN ECONOMIC AND FINANCIAL INDICATORS

| No. | Indicator | Obtained at 31 December (thousand lei) | | | |
|-----|---|--|------------|------------|------------------|
| | | 2017 | 2018 | 2019 | 2020 preliminary |
| 0 | 1 | 2 | 3 | 4 | 5 |
| 1. | Turnover | 1.800.079 | 1.741.929 | 1.850.405 | 1.474.078 |
| 2. | Operating revenue before the balancing and the construction activity according to IFRIC12 | 1.719.993 | 1.608.437 | 1.576.667 | 1.332.657 |
| 3. | Revenue from balancing | 120.686 | 235.427 | 324.688 | 199.239 |
| 4. | Revenue from the construction activity according to IFRIC12 | 63.950 | 405.794 | 868.357 | 1.575.005 |
| 5. | Financial revenue | 190.546 | 46.844 | 98.952 | 60.465 |
| 6. | Operating cost before the balancing and the construction activity according to IFRIC12 | 1.055.267 | 1.046.952 | 1.228.699 | 1.099.003 |
| 7. | Cost of balancing gas | 120.686 | 235.427 | 324.688 | 199.239 |
| 8. | Cost of constructed assets according to IFRIC12 | 63.950 | 405.794 | 868.357 | 1.575.005 |
| 9. | Financial cost | 150.227 | 25.449 | 27.818 | 19.574 |
| 10. | Gross profit | 705.045 | 582.880 | 419.102 | 274.545 |
| 11. | Profit tax | 125.305 | 98.132 | 86.676 | 48.161 |
| 12. | Deferred profit tax revenue | 3.876 | 10.927 | 15.833 | 3.405 |
| 13. | Net profit | 583.616 | 495.675 | 348.259 | 229.790 |
| 14. | Total comprehensive result related to the period | 601.442 | 491.233 | 343.622 | 214.077 |
| 15. | Transmitted gas – thousand cm | 12.869.908 | 12.975.921 | 13.227.501 | 12.380.266 |
| 16. | Investment cost | 95.599 | 468.151 | 1.063.025 | 1.687.321 |
| 17. | Rehabilitation cost | 13.954 | 21.646 | 12.632 | 17.165 |

Translation from Romanian

| No. | Indicator | Obtained at 31 December (thousand lei) | | | |
|-----|---|--|--------|--------|-------------------|
| | | 2017 | 2018 | 2019 | 2020 preliminated |
| 18. | Technological consumption | 73.831 | 70.003 | 66.257 | 79.187 |
| 19. | Technological consumption – thousand cm | 95.243 | 81.034 | 65.208 | 69.325 |

*) the transmitted quantity for which the transmission services are invoiced

Table 3- Main economic and financial indicators in 2017 - 2020

MAIN ECONOMIC AND FINANCIAL INDICATORS

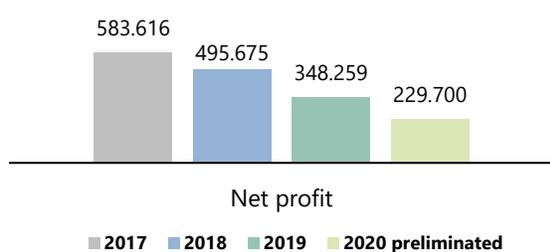


Chart 1 –Turnover 2017 - 2020 (thousand lei)

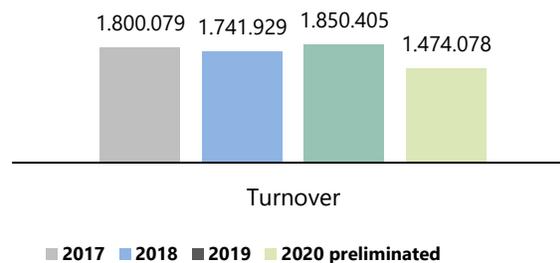


Chart 2-Net Profit 2017 - 2020 (thousand lei)



Chart 2 Operating revenue, expense and operating profit before the balancing and construction activity according to IFRIC 12 in 2017 - 2020

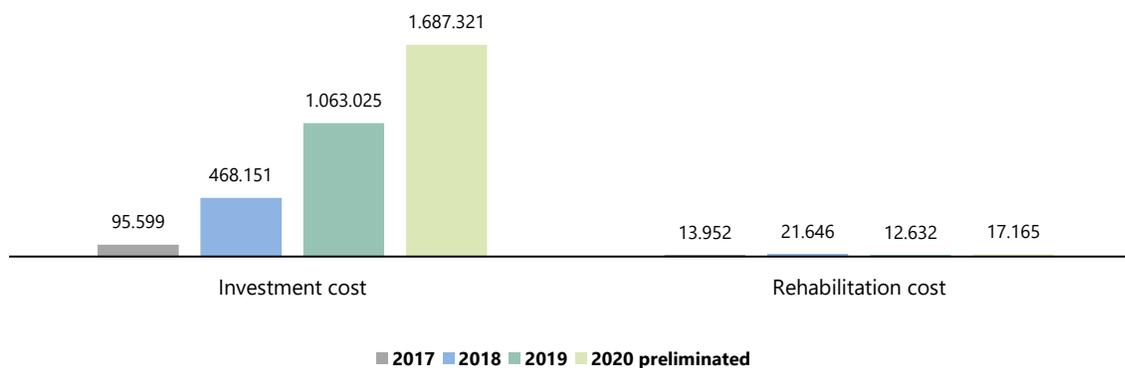


Chart 1- Investment cost and rehabilitation cost between 2017 – 2020 (thousand lei)

The values of the profitability, liquidity, risk and management indicators in 2017- 2020:

| No. | Indicators | Calculation formula | 2017 | 2018 | 2019 | 2020 preliminated |
|-----------|---------------------------------|--|--------|--------|--------|----------------------|
| 1. | Profitability indicators | | | | | |
| | EBITDA in total sales | EBITDA | 47,18% | 43,03% | 29,27% | 32,48% |
| | | Turnover | | | | |
| | EBITDA in equity | EBITDA | 22,53% | 20,19% | 14,23% | 12,55% |
| | | Equity | | | | |
| | Gross profit share | Gross profit | 39,17% | 33,46% | 22,65% | 18,62% |
| | | Turnover | | | | |
| | Return on equity | Net profit | 15,48% | 13,35% | 9,21% | 6,03% |
| | | Equity | | | | |
| 2. | Liquidity indicators | | | | | |
| | Current liquidity indicator | Current assets | 5,57 | 3,59 | 2,58 | 1,92 |
| | | Short term debts | | | | |
| | Acid test ratio | Current assets - Stocks | 5,27 | 2,99 | 1,60 | 1,61 |
| | | Short term debts | | | | |
| 3. | Risk indicators | | | | | |
| | Leverage indicator | Borrowed capital | 1,85% | 6,28% | 17,44% | 40,31% |
| | | Equity | | | | |
| | Interest coverage ration | EBIT | X | 222,77 | 80,40 | 13,17 |
| | | Interest expense | | | | |
| 4. | Management indicators | | | | | |
| | Days' sales outstanding | Average accounts receivable x 365 days | 142,85 | 141,49 | 137,09 | 167,42 |
| | | Turnover | | | | |
| | Days' payable outstanding | Average accounts payable x 365 days | 19,43 | 35,52 | 40,78 | 54,35 |
| | | Turnover | | | | |

Table 4 - Profitability, liquidity, risk and management indicators in 2017- 2020

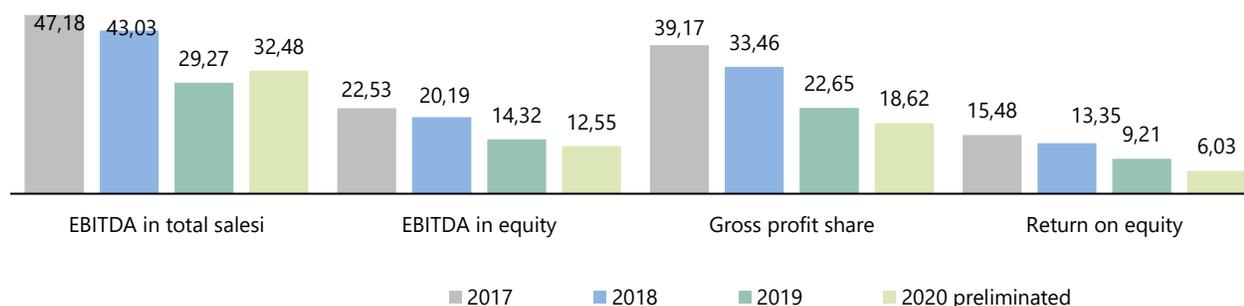


Chart 2- Profitability indicators in 2017 - 2020

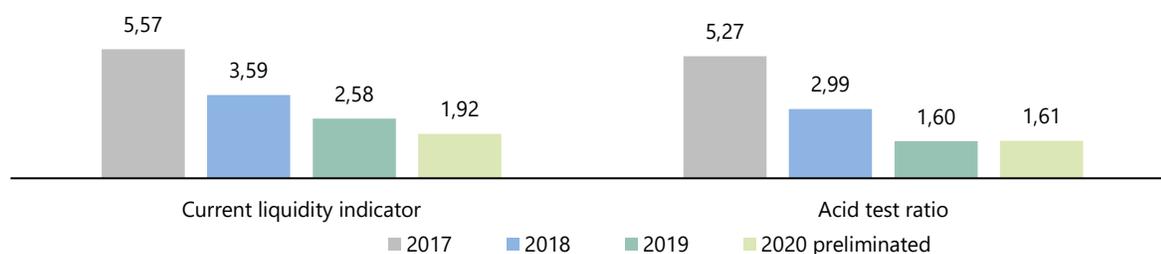


Chart 3-Liquidity indicators in 2017 – 2020

Detailed information regarding the evolution of the economic and financial results and of the performance indicators can be found both in the **Administrators' Annual Report**, a public document published on the company's website and in the annual Financial Statements prepared according to IFRS-EU, also published on the Transgaz website.

Due to the fact that the implementation and application of the corporate governance principles as they are set forth in Government Emergency Ordinance no. 109/2011 provide **not only a balance between compliance and performance, but a real increase in economic efficiency and investment climate**, the company's administrators must respond several particular challenges arising from the modernization, streamlining and strategic integration of the company into the European natural gas transmission system in light of the natural gas reserves discovered in the Black Sea.

The resources discovered in the Black Sea, together with the complex strategic movements ongoing within the European market of natural gas, are of particular importance for the future of the country and the company's involvement in such events is of special importance not only for its future but also for the energy security of the country for the next two to three decades.

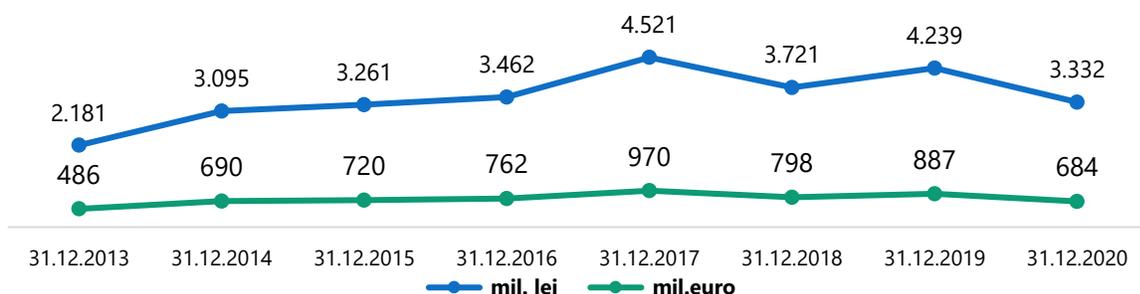
While helping to ensure the energy independence of Romania, SNTGN Transgaz SA is responsible for implementing an investment program of over **Euro 4 billion, dedicated to the construction of the national transmission infrastructure for the natural gas reserves discovered in the Black Sea** and for connecting the NTS to the European infrastructure.

Through the proposed investment projects for the development and modernization of the natural gas transmission infrastructure, through the implementation of intelligent control, automation, communications and network management systems, **the administrative and executive management of Transgaz intend both to maximize the energy efficiency throughout the chain of activities carried out and to create an intelligent natural gas transmission system that is efficient, reliable, flexible and able to effectively cope with the future demands for natural gas transmission.**

TGN share average closing price



Market capitalization



Transgaz's rating

From 2006 until March 2019, S&P Global Ratings also provided and monitored the Transgaz rating. Getting this rating was a necessary step in addressing an openness policy to international capital markets, with a view to attracting the most advantageous sources of funding and also providing a valuable instrument investors in the IPO stock listing process as well as the SPO.

In this respect, on June 20, 2018, S&P Global Ratings published the last report on the revision of the prospects of the operator of the National Gas Transmission System Transgaz SA from stable to negative, and, at the same time, they affirmed the company's credit rating at BB +.

Following the internal analysis and in compliance with all legal provisions regarding the acquisition of rating services, on 28.03.2019, the company concluded with Fitch a contract for the award of a private rating at a given time (PPIT). As a result of the assessment, on 28 June 2019, the agency awarded Transgaz, the private rating granted at a given time 'BBB-' with Stable Outlook and on 10 July 2019 following the conclusion of a contract for the publication and surveillance of the

rating obtained the International Rating Agency Fitch made public on 17.07.2019, at the request of Transgaz, the rating granted to the company, namely 'BBB-' with Stable Outlook.

On 8 July 2020, the Fitch Rating Agency reaffirmed the rating granted to the company, i.e. 'BBB-' with Stable Outlook, reflecting 'the solid profile of Transgaz's activity as a concessionaire and operator of the Romanian natural gas transmission network, as well as the perspective of a progressive contraction of the international gas transit activity deriving from traditional routes.

From the rating history of Transgaz, as presented below, **it can be noticed that during the mandate of the current Board of Administration, Transgaz's rating for the foreign currency loans and for the loans in the local currency recorded a positive evolution from `BB with a negative outlook` to `BB+ with a positive outlook`.**

| No. | Date | Foreign currency loans rating | Local currency loans rating |
|-----|------------------|---|---|
| 1 | 2006 | the monitoring of the company begins for the rating to be established | - |
| 2 | 26 March 2007 | BB+ positive outlook | BB+ positive outlook |
| 3 | 29 February 2008 | BBB- negative outlook | BBB- negative outlook |
| 4 | 30 October 2008 | BB+ negative outlook | BBB- negative outlook |
| 5 | 17 February 2010 | BB+ negative outlook | BBB- negative outlook |
| 6 | 24 March 2010 | BB+ stable outlook | BBB- stable outlook |
| 7 | 26 January 2011 | BB+ stable outlook | BBB- stable outlook |
| 8 | 5 May 2011 | BB+ stable outlook | BBB- stable outlook |
| 9 | 7 December 2011 | BB+ stable outlook | BB+ stable outlook |
| 10 | 11 June 2012 | BB+ / under surveillance negative outlook | BB+ / under surveillance negative outlook |
| 11 | 4 September 2012 | BB negative outlook | BB negative outlook |
| 12 | 8 August 2014 | BB stable outlook | BB stable outlook |
| 13 | 24 June 2015 | BB+ stable outlook | BB+ stable outlook |
| 14 | 20 June 2018 | BB+ negative outlook | BB+ negative outlook |
| 15 | 17 July 2019 | BBB- stable outlook | BBB- stable outlook |
| 16 | 8 July 2020 | BBB- stable outlook | BBB- stable outlook |

8. Self-assessment of the personal activity and of that of the Board

Since the managerial performance is the objective result of a managerial exercise, in the acceptance of the private management of SNTGN Transgaz SA, together with an effective management thinking, the strategic directions that this thinking to materialize has also been defined.

The special professional skills, the extensive management expertise and the ability to control visible and invisible dynamics of the team, its psychology, are just some of the advantages of the private management of SNTGN Transgaz SA, a **sense integrating management**.

The private and professional management of the company has succeeded in substantiating the administration and management plans effective in terms of operational intervention and supervision so that through them to achieve the optimization of the activity efficiency and the business development in the context of a national and international environment continuously changing.

As accepted by the private management of the company, the use of modern tools for operational and measurement of performance, instruments successfully used the in strategic management, shall allow the effective monitoring of the courses of action established for achieving the strategic objectives concerning the management of the company for the period between 2017 and 2021.

The Board of Administration annually assesses its size, composition and works so that its activity, as seen in relation to the dynamic of the requirements of the Board role and duties, is constantly aligned and hence the decisions made for the management of the company are timely, effective and competitive.

The **Annual Report issued by the Board of Administration**, a report that together with the annual financial statements requires the approval of the Ordinary General Meeting of the Shareholders (OGMS), details the management activity of the company compared to the objectives undertaken under the Management Plan. Also on this term, pursuant to the legal provisions, the administrators of the company submit the discharge from administration to the approval of OGMS.

The structure of the Board of Administration of TRANSGAZ ensures a balance between the executive and non-executive members so that no person or small group of persons can dominate the decision making process of the Board of Administration. The decision-making process within the company is and shall remain a collective responsibility of the Board of Administration, which shall be held jointly responsible for all decisions taken while exercising its powers.

The members of the Board of Administration constantly update their skills and improve their knowledge on the company's activity and on the best corporate governance practices in order to fulfil their role.

The term of the mandate granted is of 4 years. My mandate as non-executive administrator started on 30.04.2017 and ends on 29.04.2021.

The activity I have carried out during the 2017-2021 mandate as a non-executive administrator, has been performed:

- | |
|---|
| ▪ in compliance with the applicable legislation related to the field of business, the interest of the company and its increasing performance; |
| ▪ in a professional and competent manner while pursuing efficiency and excellence in business; |
| ▪ in good faith, with loyalty and with the mandate of a good manager of state property and other shareholders; |
| ▪ in the spirit of best corporate governance practices; |
| ▪ in a transparent, prudent manner and with utmost responsibility and seriousness; |
| ▪ in compliance with the standards of moral and professional ethics and integrity; |
| ▪ through total commitment and acceptance of tasks and projects of national and international strategic scale; |
| ▪ effectively and based on consensus and effective communication both during the actions undertaken and the decisions made for the management of the company; |
| ▪ in a sustainable manner through remodelling and development of business by strategically repositioning the company, which became a major player on the European, regional and international energy scene; |
| ▪ through total professional support granted in my area of expertise but also through collaboration with the other administrators in other areas of reference for the activity of Transgaz. |

The current Board of Administration of SNTGN Transgaz SA has acted in a collective and unitary manner pursuant to the legal provisions in force and has strictly complied with the terms of the mandate granted and of the commitments made regarding the management of the company in 2017-2021.

Regarding the architecture, competence and work of the current Board of Administration of SNTGN TRANSGAZ S.A., I can add the following:



Self-assessment report prepared by the members of the Board of Administration on the compliance of the activity with the requirements of the New Corporate Governance Code of the Bucharest Stock Exchange

SNTGN Transgaz SA, as a company listed on the BSE in the Premium category, voluntarily adopted the CGC provisions of the BSE and reports as of 2010 total or partial compliance by the **Statement on compliance or non-compliance with the provisions of the Corporate Governance Code (the `apply or explain` Statement)** contained in the Administrators' Report.

In September 2015, a **new BSE Corporate Governance Code** was launched for companies listed on the main market, applicable from 4 January 2016. The new Code was developed by the BSE as part of a new corporate governance framework for promoting higher governance and transparency standards for the listed companies.

The implementation of the new rules is based on the "apply and explain" principle, which provides the market with clear, accurate and timely information on how listed companies comply with corporate governance rules.

Transgaz is in full compliance with most of the provisions of the new Code, and the provisions with which the company is not yet in compliance were explicitly presented in a

current report sent to the BSE in January 2016, which was also published on the company's website at the section: *Informații investitori/Raportări curente/2016*.

Any further compliance of the company in this respect will be reported to the capital market.

| The provisions of the new Code | Compliant | Non-compliant or partially compliant | Reason for non-compliance |
|-----------------------------------|---|--------------------------------------|---------------------------|
| Section A-Responsibilities | | | |
| A.1 | All companies must have an internal Board Regulation that includes the terms of reference / responsibilities of the Board and the key management functions of the company and which applies, inter alia, the General Principles of Section A. | X | |
| A.2 | Provisions for managing conflicts of interest should be included in the Board Regulation. In any event, Board members must notify the Board of any conflicts of interest that have arisen or may arise and refrain from participating in the discussions (including by non-attendance, unless the failure to attend would hamper the formation of the quorum) and from the vote for the adoption of a decision on the issue giving rise to the conflict of interest concerned. | X | |
| A.3 | The Board of Administration or the Supervisory Board must be composed of at least 5 members. | X | |
| A.4 | Most members of the Board of Administration should not hold executive positions. At least one member of the Board of Administration or the Supervisory Board must be independent in the case of companies from the Standard Category. In the case of Premium Category companies, no less than two non-executive members of the Board of Administration or the Supervisory Board must be independent. Each independent member of the Board of Administration or the Supervisory Board, as the case may be, must file a statement at the time of his/her nomination for election or re-election, and when any change of his/her status occurs, indicating the elements based on which he/she is considered as independent from the point of view of his/her character and judgment and according to the following criteria: | X | |

Translation from Romanian

| The provisions of the new Code | Compliant | Non-compliant or partially compliant | Reason for non-compliance |
|---|-----------|--------------------------------------|---------------------------|
| <p>A.4.1. He / she is not the General Manager / Chief Executive Officer of the company or of a company controlled by the company and has not held such a position in the last 5 years.</p> | X | | |
| <p>A.4.2. He / she is not the employee of the company or of a company controlled by the company and has not held such a position in the last 5 years.</p> | X | | |
| <p>A.4.3. He/she does not receive and has not received any additional remuneration or other benefits from the company or a company controlled by it, other than those corresponding to the capacity of non-executive administrator.</p> | X | | |
| <p>A.4.4. He/she is not or was not the employee or does not or did not have a contractual relationship in the previous year with a significant shareholder of the company, a shareholder controlling over 10% of the voting rights, or a company controlled by it.</p> | X | | |
| <p>A.4.5. He/she has not and did not have a business or professional relationship with the company or a company controlled by it, either directly or as a client, partner, shareholder, member of the Board / Administrator, general manager / executive manager or employee of a company if, by virtue of its substantive nature, this relationship may affect his/her objectivity.</p> | X | | |
| <p>A.4.6. He/she is not and was not, in the last 3 years, an external or internal auditor or a partner or employed associate of the current external financial auditor or the internal auditor of the company or a company controlled by it.</p> | X | | |
| <p>A.4.7. He/she is not the general manager / executive director of another company where another general manager / executive director of the company is the non-executive administrator.</p> | X | | |
| <p>A.4.8. He/she has not been a non-executive administrator of the company for more than 12 years.</p> | X | | |
| <p>A.4.9. He/she has no family ties with a person in the cases mentioned in A.4.1 and A.4.4.</p> | X | | |

Translation from Romanian

| The provisions of the new Code | Compliant | Non-compliant or partially compliant | Reason for non-compliance |
|---|------------------|---|--|
| <p>A.5 Other relatively permanent commitments and obligations of a member of the Board, including executive or non-executive positions in the Board of Non-Profit organizations and companies, should be disclosed to potential shareholders and investors prior to nomination and during his/her term of office.</p> | X | | |
| <p>A.6 Any member of the Board must report to the Board any relationship with a shareholder directly or indirectly owning shares representing more than 5% of all voting rights. This obligation refers to any relationship that may affect the member's position on matters decided by the Board.</p> | | X | Information will be requested from Board of Administration members Transgaz will send to the BSE a current report at the time of compliance. |
| <p>A.7 The company must designate a Board Secretary responsible for supporting the work of the Council.</p> | X | | |
| <p>A.8 The Corporate Governance Statement will inform whether a Board assessment has taken place under the leadership of the Chairman or the nomination committee and, if so, will summarize the key measures and the resulting changes. The company must have a policy / guidance on the Council's assessment with regard to the purpose, criteria and frequency of the assessment process.</p> | | X | <p>The activity of the Board of Administration is evaluated on the basis of the performance criteria included in the management plan as well as in the mandate contracts, and the extent to which they are fulfilled is included in the Board of Administration annual report.</p> <p>The company does not have a policy / guide for assessing the activity of the Board of Administration, the assessment being made on the basis of the above-mentioned criteria. TGN will send a current compliance report when drafting this policy.</p> |
| <p>A.9 The corporate governance statement should contain information on the number of Board and committee meetings over the past year, the participation of administrators (in person and in absentia), and a report by the Board and committees on their activities.</p> | X | | |

| The provisions of the new Code | Compliant | Non-compliant or partially compliant | Reason for non-compliance |
|--|-----------|--------------------------------------|---------------------------|
| <p>A.10 The corporate governance statement should include information on the exact number of independent members of the Board of Administration or the Supervisory Board.</p> | X | | |
| <p>A.11 The Boards of Premium Category Companies must establish a nomination committee composed of non-executive members, which will lead the nomination process of new members of the Board and make recommendations to the Board. Most members of the nomination committee must be independent.</p> | X | | |
| Section B - Risk Management System and Internal Control System | | | |
| <p>B.1 The Board should establish an audit committee in which at least one member has to be a non-executive independent administrator. Most members, including the Chairman, must have demonstrated that they have appropriate qualifications relevant to the functions and responsibilities of the Committee. At least one member of the audit committee must have proven and appropriate auditing or accounting experience. In the case of Premium Category companies, the audit committee must consist of at least three members and the majority of the members of the audit committee must be independent.</p> | X | | |
| <p>B.2 The Chairman of the Audit Committee should be an independent non-executive member.</p> | X | | |
| <p>B.3 Within its responsibilities, the audit committee must carry out an annual assessment of the internal control system.</p> | X | | |
| <p>B.4 The assessment should take into account the effectiveness and scope of the internal audit function, the adequacy of the risk management and internal control reports submitted to the audit committee of the Board, the promptness and effectiveness with which executive management addresses the deficiencies or weaknesses identified following the internal control and the submission of relevant reports to the Board.</p> | X | | |
| <p>B.5 The audit committee should assess the conflicts of interest in relation to the</p> | X | | |

Translation from Romanian

| The provisions of the new Code | Compliant | Non-compliant or partially compliant | Reason for non-compliance |
|--------------------------------|-----------|--------------------------------------|--|
| | | | |
| B.6 | X | | |
| B.7 | X | | |
| B.8 | X | | |
| B.9 | X | | |
| B.10 | | X | This policy will be developed and approved in accordance with the BoA Rules of Procedure and organization and the Articles of Incorporation. |
| B.11 | X | | |
| B.12 | X | | |

Section C – Fair rewards and motivation

| The provisions of the new Code | Compliant | Non-compliant or partially compliant | Reason for non-compliance |
|---|-----------|--------------------------------------|---|
| <p>C.1</p> <p>The company must publish its remuneration policy on its intranet page and include a statement on the implementation of the remuneration policy in the annual report during the annual period under review.</p> <p>The remuneration policy should be formulated in such a way as to enable shareholders to understand the principles and arguments underpinning the remuneration of the members of the Board and of the Director General as well as the directors in the dualist system. It should describe the management of the decision-making process on remuneration and detail the components of the executive management's remuneration (such as salaries, annual bonuses, long-term incentives related to the value of shares, benefits in kind, pensions, etc.) and describe the purpose the principles and assumptions underlying each component (including general performance criteria for any form of variable remuneration). In addition, the remuneration policy must specify the duration of the contract of the executive director and the notice period stipulated in the contract, as well as possible compensation for unjustified revocation.</p> <p>The remuneration report should present the implementation of the remuneration policy for the persons identified in the remuneration policy during the annual period under review.</p> <p>Any major change in the remuneration policy should be published in a timely manner on the company's website.</p> | | X | Transgaz partially applies this provision by observing the provisions of GEO 109/2011 art.39 and art. 55 (2). |
| Section D-Building value by the relationship with investors | | | |
| <p>D.1</p> <p>The company must organize an Investor Relations Service-indicating to the general public the responsible person(s) or organizational unit. In addition to the information required by law, the company must include on its website a section dedicated to Investor Relations, in Romanian and English, with all relevant information of interest to investors, including:</p> | X | | |

Translation from Romanian

| The provisions of the new Code | Compliant | Non-compliant or partially compliant | Reason for non-compliance |
|--|-----------|--------------------------------------|---|
| D.1.1. Main corporate regulations: the Articles of Incorporation, the procedures for the general meetings of the shareholders. | X | | |
| D.1.2. Professional CVs of members of the company's governing bodies, other professional engagements of Board members, including executive and non-executive positions in boards of administration in non-profit companies or institutions. | X | | |
| D.1.3. Current reports and regular reports (quarterly, half-yearly and annually) - at least those under D.8 - including current reports with detailed information on non-compliance with this Code; | X | | |
| D.1.4. Information on the general meetings of the shareholders: agenda and informative materials; the procedure for electing the members of the Board; the arguments that support the proposals of candidates for election in the Board together with their professional CVs; the shareholders' questions about the agenda items and the company's replies, including the resolutions adopted. | | X | The Company partially applies this provision, in accordance with art. 29 of GEO 109/2011 on Corporate Governance of Public Enterprises, as subsequently amended and supplemented. |
| D.1.5. Information on corporate events, such as the payment of dividends and other distributions to shareholders, or other events leading to the acquisition or limitation of the rights of a shareholder, including the deadlines and the principles applied to such operations. Such information will be published within a time frame that will allow investors to make investment decisions. | X | | |
| D.1.6. Names and contact details of a person who will be able to provide relevant information upon request. | X | | |
| D.1.7. Company presentations (e.g., investor presentations, quarterly results presentations, etc.), financial statements (quarterly, half-yearly, annually), audit reports, and annual reports. | X | | |
| D.2 The Company will have a policy on the annual distribution of dividends or other benefits to shareholders proposed by the Director General or the Directorate and adopted by the Board in the form of a set | | X | The distribution of the company's profits is made in accordance with the provisions of Government Emergency |

Translation from Romanian

| The provisions of the new Code | Compliant | Non-compliant or partially compliant | Reason for non-compliance |
|--|-----------|--------------------------------------|--|
| of guidelines that the company intends to follow regarding the distribution of net profit. The principles of the policy regarding annual distribution to shareholders will be published on the company's website. | | | Ordinance 64/2001 on the distribution of profits of national companies, and trade companies with full or majority state capital, as well as autonomous administrations. |
| D.3 The company will adopt a policy in relation to the forecasts, whether they are made public or not. The forecasts refer to quantified conclusions of studies aimed at determining the overall impact of a number of factors over a future period (so-called assumptions): by its nature, this projection has a high level of uncertainty, the actual results may differ significantly from the forecasts originally presented. The forecasting policy will determine the frequency, the period considered and the content of the forecasts. If published, the forecasts can only be included in the annual, half-yearly or quarterly reports. The forecasting policy will be published on the company's website. | | X | The activity of the company is regulated by ANRE. The management plan of Transgaz includes the management strategy during the mandate. It is rigorously structured and includes strategic action directions for managing all the resources, operational and management processes of the company in order to achieve, with maximum efficiency, the established performance targets. |
| D.4 The rules of the general meetings of the shareholders must not limit the participation of shareholders to general meetings and the exercise of their rights. Changes to the rules will take effect at the earliest, starting with the next meeting of the shareholders. | X | | |
| D.5 External auditors will be present at the general meeting of the shareholders when their reports are presented at these meetings. | X | | |
| D.6 The Board will give a brief assessment to the Annual General Meeting of the Shareholders on the internal control and risk management systems as well as opinions on matters subject to the decision of the general meeting. | X | | This information is included in the annual report of the Board of Administration as well as in the Statement of the management, drawn up in accordance with art. 30 of the Accounting Law no. 82/1991. |
| D.7 Any specialist, consultant, expert, or financial analyst may attend the meeting of the shareholders on the basis of a prior | X | | |

| The provisions of the new Code | Compliant | Non-compliant or partially compliant | Reason for non-compliance |
|--------------------------------|-----------|--------------------------------------|---------------------------|
| | | | |
| D.8 | X | | |
| D.9 | X | | |
| D.10 | X | | |

9. Lines of action for activity continuation and improvement

As non-executive administrator, I agree with the general belief of my administrator colleagues and also underline the fact that the **active members of the Board of Administration of SNTGN TRANSGAZ SA are a TEAM** that during the mandate has succeeded in joining their forces and experience and in efficiently, constructively consolidating and acting as a unitary whole.

Through professionalism, ethics, responsibility and seriousness, through dedication and passion for performance and excellence in business, the operating Board of Administration has succeeded in proving, through results, that it can develop and lead to the growth of Transgaz activity year by year and that, through an efficient communication and permanent dialogue it has become a powerful team, able to

undertake realistic and ambitious strategic investment programs for the national, regional and international energetic industry.

The National Gas Transmission Company TRANSGAZ is the technical operator of the National Gas Transmission System and ensures the efficient, transparent, safe fulfilment, the non-discriminating access and competitiveness of the national strategy established for the internal and international transmission, the dispatching of natural gas, the research and design of natural gas transmission field by complying with the legal provisions and the national and European quality, performance, environment and sustainable development standards.

Under the current administrative and executive management, TRANSGAZ is going through the most challenging period of its existence, namely the transformation and modernization of the business model, the remodelling of its attitude towards the company and the interested parties, organizational re-design and compliance with the legislative standards applicable to the activity performed.

For 13 years, TRANSGAZ has been a company listed on the Bucharest Stock Exchange, a transparent company open to dialogue and with good corporate practices, a successful company, a successful local brand, a company that believes in its organizational values and that constantly invests in the education and professional development of the human resources at its disposal.

The management plan of SNTGN Transgaz SA is governed by a responsible, professional and ethical attitude in relation to all stakeholders (shareholders, employees, partners, community, authorities and state institutions, media, etc.) and reflects the strategic vision of the administrators on the directions of strategic redefinition and streamline of the company in line with the requirements of the European policy on energy safety and security, competitiveness and sustainability and with the future needs and opportunities of Romania in order to become a major player on the European gas market.

The current Board of Administration of SNTGN TRANSGAZ SA has managed, through the strategic directions of action set out in the company Management Plan, to strategically redefine the company and to transform it into a **company of strategic importance for the national and regional economy, into a central pillar for the assurance of the Romanian energy security.**

By empowering the significance of the company both as an engine of the national economy and as a vector for the economic growth of the country, through its role in the development of the energy sector and the transformation of Romania into an energy power of Europe, the current administrators of the company are on the verge of starting one of the largest

and most important programs for the development of the gas transmission infrastructure in Romania in the past 20 years, with investment projects estimated at **Euro 4 billion**.

In the context of profiling two new sources of gas supply, i.e. **the gas from the Caspian region and the ones discovered in the Black Sea**, the investments proposed by Transgaz in the **Ten Years Development Plan for the National Gas Transmission System, a plan approved by ANRE**, represent strategic investments for the energy security and the development of the gas transmission infrastructure in Romania and its compliance with the requirements of the relevant European regulations.

The proposed investments will result in:

- ensuring safety of natural gas supply;
- increasing the interconnection of the national gas transmission network to the European network;
- increasing the flexibility of the national gas transmission network;
- liberalization of the gas market;
- creation of the European Union integrated natural gas market;
- ensuring the connection of third parties to the transmission system, according to specific regulations, within the limits of the transmission capacities and with the observance of the technological regimes;
- extension of the pipeline network, until the entrance in the localities certified as tourist resorts of national and local interest, , when these localities are at a maximum distance of 25 km from the connection points of the transmission system operators;
- ensuring the connection to the natural gas network of new investments, generating jobs.

Given the complex and extensive investment program, Transgaz envisages, besides its own sources, the use of external financing under favourable conditions.

In this regard, the company has established a professional European funds and international relations division, involved in accessing the European funds and in the development of international cooperation relations.

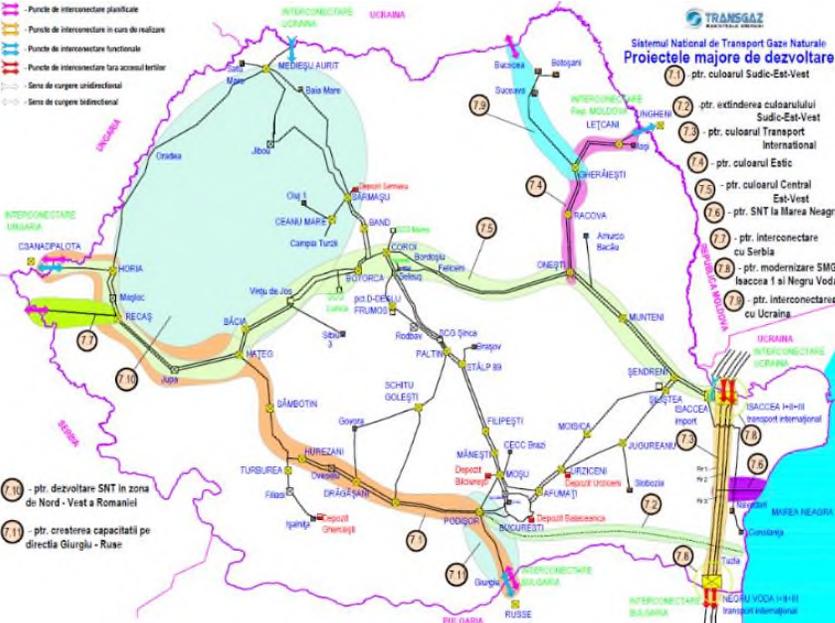
Moreover, Transgaz established a financing committee with role in attracting funding from international financial institutions or from other financial and banking institutions and from the capital market by issue of bonds.

The strategic vision of those who today bear responsibility for the destiny of this company focuses on professional and effective management able to face challenges and constraints, on the development and modernization of the national gas transmission infrastructure, on competitiveness and capitalizing of existing and future opportunities so that TRANSGAZ

become a gas transmitter with recognition on the international market of natural gas, a leader on the energy market in the region, an important link in the national and European energy chain.

Focusing on fully achieving the desiderates set and the fulfilment of the strategic objectives on operational effectiveness, performance optimization and sustainable development of the company, by complying with the principles of good corporate governance, **the current Board of Administration wants to renew, based on the legal provisions in force, its mandate and thus to be able to continue with the same dedication, responsibility and efficiency, transparency and professionalism to all stakeholders, the road opened in the 2017-2021 mandate for the construction and development of a solid and effective future of the Romanian energy sector.**

| Undertaken strategic objective | No. | Objective undertaken under the Management Plan | Continuous |
|--------------------------------|-----|--|------------|
| A. ENERGY SAFETY AND SECURITY | 1. | The strengthening of the role played by SNTGN Transgaz S.A. Medias as a gas transmitter on the European and national energy market, as a result of the EU requirements on the development of interconnection between NTS and the similar transmission systems in neighbouring countries, of the potential for exploitation of significant reserves of natural gas discovered in the Black Sea and the shale gas in the future; | Continuous |

| Undertaken strategic objective | No. | Objective undertaken under the Management Plan | Continuous | | | | | | | | | | | | | | | |
|--|---|--|--|--------------------------|-----------------|---|---|---|--|--|--|--|--------------|-------------|--|-------------|-------------|--|
| | | <p>The completion of the strategic investment projects included in the TYNDP</p>  | <p>Continuous through the 2018-2027 TYNDP, 2019-2028 TYNDP and 2020-2029 TYNDP</p> | | | | | | | | | | | | | | | |
| | | <table border="1"> <thead> <tr> <th data-bbox="456 989 997 1094">Project</th> <th data-bbox="997 989 1149 1094">Estimated value mil Euro</th> <th data-bbox="1149 989 1291 1094">Completion date</th> </tr> </thead> <tbody> <tr> <td data-bbox="456 1094 997 1251"> <p>1. The development in Romania of the National Gas Transmission System on the Bulgaria - Romania - Hungary - Austria Corridor - BRUA</p> </td> <td data-bbox="997 1094 1149 1251"> <p>552,5 of which: Phase I: 478,6 and Phase II: 74,5</p> </td> <td data-bbox="1149 1094 1291 1251"> <p>Phase I: 2020 Phase II: 2022</p> </td> </tr> <tr> <td colspan="3" data-bbox="456 1251 1291 1686"> <p>BRUA – UN PROIECT TRANSGAZ PENTRU ROMÂNIA ȘI EUROPA</p>  <p>Co-financed by the Connecting Europe Facility of the European Union</p> <p>Grant received:</p> <ul style="list-style-type: none"> - Euro 1.52 million through the Connecting Europe Facility, representing 50% of the total estimated costs of designing the compression stations. - Euro 179.32 million through the Connecting Europe Facility, representing 40% of total eligible costs for the works of the BRUA Project - Phase 1 </td> </tr> <tr> <td data-bbox="456 1686 997 1780"> <p>2. Development of the Southern Transmission Corridor on the territory of Romania for taking over the natural gas from the Black Sea shore.</p> </td> <td data-bbox="997 1686 1149 1780"> <p>371,6</p> </td> <td data-bbox="1149 1686 1291 1780"> <p>2022</p> </td> </tr> <tr> <td data-bbox="456 1780 997 1873"> <p>3. Interconnection of the national gas transmission system with the T1 natural gas international transmission pipeline and reverse flow at Isaccea.</p> </td> <td data-bbox="997 1780 1149 1873"> <p>77,7</p> </td> <td data-bbox="1149 1780 1291 1873"> <p>2020</p> </td> </tr> </tbody> </table> | Project | Estimated value mil Euro | Completion date | <p>1. The development in Romania of the National Gas Transmission System on the Bulgaria - Romania - Hungary - Austria Corridor - BRUA</p> | <p>552,5 of which: Phase I: 478,6 and Phase II: 74,5</p> | <p>Phase I: 2020 Phase II: 2022</p> | <p>BRUA – UN PROIECT TRANSGAZ PENTRU ROMÂNIA ȘI EUROPA</p>  <p>Co-financed by the Connecting Europe Facility of the European Union</p> <p>Grant received:</p> <ul style="list-style-type: none"> - Euro 1.52 million through the Connecting Europe Facility, representing 50% of the total estimated costs of designing the compression stations. - Euro 179.32 million through the Connecting Europe Facility, representing 40% of total eligible costs for the works of the BRUA Project - Phase 1 | | | <p>2. Development of the Southern Transmission Corridor on the territory of Romania for taking over the natural gas from the Black Sea shore.</p> | <p>371,6</p> | <p>2022</p> | <p>3. Interconnection of the national gas transmission system with the T1 natural gas international transmission pipeline and reverse flow at Isaccea.</p> | <p>77,7</p> | <p>2020</p> | |
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| <p>1. The development in Romania of the National Gas Transmission System on the Bulgaria - Romania - Hungary - Austria Corridor - BRUA</p> | <p>552,5 of which: Phase I: 478,6 and Phase II: 74,5</p> | <p>Phase I: 2020 Phase II: 2022</p> | | | | | | | | | | | | | | | | |
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| <p>3. Interconnection of the national gas transmission system with the T1 natural gas international transmission pipeline and reverse flow at Isaccea.</p> | <p>77,7</p> | <p>2020</p> | | | | | | | | | | | | | | | | |

Translation from Romanian

| Undertaken strategic objective | No. | Objective undertaken under the Management Plan | | Continuous | | |
|--------------------------------|-----|---|---|--|--|------------|
| | | 4. NTS developments in the North-East of Romania in order to improve the natural gas supply of the area and to ensure the transmission capacities to the Republic of Moldova | 174,25 | 2021 | | |
| | | 5. Enhancement of Bulgaria-Romania-Hungary-Austria bi-directional gas transmission corridor (BRUA-Phase 3) | 530 | 2025 | | |
| | | 6. New NTS developments for taking over Black Sea gas | 9,14 | 2021 | | |
| | | 7. Romania-Serbia Interconnector – new project | 56,21 | 2021 | | |
| | | 8. Upgrading GMS Isaccea 1 and GMS Negru Vodă 1– new project | 26,65 | 2021 | | |
| | | 9. Interconnection of the national gas transmission system with the natural gas transmission system in Ukraine, on the Gherăesti-Siret direction – new project | 125 | 2025 | | |
| | | 10. Development/Upgrading of the gas transmission infrastructure in the North-Western part of Romania | 405 | Phase 1 2022 Phase 2 2025 Phase 3 2026 | | |
| | | 11. Increase in the gas transmission capacity of the interconnection Romania-Bulgaria, in the Giurgiu-Ruse direction | 51,8 | 2027 | | |
| | | 12. Eastring–Romania | Phase 1: 1.297 Romania Phase 2: 357 mil. Romania | Phase 1: 2025 Phase 2: 2030 | | |
| | | 13. Monitoring system, data control and acquisition for the cathodic protection stations related to the National Gas Transmission System | 8 | 2023 | | |
| | | 14. Development of the SCADA system for the National Gas Transmission System | 5,5 | 2023 | | |
| | | 15. Upgrading GMS Isaccea 2 and GMS Negru Voda 2 for enabling bidirectional flow on the T2 pipeline | 26,65 | 2024 | | |
| | | 16. Upgrading GMS Isaccea 3 and GMS Negru Voda 3 for enabling bidirectional flow on the T3 pipeline | 26,65 | 2028 | | |
| | | 17. Interconnection between NTS and the Black Sea LNG Terminal | 19,6 | 2028 | | |
| | | Total | 4,1 billion euro | | | |
| | | 2. | The continuation of the actions for the conclusion of the development agreements referring to the interconnection of NTS with similar transmission systems of the neighbouring countries; | | | Continuous |
| | | 3. | The development of business by optimizing the absorption of European funds and the creation of efficient and flexible financing structures. | | | Continuous |

Translation from Romanian

| Undertaken strategic objective | No. | Objective undertaken under the Management Plan | Continuous |
|-----------------------------------|-----------|---|------------|
| A. COMPETITIVITY | 1. | The optimization and streamlining of the management systems and processes throughout the company, of the quality of operational processes and their alignment to the requirements of the Integrated Management System for Environment Quality (IMSEQ) and of the modern standards of performance and competitiveness; | Continuous |
| | 2. | The intensification of design and scientific research in the transmission of natural gas; | Continuous |
| | 3. | The minimization of the technological consumption; | Continuous |
| | 4. | The improvement of the quality of investment programs of modernization and development, of the programs for repair, rehabilitation and maintenance of the NTS | Continuous |
| | 5. | The monitoring of the implementation of the SCADA data control and acquisition; | Continuous |
| | 6. | The optimum sizing of the necessary human resources compared to the actual needs of the business and the development of the company; | Continuous |
| | 7. | The improvement of the process for training, teaching and development of the employees; | Continuous |
| | 8. | The optimization of the quality good corporate governance principle implementation; | Continuous |
| | 9. | The optimization of the cost budgetary control process. | Continuous |
| B. SUSTAINABLE DEVELOPMENT | 1. | The strengthening and diversifying of the internal and external cooperation relations of SNTGN Transgaz SA | Continuous |
| | 2. | The optimization of the risk management of risks that may affect the company's business | Continuous |
| | 3. | The optimization of human resource management processes | Continuous |
| | 4. | The increase in energy efficiency and the decrease of the negative impact of the technological processes on the environment | Continuous |
| | 5. | The maintenance of financial balance and operational stability | Continuous |
| | 6. | The increase in the adaptability and responsiveness of the company to permanent changes of the environment in which it operates; the resolution of certain issues concerning the NTS infrastructure (e.g. East - West system, upstream metering and adjusting stations not connected to the transmission system) | Continuous |
| | 7. | The improvement of occupational health and safety | Continuous |
| | 8. | The improvement of the general internal and external communication process inside the company and of the image capital | Continuous |

In addition to the strategic objectives undertaken during the 2017-2021 mandate and started / initiated and that are to be continued during a new mandate, the current Board of Administration intends to provide to respond effectively to the shareholders' expectations for the next 4 years, expectations which mainly aim at moving them from the annual profit maximization objective to strategic objectives such as:

- implementation of sustainable gas transmission infrastructure investment programs over the medium and long term;

- efficient capitalization of business opportunities;
- development of research and innovation activity;
- human capital development;
- transparency, ethics and integrity;
- implementation of best corporate governance practices;
- improving the risk management process by optimizing the conceptual and methodological framework;
- competitiveness and sustainable development.

The Activity Report is prepared according to Article 29 (14) of Government Emergency Ordinance 109/2011 on corporate governance of state-owned enterprises, as further amended and supplemented.

I enclose to this Activity Report my Curriculum Vitae.

PETRU ION VADUVA
Member of the Board of Administration
Non-executive Administrator

ACCOMPLISHMENTS

- Extensive international investment, operational and development experience of various direct and in-direct investment portfolios in various industries such as auto, bio-technology, finance, real-estate and energy
- Successful operational executive leadership roles with proven track records of delivering significant profitability in complex restructuring and growth situations for companies with over USD 3bn in assets and 10,000 employees
- Over 20 years of investment banking experience in global emerging markets participating in some of the landmark deals of the asset class, such as Rosneft and Banco Wise
- Globally ranked financial analyst, director of research, and portfolio management with 20 years of investment banking experience in global emerging markets
- Extensive experience in negotiating and financing large scale projects with international banks and multinational financing institutions such as EIB, EBRD and IFC

EXPERIENCE

2018 – Present **TIRIAC GROUP, ITH Management**

Bucharest, Romania

Chief Executive Officer

- Responsible for the majority owned direct investment division of Tiriac Foundation, with assets of over 550MEUR, operating over 200 MEUR in real-estate assets with another 150 MEUR in various stages of development, managing the restructuring and development of the third largest auto dealer network in Romania, which sells over 7,000 units a year and executes over 350,000 hours of auto-repair service, supervising the wholesale businesses of three global auto brands: Jaguar-Land Rover, Hyundai and Mitsubishi, and overseeing the activities of the 6th largest leasing company in the country
- Supervising the company's portfolio of minority investments in insurance, retail real-estate and airport logistics.

2013 – 04/2017 **SNTG TRANSGAZ**

Bucharest, Romania

Chief Executive Officer ~ Member of BOD

- Lead the transformation and renewal of the majority government owned Romanian National Gas Transportation system, a company with over 4,600 employees and 13,000 km of pipe infrastructure
- Increased the company's profits by 90% in the first two years, delivering a 100% stock returns over the past three years, through re-structuring, re-designing and streamlining most of the company's operations; controlling overall costs, lowering network losses with significant savings, re-designing the procurement processes and restructuring the overall company's structure and workforce.
- Initiated and in executing the design and financing of the company's transformational development plan of over 1.1bn euro over the 2014-2019 period, based on the cooperation agreements for the transportation of the newly discovered resources in the Black Sea by the Exxon/OMV consortium and on the development of a high-pressure interconnection system with the neighboring countries
- Initiated and developed the largest trans-border gas transportation project in Europe, the BRUA project, which connects for the first time Southern Europe with Central Europe
- Negotiated personally the largest EU financing for a an European energy project and for a Romanian company in particular in the amount of 180 MEUR
- Negotiated and raised from European Investment Bank and European Bank of Development and Reconstruction very affordable financing lines of over 250MEUR.
- Modernized and improved the operations of the system through a complex implementation of a SCADA project that significantly increased the automatization, the safety and efficiency of the national gas transportation system
- Re-designed and implemented a new and modern national network code and managed the harmonization of the national legislation with the European legislative norms.

2009 – 2013 **TIRIAC GROUP**

Bucharest, Romania

Chief Executive Officer

- Lead the financial and operational restructuring of the largest private holding company in Romania (a de facto private equity fund) following the financial and economic crisis of 2008. Company's assets of over 1.2 Bln EUR and 3000 employees, in diverse service industries, such as banking, insurance, leasing, auto retail, property and others, were under severe pressure financial pressure because of the crisis.
- Negotiated and finalized the extension of the 700 MEUR put option of the Holding's interest in the second largest bank in Romania
- De-leveraged and restructured the Holding's retail auto business, hampered by a substantial 300 MEUR in slow moving inventories and an oversized headcount structure of over 2,400 employees.
- Managed the clean-up and the restructuring of the leasing company portfolio of over 400 MEUR in assets.
- Negotiated and executed the sale of various other businesses such as an elevator company, the Ford and Mercedes importer business and other smaller assets, such as some of the company's airplanes and helicopters.
- Developed a 9 MW solar park, and insurance brokerage company and an oil trading company as part of the group's strategy to diversify its assets

2007 – 2009 **INTREPIDGEM LTD**

Bucharest, Romania

Managing Partner

- Managed emerging markets private investments while developing the financial and operational infrastructure of an emerging market fund
- Developed a proprietary profit allocation and risk management system, accurately recording related return on investments to pre-set performance indicators

2002 – 2007 **URALSIB BANK**

Moscow, Russia

Managing Director ~ International Brokerage

- Developed and lead the International Brokerage Division of the second largest private capital bank in Russia, with 600 branches and 30,000 employees, a division with over USD 3 billion in revenues and USD 60 million in profits, with a strong emphasis on energy and banking covering some of the largest companies in emerging markets
- Coordinated and supervised the activity of the international offices New York and London
- Built a top research group that ranked third in Russia according to institutional investors in terms of recommendations and research quality in the highly competitive Russian equity market
- Collaborated on a number of deals and was instrumental in the bank being selected as a co-underwriter in the most important privatization in Russia, Rosneft, which was the world's fifth largest IPO ever recorded (USD 79.8 billion)

2001 – 2002 **CLSA**

London, UK

Managing Director ~ Emerging Market Strategy

- Established a complex research product detailing in depth analyses of capital markets in over 30 emerging markets as the global strategist of the top brokerage house in Asia
- Developed a comprehensive global emerging market strategy product with a key concentration in the energy and financial sector, as part of the company's global expansion in Latin America, Africa and Eastern Europe,

1998 – 2001 **SEB**

London, UK

Managing Principal

Chief Investor Officer ~ Emerging Market Funds

- Coordinated and supervised investments and investment process for a portfolio of USD 250 million
- Managed a team of 10 fund managers based in London, Hong Kong and Stockholm
- Completely restructured and implemented a sound and coherent investment process, which significantly enhanced the fund's performance

1997 – 1998 **RENAISSANCE CAPITAL**

Moscow, Russia

Managing Director ~ Equity Research

- Responsible for developing the equity investment product for Russia's largest investment bank at that time
- Created and co-ordinated a research team of 20 specialists which, in a little over a year, ranked number one among investors in Eastern Europe, with specific recognition of our oil and gas sector research
- Participated and provided support in widely known privatisation transactions as a result of our research ranking

1995 – 1997 **CASPIAN SECURITIES** *New York, USA*

Managing Director ~ Equity Research

- Assembled and managed an equity research team of over 50 analysts in charge of over 400 companies in global emerging markets.
- Co-ordinated over 100 employees of the company's branch offices in Seoul, Singapore, Bangkok and Jakarta, as part of a new investment bank oriented towards the emerging markets

1994 – 1995 **BEAR STERNS** *New York, USA*

Executive Director ~ Financial Institutions Latin America

- Responsible for covering 30 of the most important financial institutions in the six largest countries in the region as part of the number one equity research group in Latin America. I was also ranked individually by the same prestigious Institutional Investors survey as a top financial analyst in the region.

1992 – 1994 **JP MORGAN** *New York, USA*

Financial Analyst ~ Financial Institutions Latin America

- In charge of the analysis of the main financial institutions in Latin America, as part of my responsibility within the number one ranked financial group in Northern America.
- Responsible for the research support and coverage for the second largest IPO in Latin America at the time, the privatization of Wise Bank, Peru

EDUCATION

| | | |
|-------------|---|----------------------|
| 1990 - 1992 | YALE UNIVERSITY MBA – Finance | New Haven, CT |
| 1987 - 1989 | COLUMBIA UNIVERSITY MS –Molecular Biology | New York, NY |
| 1982 - 1987 | COLUMBIA UNIVERSITY BA –Biochemistry | New York, NY |

BOARD REPRESENTATIONS

| | | |
|----------------|--|---------------------------|
| 2017 - Present | SNTG TRANSGAZ Board Member | Bucharest, Romania |
| 2009 - Present | ALLIANZ ROMANIA Board Member | Bucharest, Romania |
| 2009 - Present | IMPACT SA Board Member and President of Audit Committee | Bucharest, Romania |
| 2009 - 2015 | UNCREDIT ROMANIA Board Member and President of Audit Committee | Bucharest, Romania |