

## RELEASE ON PAYMENT OF DIVIDENDS

According to Resolution no. 4 of the Ordinary General Meeting of the Shareholders dated 27.04.2020, the National Gas Transmission Company Transgaz SA, headquartered in Mediaș, 1 C.I. Motaș Square, Sibiu county, notifies the shareholders registered at the registration date of **26 June 2020 that the dividends for financial year 2019 will be paid-out** by Depozitarul Central SA and BRD Groupe Societe Generale – the assigned payment agent, **as of 17 July 2020 (the payment date)**. The `ex-date` set by the Ordinary General Meeting of the Shareholders is 25.06.2020.

**The gross dividend for financial year 2019 is 15.47 lei/share** and the tax on dividend will be withheld at source and paid up to the state budget according to the shares under the applicable laws. According to the Tax Code, the standard tax rate applied to the 2019 dividends is 5%. If the non-resident shareholders prove that they can benefit from a more favourable tax rate, the tax deductions will be applied according to the conventions for the avoidance of double taxation concluded by the Romanian State in this regard. Other provisions of the Tax Code will also be taken into consideration for the determination of the tax on dividends.

The payment of net dividends due to the shareholders of Transgaz is subject to the general prescription provisions of the laws, being prescriptible in 3 (three) years from the payment date. The dividend pay-out period for 2019 is 17 July 2020 – 17 July 2023, i.e. the last payment date.

**The Depozitarul Central SA fees and the BRD Groupe Societe Generale fees to be paid for the net dividends will be borne by Transgaz SA.**

**The means of payment are as follows:**

1. through **Depozitarul Central (DC)** – for the shareholders whose interests are represented by the Participants (Trustee Banks or Brokers);
2. through **Depozitarul Central (DC)** – for the shareholders addressing directly to Depozitarul Central;
3. through **BRD-GROUPE SOCIETE GENERALE, the payment agent** appointed by Transgaz for the shareholders not having an account opened with a Participant.

## **Payment procedures:**

### **1. By means of the Participants (Trustee Banks or Brokers): natural or legal entities / other entities having an account opened with the Participant.**

For the shareholders (natural persons, legal persons or other entities) who at the registration date of 26.06.2020 are having shares registered with Section II of Transgaz Shareholders' Registry the relevant amounts shall be automatically paid-up by bank transfer, through Depozitarul Central, to the Participants' accounts, at the payment date, without the need to provide additional documents.

#### **Exceptions:**

**1.1. Retirement funds** – to benefit from the applicable laws, meaning for exemption from the payment of the tax on dividends, according to Law 227/2015 on the Tax Code, as further amended and supplemented, the Participants (the Custodian Bank or the Broker) which have in the portfolio clients with retirement funds must send **until 02.07.2020** a list of such clients, accompanied by all legal documents attesting the quality of their retirement fund.

**1.2. Investment funds without legal personality** - to benefit from the applicable laws, the Participants/the Investment Management Companies which have in the portfolio clients with investment funds without legal personality will send **until 02.07.2020** the following documents:

- Declaration signed by the legal representative/ person authorized to represent the investment fund comprising at least the following information:
  - the fund does not have a stand-alone organization or own patrimony;
  - the fund does not have legal personality;
  - the fund identification data as recorded in the Transgaz Shareholders' Register;
  - the full name of the open/closed investment fund;
  - the registration number in the Register of Financial Instruments and Investments.
- A valid copy of the identity document of the legal representative/person authorized to represent the investment fund;
- A copy of the relevant document showing the quality of the person signing the declaration of legal representative / person authorized to represent the investment fund;
- A copy of the certificate issued by the Financial Supervisory Authority (ASF).

The documents referred to at points 1.1. and 1.2. may be sent by e-mail to [relatii.investitori@transgaz.ro](mailto:relatii.investitori@transgaz.ro), by fax at 0269 803407 or by mail at the headquarters of Transgaz, 1 C.I. Motaş Square, 551130, Medias, Sibiu, mentioning *`Attn. of the Investor Relations Department`*

**1.3. The non-resident shareholders** having an account opened with the Participant (Trustee Bank or Broker) **and intending to benefit from the more favourable conditions under the Convention for the avoidance of double taxation** between Romania and their relevant residence country or from the non-residence retirement funds (as defined in the laws of an EU member state or of a European Economic Area state), according to Law no. 227/2015 on the Tax Code shall submit the valid Certificate of Fiscal Residence for the year in which the dividends are paid, in original or as a certified copy, apostilled/ superlegalized, as appropriate, and accompanied by a certified translation in Romanian, as well as the contact details for clarifications regarding the certificates of fiscal residence, at SNTGN Transgaz SA Mediaş, 1 C.I. Motaş Square, 551130, Mediaş, Sibiu County:

- by **02 July 2020**, in which case the payment of the net dividend calculated with the application of the more favourable tax will be made at the date of payment, that is on 17.07.2020.
- after the date of payment, in which case the amount representing the tax difference from the standard rate withheld to the most favourable according to the Double Taxation Convention will be refunded.

**Note: The Shareholders having accounts opened with the Participants may not collect the dividends in cash/transfer at the office of the Romanian Bank for Development (BRD).**

## **2. Payments by bank transfer, for shareholders holding individual accounts, as requested by shareholders by requests submitted directly to Depozitarul Central**

Depozitarul Central offers all shareholders unrepresented by a Participant the possibility to collect any amount due by bank transfer to a bank account, irrespective of the issuer distributing the amounts. The declared bank account is valid until the receipt of a contrary notification, for future distributions as well. The registration of the IBAN code by Depozitarul Central will be charged according to the price list of Depozitarul Central levied on the holders of financial instruments and borne by each shareholder individually.

Dividend payment will be made by Depozitarul Central by bank transfer as of 17 July 2020, after the receipt and verification of the documentation.

The form for collecting the IBAN code and the supporting documents necessary for the payment are available on Depozitarul Central SA website at:

<https://www.roclear.ro/Detinatori/DetinatoriDistribuireDividende>

**Note:** Form for collecting the IBAN code and the supporting documents must be sent once to Depozitarul Central, following to be used for the distribution of any amounts due to the shareholder concerned from his/her relationship with the issuers for which Depozitarul Central provides registry services/distribution services related to these amounts. The shareholder will communicate to Depozitarul Central any changes to the information related to the bank account.

## **3. By a payment agent - BRD Groupe Societe Generale**

### **3.1. Cash payments for natural persons who do not have an account opened with a Participant**

For the shareholders natural persons the payment of dividends can be made in cash at any BRD unit as of 17 July 2020.

The payment agent - BRD will be able to make cash payments within the amounts set out in the applicable legislation (according to Law no. 70/2015, in force as of May 8, 2015, the amounts released to beneficiaries are subject to a daily cap of 10,000 lei / day).

The dividends may be collected by shareholders either in person or by legal or conventional representative as follows:

- **For the natural persons resident** who come at the counter in person, the payment of the amounts due is made based on the valid identity card including the personal identification

number (C.N.P.).

- **For the natural persons non-resident** who come at the counter in person, the payment of the amounts due is made based on the passport.
- **For the natural persons under 14 years old**, the payment of the amounts due is made to the legal representative - tutor/parent of the minor, based on the following documents:
  - birth certificate of the holders unrepresented by the Participant must include the personal identification number (C.N.P.) + 1 certified photocopy of the original (photocopy is retained);
  - the legal document establishing the guardianship if the tutor is not one of the parents + 1 certified photocopy of the original (photocopy is retained);
  - the ID of the tutor/parent + 1 certified photocopy of the original (photocopy is retained);
- **natural persons with trusteeship**, the payment of the amounts due is made by the curator of that person, based on the following documents:
  - identity card of the holders unrepresented by the Participant including the personal identification number (C.N.P.) + 1 certified photocopy of the original (photocopy is retained);
  - the legal document establishing the trusteeship + 1 certified photocopy of the original (photocopy is retained);
  - the ID of the trustee + 1 certified photocopy of the original (photocopy is retained);
- **natural persons who did not come in person at the counter but mandate another person** the payment of the amounts is made to the authorized agent of such person, based upon the following documents:
  - Notarised power of attorney comprising the empowerment to receive the amounts released by no more than 3 years preceding the date the payment is made, unless the power of attorney has a validity period of more than 3 years and is valid at the date of actual payment + 1 certified photocopy of the original (photocopy is retained);
  - The ID of the empowered person + 1 certified photocopy of the original (photocopy is retained);

The documents submitted in a foreign language shall be accompanied by a certified translation into Romanian and if they are issued by a foreign authority they need to be apostilled or legalized, as appropriate.

### **3.2. Payment through bank transfer for physical and legal persons/other entities not having an account opened with the Participant**

The shareholders physical or legal persons/other entities wishing dividend payment through bank transfer may request BRD payment by bank transfer providing at the bank counters the supporting documents or such documents sent by post, by registered letter to BRD as follows:

**For payment by bank transfer, the shareholders natural persons, in person or through their legal or conventional representative**, shall provide the documents mentioned at 3.1 of this

procedure. For the payments **by bank transfer in other banks than BRD**, the above documents shall be accompanied with a certified bank statement requesting the transferring of the dividends or with a proving document issued by the bank stating the holder of the account mentioned above. The holder of the account may only be his/her shareholder or his/her empowered person, as appropriate.

**The shareholders legal persons/other entities, by legal or conventional representative**, shall provide:

- the registration certificate of the legal person/entities in the Trade Register/another equivalent document proving registration of the legal person/entity with the competent authority + 1 copy to be retained by the payment agent;
- identity card of the legal representative or the empowered person, as appropriate;
- the certificate of company details from the Trade Register/equivalent document issued by the competent authority at most 3 months before stating the legal representative of the company + 1 copy to be retained by the payment agent;
- power of attorney in original or as a certified copy (the power of attorney will be retained by the payment agent), if appropriate;
- for the **payments through bank transfer in other banks than BRD** the above documents must be accompanied with the bank statement certified by the bank where it is requested the transfer of the dividends or a proving document issued by the bank and stating the holder of the bank account mentioned above. The holder of the account may be only the shareholder.

All the supporting documents provided at the bank counters in simple copy must be authenticated, signed and stamped by its shareholder/empowered person.

Documents in a foreign language shall be accompanied with their certified translation in Romanian, and if such documents are issued by a foreign authority, they shall be apostilled or superlegalized, as appropriate.

**The supporting documents may also be sent by post, by registered letter to:** *Titles Division – BRD METAV – Building A2, 67-77 Biharia Street, District 1, Bucharest, Romania.* **In this case the requested supporting documents shall be sent as a certified copy.** The documents sent by post by the shareholders residing in other country than Romania must be certified and apostilled.

**The non-resident shareholders opting for the payment methods at points 2 and 3 (meaning they do not have an account opened with a Participant):**

For the payments made at the payment date, 17 July 2020) in the case of the non-resident shareholders without an account opened with a Participant and wishing to apply the more favourable provisions of the Double Taxation Agreement concluded between Romania and their country of residence or the more favourable provisions applied to the non-resident retirement funds (as defined by the laws of the EU member state or one of the European Economic Area states), according to Law 227/2015 on the Tax Code, the non-resident shall submit the certificate of fiscal residence for the year in which the dividends are paid, within the validity term, in original or as a certified copy,

apostilled/superlegalized, as appropriate, and accompanied by the original certified translation in Romanian, as well as the contact details for clarifications regarding the certificates of fiscal residence, at SNTGN Transgaz SA Mediaş, 1 C.I. Motaş Square, 551130, Mediaş, Sibiu county, until 2 July 2020.

After the date of 17 July 2020 and until the date of 27 November 2020, the non-resident shareholders without an account opened with the Participant and wishing to apply the more favourable provisions of the Double Taxation Agreement concluded between Romania and their country of residence, who have not requested the payment of the dividends until the payment date, may submit the certificates of fiscal residence at SNTGN Transgaz SA Mediaş, 1 C.I. Motaş Square, code 551130, Mediaş, Sibiu County, following that the payment amounts be calculated for them. The shareholders must follow the procedures mentioned at 2 and 3.

### **Exceptional situations:**

**Shares in co-ownership** – in this case dividends shall be paid as follows:

- for cash payments, such payments are conditional on the presentation at BRD of all owners, in person or through their legal and/or conventional representative and on the provision of the documents above for cash payments;
- for payments through bank transfer, the dividends of the co-owners shall be transferred to the account indicated by all co-owners, based on the joint request and on the documents at 3.1. of this procedure;
- if the co-owners request both registration by the Depozitarul Central of the direct transfer of financial instruments ownership as a result of the severance of the joint tenancy, according to the legal regime applicable, and the direct payment to each of the co-owners depending on the number of instruments acquired in exclusive ownership, Depozitarul Central shall block the payment of the dividends, these being carried out for each former co-owner according to this procedure.

**Deceased shareholders** – dividends shall be paid at the request of their successors by bank transfer or in cash following the request of such successors to Depozitarul Central and registration of the transfer of the shares to the successor(s) as a result of the succession and following the updating of the data in the record of the payment agent, after the request of the Depozitarul Central.

**Shareholders having holdings in both sections of the Transgaz Shareholders Register** (section I - holdings in own name, and section II – holdings through the participant) –payment to such shareholders shall be made in direct proportion with the shares held in each section separately (the shares in section I through the payment agent according to point 3 and the shares in section II through the participant according to point 1).

**Net dividend payments at counters shall not be performed** in the following cases:

- to the shareholders whose PIN registered in the documents provided at the counter is not identical with the PIN in the documents received by the payment agent from Depozitarul Central. Such shareholders shall be directed to Depozitarul Central.
- to the successors of the shareholders, based on the successor certificate. Such shareholders shall

be directed to Depozitarul Central. The payments shall be made according to the section of the deceased shareholders.

Shareholders having a different name or residence from those in the shareholders register are asked to proceed to the updating of their personal identification data, since their lack hinders significantly communication between the company and the shareholders. The shareholders may submit the data change request directly at Depozitarul Central SA or by post at 34-36 Carol I Blvd., District 2, Bucharest.

For further details on payment of dividends, please contact us at [relatii.investitori@transgaz.ro](mailto:relatii.investitori@transgaz.ro), tel. 0269803217; 0269803216; 0269803103 or fax 0269803407.

**Director - General**

**Ion Sterian**