



**SOCIETATEA NAȚIONALĂ DE TRANSPORT
GAZE NATURALE "TRANSGAZ" SA MEDIAȘ**

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No. 27650/15.06.2016

Submitted for approval in the EGMS of 01.08.2016

**Report
on the procurement of legal advisory, assistance and representation services in the stages and further
actions of case AT 40335 of the European Commission**

Summary

The European Commission, according to Decision C (2016) 3431/30.05.2016, carried out an inspection at SNTGN Transgaz SA, based on Art. 20 of Regulation (CE) No. 1/2003 on the implementation of the rules on competition laid down in Articles 81 and 82 of the Treaty (the Treaty on the Functioning of the European Union).

The scope of investigation: possible Romanian gas export prevention anti-competitive strategy as an abuse of dominant position under the form of territorial restrictions, as a breach of Art. 102 of the Treaty. The anti-competitive behaviour investigated at Transgaz included the aspects mentioned at Art. 1, paragraph 2 of the above Decision.

The unannounced inspection of the European Commission – Directorate General for Competition was performed between 06.06.2016 and 09.06.2016 at the Mediaș and Bucharest offices. On 09.06.2016, at the conclusion of the site inspection, the EU inspectors selected data/documents stored on 3 DVDs, one of these DVDs being left at the headquarters of the Company, and the list of the selected data relevant for the EU inspectors under the scope of investigation were signed.

Considering the legal and economic complexity of the European Commission – Directorate General for Competition investigation and the express request of the Director-General, Mr Petru Văduva, for the provision of legal, advisory and representation services from a law firm having experience in litigations involving European Commission institutions and the Competition Council, it is necessary the ensuring of specialist legal expertise to mitigate the risk of an adverse solution taken by the Commission and for defending the interests of Transgaz SA through a law firm specialised in competition law, EU laws and procedures relevant for the case, during the inspection and in all stages until the completion of the action.

Proposal

- Approval by the Transgaz Extraordinary General Meeting of the Shareholders, according to Chapter IV, Art. 15, paragraph 4. letter p) of the updated Articles of Incorporation of SNTGN Transgaz SA, corroborated with the provisions of Art. I, paragraph (3) of GEO 26/2012 on measures to reduce public expenses and enhance financial discipline and on adding certain norms of the following:
 - procurement of legal advisory, assistance and representation services from a law firm having international experience in community competitive law, necessary for the stages following the inspection and in all further actions of case AT 40335 of the European Commission.
 - empowerment of the Director – General of SNTGN Transgaz SA to initiate the legal arrangements necessary for the procurement of such legal services and for the conclusion and signature of the legal advisory, consultancy and representation service contract with the lawyers exercising their

profession in the forms of organization provided by Law 51/1995 on the organisation and practice of the lawyer's profession, republished, as further amended and supplemented.

Considering the legal complexity of the situation, the risk elements for SNTGN Transgaz SA, taking into account that the Company is listed with the Bucharest Stock Exchange, and the fact that the legal specialist personnel of the Company does not have legal experience in community competition law and European procedures for inspections performed by European authorities, necessary for providing legal advice, assistance and representation in the case, it is necessary the preparation and exercising of all actions, documents, hearings, support and defence, including clemency requests through a specialist law firm representing SNTGN Transgaz SA in front of the European Commission.

**CHAIRMAN OF THE BOARD OF ADMINISTRATION
ION STERIAN**