



**SOCIETATEA NAȚIONALĂ DE TRANSPORT  
GAZE NATURALE "TRANSGAZ" SA MEDIAȘ**  
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Submitted for approval in the OGMS

## **Report**

***regarding the proposal for the approval of the remuneration policy of the S.N.T.G.N. TRANSGAZ  
S.A. Mediaș Board of Administration members***

### **SUMMARY**

The new Corporate Governance Code adopted by the Bucharest Stock Exchange on 11 September 2015, applicable from 4 January 2016, brings a series of amendments to the current Corporate Governance Code, such as:

- the adoption by the BoA of an official, sound and transparent procedure regarding the appointment of the new BoA members;
- the including of provisions on the conflict of interests in the Rules of Procedure and Organization for the Board of Administration;
- the development of a BoA policy/assessment guide;
- the extension of the obligations of the Audit Committee and the appointment of a Chairman;
- the development of a policy for the remuneration of the administrators;
- the adoption by the BoA of a policy regarding dividend distribution, and others.

In this context it was developed the policy for the remuneration of the S.N.T.G.N. TRANSGAZ S.A. Mediaș Board of Administration members. The policy describes in detail the legal framework applicable and the structure of the remuneration of the administrators and of the director-general of SNTGN TRANSGAZ SA.

The remuneration consists of a fixed monthly allowance and of a variable component.

The remuneration policy regarding the remuneration of the Board of Administration and of the Director-General of SNTGN Transgaz SA was endorsed by BoA Resolution 4/28.01.2016, Art.9.

## **PROPOSAL**

**Approval by the Ordinary General Meeting of the Shareholders of SNTGN TRANSGAZ SA of the Remuneration policy for the administrators and the director-general of S.N.T.G.N. TRANSGAZ S.A. Mediaș, as proposed.**

The Board of Administration of SNTGN TRANSGAZ SA performs its activity according to GEO 109/2011 on the corporate governance of the public enterprises, as further amended and supplemented, of Law 31/1990 on the companies, republished, as further amended and supplemented, of the updated Articles of Incorporation of SNTGN TRANSGAZ SA, of the BSE Corporate Governance Code and of the Rules of Procedure and Organization.

The Advisory Nomination and Remuneration Committee is constituted within the Board of Administration, and, according to the Corporate Governance Code of the Bucharest Stock Exchange prepares a policy for the remuneration of the administrators.

According to GEO 109/2011 on the corporate governance of the public enterprises, as further amended and supplemented, Art.37, the General Meeting of the Shareholders establishes the remuneration of the Board of Administration members.

The remuneration consists of a fixed monthly allowance and of a variable component. The level of the variable component is established according to the reasoned recommendations, formulated based on a comparative study on the conditions of remuneration for similar positions in companies in the same field, in which all or a majority of the share capital is owned by the state of Romania and other European countries, by the Advisory Nomination and Remuneration Committee or by human resources recruitment experts contracted.

The administrator and director-general remuneration policy and criteria are published on the website of the public enterprises by the Board of Administration.

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

Enclosure: the policy submitted for approval.

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