

## THE DIVIDEND POLICY OF SNTGN TRANSGAZ SA

SNTGN Transgaz SA, as a company listed with the Bucharest Stock Exchange in the Premium category, is constantly committed to achieve an active and transparent communication with the shareholders to ensure their equal and non-discriminatory treatment.

The legal regulations on the distribution of profit and payment of dividends are as follows:

- ORDINANCE No. 64/30 August 2001 on the distribution of profit of national corporations, national companies and commercial companies completely or majority owned by the State, as well as autonomous administrations, as amended - Article 1(f);
- ORDER No. 144/15 February 2005 of the Ministry of Economy and Public Finance on the approval of the details for the determination of the amounts subject to profit distribution according to Government Ordinance No. 64/2001 on the distribution of profit of national corporations, national companies and commercial companies completely or majority owned by the State, as well as autonomous administrations, approved as amended by Law No. 769/2001, as amended;
- LAW No. 227/2015 on the Tax Code, as amended;
- LAW No. 31/1990 on the companies, republished as amended;
- LAW no. 24/2017 on the issuers of financial instruments and market operations, republished, as amended;
- REGULATION No. 5/2018 of the Financial Supervisory Authority on the issuers of financial instruments and market operations, as amended.

SNTGN Transgaz SA distributes dividends to the shareholders following approval by the Ordinary General Meeting of the Shareholders (OGMS) of the financial statements for the previous year and they are paid to shareholders in accordance with their stake in the share capital.

SNTGN Transgaz SA distributes dividends in accordance with the provisions of ordinance No. 64/2001 and Order No. 144/2005 of the Ministry of Economy and Public Finance, which stipulate that a minimum of 50% of *the accounting profit remaining after deduction of profit tax and coverage of the destinations indicated in Article 1(1)(a)-(d)* shall be distributed in the form of dividends, *that is:*

*a) legal reserves;*

*(b) other reserves representing tax facilities established by law;*

*(c) coverage of accounting loss for the previous years, except for the accounting loss carried forward and arising from adjustments required by the application of IAS 29 'Financial Reporting in Hyperinflationary Economies', in accordance with the Accounting Rules compliant with the International Financial Reporting Standards and the Accounting Rules harmonised with Directive 86/635/EEC of the European Economic Communities and International Accounting Standards applicable to credit institutions;*

*c<sup>^</sup>1) the provision of own sources of financing for projects co-financed from external loans, as well as the provision of the necessary sources for the repayment of the principal, interest, fees and other costs of such external loans;*

*d) other allocations established by law;*

Transgaz OGMS approves the proposal for the distribution of the net profit, the gross amount of dividends distributed from the profit, the amount of the gross dividend per share, as well as the following:

- The payment date, i.e. the date on which the net dividend payment starts, which shall not exceed 6 months from the date of the GMS establishing the dividend;
- The registration date and the corresponding ex-date, on the basis of which the shareholders entitled to receive dividends are identified.

In accordance with the provisions of the capital market laws, the dividend distribution process is performed through Depozitarul Central and the designated Paying Agent.

SNTGN Transgaz SA informs the shareholders about the terms and methods of payment of dividends in accordance with the legal provisions in force (through the GMS documents, releases published on the website of the Bucharest Stock Exchange and the company's website).

The company manages the dividend distribution process complying with the legal deadlines and ensures that the shareholders are as well informed as possible about the distribution and payment of dividends.

Transgaz pays the dividends for the financial year ended 31 December as well as the unpaid dividends for the last two previous financial years.

According to Article 2517 of Law No. 287/2009, on the Civil Code, republished, according to which `the limitation period is 3 years`, the Ordinary General Meeting of the Shareholders approves the prescription of the dividends not claimed until the date of prescription, i.e. at the expiry of three years from the date of commencement of payment, and their registration in the revenue account of the company.

To comply with the principles of prudence and transparency, the company notifies the shareholders in writing of the prescription of their right to receive the dividends due and not claimed until the date of prescription.

The dividends are declared and paid only on the basis of their approval by the OGMS of SNTGN Transgaz SA. According to Law No. 227/2015 on the Tax Code, as amended, the dividend tax is a withholding tax and is paid to the state budget by the 25th day included of the month following the month in which the dividends are paid.

Non-resident shareholders who wish to apply the provisions of the double taxation convention concluded between Romania and their state of residence must present the tax residence certificate issued by the competent authority of the state of residence for the year in which the dividend payment takes place.

SNTGN Transgaz SA publishes on the company's website all relevant information on the payment of dividends for each financial year (amount of gross dividends, gross dividend per share, ex-date, record date, payment date, specific methods of dividend payment, documents required from shareholders for payment, etc.).

**ION STERIAN**  
**DIRECTOR - GENERAL**