



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

On the appointment of Transgaz' financial auditor for the period 2018 - 2023

Summary

Transgaz carried out the simplified tender procedure for contracting the financial auditor for the period 2018-2023, the best financial bid being the one presented by BDO AUDIT S.R.L., which ranked I - first in the top of the bids according to procedure carried out on the electronic platform for public procurement - SEAP. The conclusion of the financial audit contract is conditional upon the appointment by the Ordinary General Meeting of Shareholders of BDO AUDIT S.R.L. as financial auditor of SNTGN Transgaz S.A.

Proposal

In line with the provisions of Article 15, paragraph 3, point k of the Transgaz' Articles of Incorporation we hereby submit for approval to the General Meeting of Shareholders the appointment of BDO AUDIT S.R.L. as the financial auditor of SNTGN Transgaz S.A. and the conclusion of the contract for the period 2018-2023 for the provision of "*statutory audit services, limited review services of the half-yearly interim financial statements, statutory auditing services for transactions reported under art. 82 of Law 24/2017, audit services on the non-financial statement and the consolidated non-financial statement.*"

In line with:

- art. 160 para (1) Companies' Law no. 31/1990, republished as subsequently amended and supplemented providing that "*The financial statements of the companies subject to the statutory audit obligation will be audited by financial auditors - natural persons or legal entities - under the conditions laid down by law*";
- art. 4 of Order no. 881/25.06.2012 of the Ministry of Public Finance on the application by companies whose securities are admitted to trading on a regulated market of International Financial Reporting Standards and Art. 7 of Order no. 2.844/12.12.2016 of the Ministry of Public Finance for the approval of accounting regulations in accordance with International Financial Reporting Standards, applicable to companies whose

securities are admitted to trading on a regulated market, which state that *"Individual annual financial statements prepared by entities on the basis of the IFRS accounting regulations are subject to statutory audit, in accordance with the law"*;

- art. 7 par. (2) of Order no. 2.844/12.12.2016 which states that *"The consolidated annual financial statements in accordance with IFRS, prepared by entities as parent companies are also subject to statutory audit, according to the law"*;

- the provisions of GEO no.109/30.11.2011 on the corporate governance of public enterprises, as subsequently amended and supplemented, art.47, par. (1) *"The financial statements of public enterprises are subject to statutory audit, carried out by statutory auditors, natural or legal persons authorized under the law"* and para. (1) *"Statutory auditors shall be appointed before the end of the financial year by the general meeting of shareholders and, in the case of autonomous administration, by the board of administration for a minimum period of three years"*;

- Law no. 99/2016 on sectoral procurement as amended and supplemented;

- GD no. 394/2016 for the approval of the Methodological Rules for the application of the provisions regarding the award of the sectoral contract/framework agreement of Law no. 99/2016 on sectoral procurement, Transgaz conducted the simplified tender procedure for contracting the services of the financial auditor for the period 2018 - 2023, the best technical and financial bid is the one presented by BDO AUDIT S.R.L., which was ranked first in the top of the tenders in accordance with the procedure carried out on the electronic platform for public procurement - SEAP.

Based on Law no.31/1990 on commercial companies, republished, as amended and supplemented, provides in article 111 para. (2), point b¹ that the Ordinary General Shareholders Meeting shall *appoint the financial auditor and the minimum duration of the audit contract*, such provisions are contained in the Articles of incorporation of Transgaz art. 15, para. 3, point k.

In the light of the foregoing, please approve the appointment of BDO AUDIT S.R.L as Transgaz' financial auditor and the conclusion of the audit contract for the period 2018-2023 for the provisions of the **"Statutory audit services, the limited review of the half year interim financial statements services, of the legal audit services for the transactions reported in line with article 82 of Law 24/2017, audit services on the nonfinancial statements and on the consolidated nonfinancial statements"** in compliance with the provisions of Law no 99/2016 on sectoral procurement.

Chairman of the meeting
Minea Nicolae