

No.3995/26.01.2018

Submitted for approval in the GOMS dated 5/6.03.2018

Report on the approval of the remuneration of the non-executive members of Transgaz' Board of Administration (fixed allowance and the variable component)

SUMMARY

By Decision GOMS no. 1/27 April 2017:

Art.11 – Approves the renewal of the mandate of the following administrators: Sterian Ion, Văduva Petru Ion and Iliescu Bogdan George;

By Decision GOMS no. 13/28 December 2017:

Art.1 – Approves the appointment of Mr. Lăpușan Remus-Gabriel and of Mr. Minea Nicolae as administrators of the National Gas Transmission Company TRANSGAZ SA.

Based on such two GOMS decisions mandate contracts were concluded with the administrators as follows:
Mandate Contract no 26081/09.06.2017 between the National Gas Transmission Company TRANSGAZ SA and Mr. Sterian Ion;

Mandate Contract no.26082/09.06.2017, between the National Gas Transmission Company TRANSGAZ SA and Mr Văduva Petru Ion;

Mandate Contract no 26083/09.06.2017, between the National Gas Transmission Company TRANSGAZ SA and Mr Iliescu Bogdan George;

Mandate Contract no 425/04.01.2018, between the National Gas Transmission Company TRANSGAZ SA and Mr Lăpușan Remus-Gabriel;

Mandate Contract no 428/04.01.2018, between the National Gas Transmission Company TRANSGAZ SA and Mr Minea Nicolae;

By Decision GOMS no. 12/19 December 2017:

Art.1- Approves the key financial and non-financial performance indicators attached to the Mandate Contracts of the Administrators.

PROPOSAL

We submit for approval to the Ordinary General Meeting of Shareholders of SNTGN TRANSGAZ SA, in accordance with the provisions of art.15, paragraph (3), letter d of the Articles of Incorporation of the company, updated, in conjunction with the provisions of art.153¹⁸, paragraph (1) Law no. 31/1990 - Companies Law, republished, as subsequently amended and supplemented, the following:

- a. The amount of the fixed monthly allowance of the non-executive administrators' remuneration in the gross monthly amount of lei **11,923**, as applicable for the period between 01.01.2018 and 29 April 2021;
- b. The amount of the variable component of the non-executive administrators' remuneration in the gross amount of lei **143.076**, as applicable for the period between the date of the renewal of the mandate/the date of the appointment in the position of administrator and 29 April 2021.

Detailed content of the report

Considering:

- the provisions of Companies' Law 31/1990, republished, as further amended and supplemented, art.153¹⁸, para(1) "The remuneration of the members of the Board of Administration or of the Surveillance Committee is set by the Articles of Incorporation or by the Decision of the General Meeting of Shareholders";
- the provision of the Company's Articles of Incorporation, updated, art.15, paragraph (3), letter d, according to which the Ordinary General Meeting of Transgaz' Shareholders determines the remuneration of the members of the Board of Administration;
- the provisions of the Government Emergency Ordinance no.109/2011 on the corporate governance of public enterprises, as subsequently amended and supplemented art 37 para (1) "The remuneration of the members of the Board of Administration shall be determined by the general meeting of the shareholders" and paragraph (2) describing the method for the calculation and determination of the remuneration of the non-executive administrators;
- the provisions of the GEO no.79/08.11.2017 for the amendment and supplementing of the Law no.227/2015 regarding the Fiscal Code;
- the provisions of GEO no.90/06.12.2017 regarding some fiscal-budgetary measures, the amendment and supplementing of certain normative acts and the extension of certain deadlines, Art. 18 "*The gross remuneration of the administrators and of the directors stipulated in the mandate contracts concluded according to the provisions of the Government Emergency Ordinance no.109/2011 on Corporate Governance of Public Enterprises, approved as amended and supplemented by Law no. 111/2016, as amended, **may be recalculated in order to be reconciled with the new mandatory social contributions due under Law no. 227/2015, as subsequently amended and supplemented, as amended by the Government Emergency Ordinance no. 79/2017 for amending and supplementing the Law no. 227/2015 regarding the Tax Code***",

Transgaz' Board of Administration proposals for approval:

- a. The amount of the fixed monthly allowance of the non-executive administrators' remuneration in the gross monthly amount of lei 11,923, as applicable for the period between 01.01.2018 and 29 April 2021;

b. The amount of the variable component of the non-executive administrators' remuneration in the gross amount of lei 143.076, as applicable for the period between the date of the renewal of the mandate/the date of the appointment in the position of administrator and 29 April 2021.

CHAIRMAN OF THE MEETING