

No. 82030/18.10.2022

*Submitted for approval in the OGMS meeting of 07/08.12.2022*

**REPORT**  
**on the approval of the revision of some non-financial performance indicators**  
**included in the Management Plan of SNTGN Transgaz SA**  
**for the period 2021- 2025**

**SUMMARY**

By Resolution No. 8/6 December 2021 of the Ordinary General Meeting of the Shareholders the financial and non-financial performance indicators annexed to the administrators' mandate contracts were approved, and by Resolution No. 3/28 February 2022 of the Ordinary General Meeting of the Shareholders the revision of some financial performance indicators was approved.

As a result of legislative changes and new strategic directions for the development of the Company, the values of some non-financial performance indicators valid for the calculation of the variable component of the remuneration of the members of the Board of Administration changed.

**PROPOSAL**

**According to Article 15 (3) (a1) of the updated Articles of Incorporation, in conjunction with Article 30 (2), Annex 2, of GR 722/2016 on the approval of the Methodological Rules for the application of certain provisions of GEO 109/2011 on the corporate governance of public companies, as amended, we submit to the approval of the Ordinary General Meeting of the Shareholders the revision of some non-financial performance indicators included in the Management Plan of SNTGN Transgaz SA for the period 2021-2025.**

## **Detailed content**

As a result of legislative changes, the numbering and calculation formula of some of the non-financial performance indicators valid for the calculation of the variable component of the remuneration of the Board of Administration members changed.

**The rationale for revising the numbering of some indicators and revising the calculation formulae for some non-financial performance indicators is described below:**

The quality of natural gas transmission service is a constant concern of both SNTGN Transgaz SA and the National Energy Regulatory Authority. In order to monitor the quality of the natural gas transmission service based on specific indicators and minimum performance levels, as of 1 October 2022, **ANRE Order No.140/2021** on the **Performance Standard for the natural gas transmission service**, as amended, came into force, which repeals **ANRE Order No.161/2015**.

**Out of the performance indicators of the natural gas transmission service included in the ANRE Order 161/26.11.2015 entered into force on 1 October 2016, the relevant indicators for the natural gas transmission service were approved as key performance indicators for the variable remuneration of the Board of Administration members, but according to the new Order 140/2021, as amended, they underwent changes in numbering or calculation formulas.**

**The new numbering and the new calculation formulas of the non-financial indicators related to the Performance Standard for the natural gas transmission service, approved as key performance indicators for the variable remuneration of the Board of Administration members, are presented in Annex 1 to this document.**

According to Article 15 (3) (a1) of the updated Articles of Incorporation, in conjunction with Article 30 (2), Annex 2, of GR 722/2016 on the approval of the Methodological Rules for the application of certain provisions of GEO 109/2011 on the corporate governance of public companies, as amended, we submit to the approval of the Ordinary General Meeting of the Shareholders the revision of some non-financial performance indicators included in the Management Plan of SNTGN Transgaz SA for the period 2021- 2025.

**CHAIRMAN OF THE BOARD OF ADMINISTRATION**

**PETRU ION VĂDUVA**

ANRE Order 161/26.11.2015			ANRE Order 140/2021			Order 88/2022
Indicator calculation formula	Definition of terms in the formula	Target	Indicator calculation formula	Definition of terms in the formula	Target	Definition of terms in the formula
<b>IPO Recording of requests/grievances/complaints regarding the gas transmission system service</b>			<b>IPO Recording of requests/grievances/complaints regarding the gas transmission system service</b>			
$IP_0^1 = \frac{N_{T0} + N_{T2}}{N_{inreg} - N_{clasate}} \times 100\%$	<ul style="list-style-type: none"> <li>a) <math>N_{T0}</math> - no. of requests /grievances /complaints the registration no. of which was sent acc. to Art. 7 (3) (a);</li> <li>b) <math>N_{T2}</math> - no. of requests /grievances /complaints the registration no. of which was sent within a period of time shorter than the one established at Art. 7 (3) (b);</li> <li>c) <math>N_{inreg}</math> - total no. of requests /grievances /complaints registered acc. to Art. 7 (1);</li> <li>d) <math>N_{clasate}</math> - total no. of requests /grievances /complaints classified acc. to Art. 7 (6).</li> </ul>	$IP_0^1 \geq 90\%$	$IP_0^1 = \frac{N_{T2}}{N_{inreg} - N_{clasate} - N_{T0}} \times 100\%$	<ul style="list-style-type: none"> <li>a) <math>N_{T0}</math> - no. of requests /grievances /complaints the registration no. of which was sent acc. to Art. 7 (3) (a);</li> <li>b) <math>N_{T2}</math> - no. of requests /grievances /complaints the registration no. of which was sent within a period of time shorter than the one established at Art. 7 (3) (b);</li> <li>c) <math>N_{inreg}</math> - total no. of requests /grievances /complaints registered acc. to Art. 7 (1);</li> <li>d) <math>N_{clasate}</math> - total no. of requests /grievances /complaints classified acc. to Art. 7 (6).</li> </ul>	$IP_0^1 \geq 90\%$	
<b>IP1 Compliance with the gas delivery-acceptance conditions</b>			<b>IP1 - Access, contracting of transmission service and compliance with the natural gas delivery-acceptance conditions</b>			
$IP_1^1 = \frac{N_{Rparametrii10}}{N_{TRparametrii} - N_{RCLparametrii}} \times 100\%$	<ul style="list-style-type: none"> <li>a) <math>N_{Rparametrii10}</math> - no. of requests/complaints regarding non-compliance with the technological parameters agreed, requests/complaints answered/solved within less than 10 days from registration;</li> <li>b) <math>N_{TRparametrii}</math> - total no. of received requests/complaints regarding non-compliance with the technological parameters agreed;</li> <li>c) <math>N_{RCLparametrii}</math> - total no. of classified requests/complaints regarding non-compliance with the technological parameters agreed.</li> </ul>	$IP_1^1 \geq 95\%$	$IP_1^1 = \frac{N_{Rparametrii10}}{N_{TRparametrii} - N_{RCLparametrii}} \times 100(\%)$	<ul style="list-style-type: none"> <li>a) <math>N_{Rparametrii10}</math> - no. of requests/complaints regarding non-compliance with the technological parameters agreed, requests/complaints answered/solved within less than 10 days from registration;</li> <li>b) <math>N_{TRparametrii}</math> - total no. of received requests/complaints regarding non-compliance with the technological parameters agreed;</li> <li>c) <math>N_{RCLparametrii}</math> - total no. of classified requests/complaints regarding non-compliance with the technological parameters agreed.</li> </ul>	$IP_1^1 \geq 95\%$	
$IP_1^2 = \frac{N_{verificareP24}}{N_{TverificareP}} \times 100\%$	<ul style="list-style-type: none"> <li>a) <math>N_{verificareP24}</math> - no. of agreed technological parameter value verifications made by the TSO within less than 24 hours from registration of requests/complaints;</li> <li>b) <math>N_{TverificareP}</math> - total no. of requests/complaints regarding non-compliance with the technological parameters.</li> </ul>	$IP_1^2 \geq 95\%$	$IP_1^2 = \frac{N_{verificareP24}}{N_{TverificareP}} \times 100(\%)$	<ul style="list-style-type: none"> <li>a) <math>N_{verificareP24}</math> - no. of agreed technological parameter value verifications made by the TSO within less than 24 hours from registration of requests/complaints;</li> <li>b) <math>N_{TverificareP}</math> - total no. of requests/complaints regarding non-compliance with the technological parameters</li> </ul>	$IP_1^2 \geq 95\%$	
$IP_1^3 = \frac{N_{Rcalitate15}}{N_{TRcalitate} - N_{RCLcalitate}} \times 100\%$	<ul style="list-style-type: none"> <li>a) <math>N_{Rcalitate15}</math> - no. of requests/complaints regarding gas quality, requests/complaints answered/solved within less than 15 days from registration;</li> </ul>	$IP_1^3 \geq 95\%$	$IP_1^3 = \frac{N_{Rcalitate15}}{N_{TRcalitate} - N_{RCLcalitate}} \times 100\%$	<ul style="list-style-type: none"> <li>a) <math>N_{Rcalitate15}</math> - no. of requests/complaints regarding gas quality, requests/complaints answered/solved within less than 15 days from registration;</li> </ul>	$IP_1^3 \geq 95\%$	

ANRE Order 161/26.11.2015			ANRE Order 140/2021			Order 88/2022
Indicator calculation formula	Definition of terms in the formula	Target	Indicator calculation formula	Definition of terms in the formula	Target	Definition of terms in the formula
	b) $N_{TRcalitate}$ - total no. of received requests/complaints regarding gas quality; c) $N_{RCLcalitate}$ - total no. of classified requests/complaints regarding gas quality.			b) $N_{TRcalitate}$ - total no. of received requests/complaints regarding gas quality; c) $N_{RCLcalitate}$ - total no. of classified requests/complaints regarding gas quality.		
$IP_1^4 = \frac{N_{Rm\acute{a}surare15}}{N_{TRm\acute{a}surare} - N_{RCLm\acute{a}surare}} \times 100\%$	a) $N_{Rm\acute{a}surare15}$ - no. of requests/complaints regarding gas metering answered/solved within less than 15 days from registration; b) $N_{TRm\acute{a}surare}$ - total no. of received requests/complaints regarding gas metering; c) $N_{RCLm\acute{a}surare}$ - total no. of classified requests/complaints regarding gas metering.	$IP_1^4 \geq 95\%$	$IP_1^5 = \frac{N_{Rm\acute{a}surare15}}{N_{TRm\acute{a}surare} - N_{RCLm\acute{a}surare}} \times 100(\%)$	a) $N_{Rm\acute{a}surare15}$ - no. of requests/complaints regarding gas metering answered/solved within less than 15 days from registration; b) $N_{TRm\acute{a}surare}$ - total no. of received requests/complaints regarding gas metering; c) $N_{RCLm\acute{a}surare}$ - total no. of classified requests/complaints regarding gas metering.	$IP_1^5 \geq 95\%$	
$IP_1^5 = \frac{N_{Vm\acute{a}surare2}}{N_{TRm\acute{a}surare} - N_{RCLm\acute{a}surare}} \times 100\%$	a) $N_{Vm\acute{a}surare2}$ - no. of verified gas metering systems/devices at the place of operation, within less than 2 working days from request/complaint registration; b) $N_{TRm\acute{a}surare}$ - total no. of received requests/complaints regarding gas metering; c) $N_{RCLm\acute{a}surare}$ - total no. of classified requests/complaints regarding gas metering.	$IP_1^5 \geq 95\%$	$IP_1^6 = \frac{N_{Vm\acute{a}surare2}}{N_{TRm\acute{a}surare} - N_{RCLm\acute{a}surare}} \times 100(\%)$	a) $N_{Vm\acute{a}surare2}$ - no. of verified gas metering systems/devices at the place of operation, within less than 2 working days from request/complaint registration; b) $N_{TRm\acute{a}surare}$ - total no. of received requests/complaints regarding gas metering; c) $N_{RCLm\acute{a}surare}$ - total no. of classified requests/complaints regarding gas metering.	$IP_1^6 \geq 95\%$	
<b>IP2 Transmission system access</b>			<b>IP2 – Access to VTP</b>			
$IP_2^1 = \frac{N_{acces}}{N_{TCacces}} \times 100\%$	a) $N_{acces}$ - no. of transmission system access approvals or denials issued within a shorter period of time than foreseen by the applicable gas law; b) $N_{TCacces}$ - total no. of received requests for transmission system access.	$IP_2^1 \geq 95\%$	$IP_2^1 = \frac{N_{sol10}}{N_{Tsol}} \times 100(\%)$	a) $N_{sol10}$ - the number of responses to requests for access to the VTP issued within less than 10 days from the date of registration of the access request; b) $N_{Tsol}$ - total number of VTP access requests received.	$IP_2^1 \geq 95\%$	
<b>IP3 Connection to the transmission system</b>			<b>IP3 - Connection to the transmission system</b>			
$IP_3^1 = \frac{N_{racordare}}{N_{TCracordare}} \times 100\%$	a) $N_{racordare}$ - no. of technical transmission system connection approvals and refusals, issued within a shorter period of time than foreseen by the applicable gas law; b) $N_{TCracordare}$ - total number of requests for connection to the transmission system received.	$IP_3^1 \geq 95\%$	$IP_3^1 = \frac{N_{Nev} + N_{ATP} + N_{ATR}}{N_{Tracord} - N_{Clasat}} \times 100(\%)$	a) $N_{Nev}$ - the number of notifications, following the assessment of the application for connection, issued within a timeframe shorter than that laid down in Article 8(8). (2) of the Regulation; b) $N_{ATP}$ - the number of technical opinions in principle issued within a shorter period of time than that laid down in Article 10(10) (1) of the Regulation;	$IP_3^1 \geq 95\%$	a) $N_{Nev}$ - the number of notifications, following the assessment of the application for connection, issued within a timeframe shorter than that laid down in Article 5(5). (1) of the Regulation; b) $N_{ATP}$ - the number of technical opinions in principle issued within a shorter period of time than

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Indicator calculation formula	Definition of terms in the formula	Target	Indicator calculation formula	Definition of terms in the formula	Target	Definition of terms in the formula
				c) $N_{ATR}$ - the number of technical connection authorisations issued within a time period shorter than that laid down in Article 24(2) (1) and Article 39 (1) respectively. (1) of the Regulation; d) $N_{Tracord}$ - total number of applications for connection to the transmission system. e) $N_{Clasat}$ - total number of classified applications for connection		that laid down in Article 4(4). (4) of the Regulation; c) $N_{ATR}$ - the number of technical opinions on connections issued in less time intervals than those laid down in Article 7(7) (1) of the Regulation; d) $N_{Tracord}$ - total number of applications for connection to the transmission system; e) $N_{Clasat}$ - total number of classified applications for connection.
$IP_3^2 = \frac{N_{Rracordare15}}{N_{TRracordare} - N_{RCLracordare}} \times 100\%$	a) $N_{Rracordare15}$ - no. of requests/complaints regarding transmission system connection, requests/complaints answered/solved by the TSO within less than 15 days from registration; b) $N_{TRracordare}$ - total no. of received requests/complaints regarding transmission system connection; c) $N_{RCLracordare}$ - total no. of classified requests/complaints regarding transmission system connection.	$IP_3^2 \geq 95\%$	$IP_3^2 = \frac{N_{Rracordare15}}{N_{TRracordare} - N_{RCLracordare}} \times 100(\%)$	a) $N_{Rracordare15}$ - no. of requests/complaints regarding transmission system connection, requests/complaints answered/solved by the TSO within less than 15 days from registration; b) $N_{TRracordare}$ - total no. of received requests/complaints regarding transmission system connection; c) $N_{RCLracordare}$ - total no. of classified requests/complaints regarding transmission system connection.	$IP_3^2 \geq 95\%$	
<b>IP4 Restoration of land/assets affected by execution of works regarding the transmission system facilities</b>			<b>IP4 - Restoration of land/assets affected by execution of works regarding the transmission system facilities</b>			
$IP_4^1 = \frac{N_{Rrefacere15}}{N_{TRrefacere} - N_{RCLrefacere}} \times 100\%$	a) $N_{Rrefacere15}$ - no. of requests/complaints answered/solved within less than 15 days from registration; b) $N_{TRrefacere}$ - total no. of received requests/complaints regarding the restoration of lands and/or assets affected by the execution of works regarding transmission system facilities; c) $N_{RCLrefacere}$ - total no. of classified requests/complaints regarding the restoration of lands and/or assets affected by the execution of works regarding transmission system facilities.	$IP_4^1 \geq 95\%$	$IP_4^1 = \frac{N_{Rrefacere15}}{N_{TRrefacere} - N_{RCLrefacere}} \times 100\%$	a) $N_{Rrefacere15}$ - no. of requests/complaints answered/solved within less than 15 days from registration; b) $N_{TRrefacere}$ - total no. of received requests/complaints regarding the restoration of lands and/or assets affected by the execution of works regarding transmission system facilities; c) $N_{RCLrefacere}$ - total no. of classified requests/complaints regarding the restoration of lands and/or assets affected by the execution of works regarding transmission system facilities.	$IP_4^1 \geq 95\%$	

ANRE Order 161/26.11.2015			ANRE Order 140/2021			Order 88/2022
Indicator calculation formula	Definition of terms in the formula	Target	Indicator calculation formula	Definition of terms in the formula	Target	Definition of terms in the formula
<b>IP5 Notification of unplanned limitations and/or interruptions and resuming of gas transmission service</b>			<b>IP5 - Notification of unplanned limitations and/or interruptions and resuming of gas transmission service</b>			
$IP_5^1 = \frac{N_{U6}}{N_{Uafectai}} \times 100 \%$	a) $N_{U6}$ - no. of transmission system users affected by the unplanned interruption, notified as soon as possible, but not later than 6 hours from occurrence of interruption; b) $N_{Uafectai}$ - total no. of transmission system users affected by the unplanned interruption.	$IP_5^1 \geq 98\%$	$IP_5^1 = \frac{N_{U6}}{N_{Uafectai}} \times 100(\%)$	a) $N_{U6}$ - no. of transmission system users affected by the unplanned interruption, notified as soon as possible, but not later than 6 hours from occurrence of interruption; b) $N_{Uafectai}$ - total no. of transmission system users affected by the unplanned interruption.	$IP_5^1 \geq 98\%$ .	
$IP_5^2 = \frac{N_{U24}}{N_{Uafectai}} \times 100\%$	a) $N_{U24}$ - no. of transmission system users affected for a period longer than 24 hours, notified accordingly; b) $N_{Uafectai}$ - total no. of transmission system users affected by the unplanned interruption.	$IP_5^2 \geq 98\%$	$IP_5^2 = \frac{N_{U24}}{N_{Uafectai}} \times 100, (\%)$	a) $N_{U24}$ - no. of transmission system users affected for a period longer than 24 hours, notified accordingly; b) $N_{Uafectai}$ - total no. of transmission system users affected by the unplanned interruption.	$IP_5^2 \geq 98\%$ .	
<b>IP6 Notification of planned limitations and/or interruptions and resuming of gas transmission service</b>			<b>IP6 - Notification of planned limitations and/or interruptions and resuming of gas transmission service</b>			
$IP_6^1 = \frac{N_{U5}}{N_{Uafectai}} \times 100\%$	a) $N_{U5}$ - no. of transmission system users affected by the planned interruption, notified within more than 5 working days before the limitation/interruption; b) $N_{Uafectai}$ - total no. of transmission system users affected.	$IP_6^1 \geq 98\%$	$IP_6^1 = \frac{N_{U5}}{N_{Uafectai}} \times 100\%$	a) $N_{U5}$ - no. of transmission system users/operators affected by the planned interruption, notified within more than 5 working days before the limitation/interruption; b) $N_{Uafectai}$ - total no. of transmission system users/operators affected.	$IP_6^1 \geq 98\%$	
$IP_6^2 = \frac{N_{Ureluare}}{N_{Uafectai}} \times 100 \%$	a) $N_{Ureluare}$ - no. of transmission system users affected for which the provision of the gas transmission system was resumed at the time mentioned in the notification; b) $N_{Uafectai}$ - total no. of transmission system users affected by the planned interruption.	$IP_6^2 \geq 98\%$	$IP_6^2 = \frac{N_{Ureluare}}{N_{Uafectai}} \times 100 \%$	a) $N_{Ureluare}$ - no. of transmission system users/operators affected for which the provision of the gas transmission system was resumed at the time mentioned in the notification; b) $N_{Uafectai}$ - total no. of transmission system users/operators affected by the planned interruption.	$IP_6^2 \geq 98\%$	