

BOARD OF ADMINISTRATION
SNTGN TRANSGAZ SA

**ACTIVITY REPORT
FOR THE MANDATE
PERIOD 2017-2021**

ION STERIAN

Director General of SNTGN Transgaz SA
Executive Administrator

A document drawn up pursuant to the provisions set forth in Article 29, paragraph 14 of the Government Emergency Ordinance no. 109/2011 on corporate governance of public enterprises, as amended by GEO no. 51/2013, GEO no. 10/2015, Law no. 111/2016, Law no. 14/2017, GEO no. 29/2017 and GEO no. 73/2018

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1. General considerations

Mandate term	MANDATE Contract April 30th, 2017 – April 29th, 2021
Appointing Instrument/Mandate	
Appointing Instrument/Mandate	<ul style="list-style-type: none"> ■ Decision of the Ordinary General Meeting of the Shareholders no. 1/27.04.2017 art. 11, 12 elected administrator (mandate renewal) ■ Decision of the Board of Administration no. 15/16.05.2017 Article 3 appointed Acting Director General of SNTGN Transgaz SA ■ Decision of the Board of Administration no. 24/21.07.2017, Article 2 appointed Director General of SNTGN Transgaz SA
Capacity within the Board of Administration	
Capacity within the Board of Administration	Executive Administrator Director General of SNTGN Transgaz SA
Membership within the Advisory Committees of the Board of Administration	
Membership within the Advisory Committees of the Board of Administration	<ul style="list-style-type: none"> ■ the NTS Safety and Security Committee- according to the Resolution of the BA no. 15/16.05.2017- executive administrator; ■ the Strategy and Development Committee – according to the Resolution of the BA no. 15/16.05.2017, executive administrator; ■ the Committee for Regulation and Relationship with Public Authorities - according to the Resolution of the BA no. 15/16.05.2017- executive administrator.
Short biography	
Short biography	<p>I graduated from the Petroleum & Gas University of Ploiești, with a Bachelor degree in drilling and exploitation of petroleum and gas storage facilities.</p> <p>I also graduated from the Faculty of Economic Engineering, Management and Rural development within the University of Agronomic Sciences and Veterinary Medicine in Bucharest, as of 2002 being a graduate engineer.</p> <p>I have Master Degrees in Management and Rural development and Public Food and Agrotourism, degrees issued by the University of Agronomic Sciences and Veterinary Medicine in Bucharest</p>

In my career I have expanded my horizon of professional knowledge through post-graduate studies on security and good governance, international and diplomatic relations, financial management.

During 1992-2004 I was area manager of S.C. Petrotrans SA Ploiesti and during 2005- 2006 I was the executive manager of the technical Division within Regia Autonoma Administrația Zonei Libere Brăila.

Starting with 2006 I had been the manager of the Technical Division of Regia Autonoma Administrația Patrimoniului Protocolului de Stat – a position which was suspended.

In 2010 I occupied, for a short period of time, the position of sub-secretary of state within the Ministry of Territorial Development and Tourism, coordinating the public works within the ministry, during the same year returning to my position of executive manager of Regia Autonoma Administrația Patrimoniului Protocolului de Stat, position that I hold at this date, as well.

During 2013-2017, I have been the chairman of the Board of Administration of SNTGN Transgaz SA and, together with the other 4 administrators, I have ensured the administration of the company pursuant to the objectives in the Administration Plan, a plan unanimously approved by Transgaz' shareholders through the Resolution No. 9/23.09.2013 of the Ordinary General Meeting of the Shareholders.

Since April 2017, I have been a member of Transgaz' Board of Administration – executive administrator and Director General of SNTGN Transgaz SA.

For more details, I enclose my Curriculum Vitae at the end of the Activity Report.

Documents contemplating the tasks of the Board of Administration (BA) and of the Director General.

■ Companies' Law No. 31/1990, republished as amended;
■ Government Emergency Ordinance no. 109/2011 on corporate governance of public enterprises, as amended by GEO no. 51/2013, GEO no. 10/2015, Law no.

111/2016, Law no. 14/2017, GEO no. 29/2017 and GEO no. 73/2018 (reporting obligations);

■ **Law 24/2017** on the issuers of financial instruments and market operations, as amended;

■ **Articles of Incorporation of Transgaz SA**, updated - Chapter V, Article 19 and Article 20;

■ **concluded Contract of MANDATE;**

■ the **Rules for Organization and Operation (ROO) of the BA** include information on: *the organization and operation of the BA; the BA tasks, the policy for management of conflicts of interest, operation mode, the liability of the administrators;*

■ the **Rules of Corporate Governance of Transgaz SA** include information on:

- *The role and duties of the Board of Administration;*
- *The structure of the Board of Administration;*
- *The appointment of the Board members;*
- *The remuneration of the Board members;*
- *The Advisory Committees of the Board of Administration;*
- *The executive management;*
- *The Code of Professional Conduct;*
- *The shareholders' rights and treatment;*
- *Transparency, Financial Reporting;*
- *Conflict of interest and transactions with stakeholders;*
- *Status of corporate information and CSR*

■ **The Internal Regulations on the organization and operation of the Advisory Committees established by the Board of Administration of the company** include information on:

- *The structure of the Advisory Committees;*
- *The members of the Advisory Committees;*
- *The duties of the Advisory Committees.*

▪ ***the Nomination and Remuneration Committee;***

▪ ***the Audit and Rating Committee;***

▪ ***the NTS Safety and Security Committee;***

▪ ***the Strategy and Development Committee;***

▪ ***the Committee for Regulation and Relations with public authorities***

The Advisory Committees established by the Board of Administration are responsible for carrying out analyses and for making specific recommendations to the Board of Administration biannually submitting activity reports to it.

■ The **Code of Ethics of Transgaz SA** allowing for the company employees to become familiarized with and to support the ethical values and the assets of the company, to observe and apply the rules on ethics, integrity, avoidance of any conflicts of interest, prevention and reporting of fraud, corruption and to report irregularities within the organization.

Organization of the activity of the Board of Administration

■ Transgaz SA is managed based on a **one-tier management system**. The **current Board of Administration** consists of **5 members** and was **selected and appointed according to the provisions set forth in the Government Emergency Ordinance no. 109/2011** on corporate governance of public enterprises, as amended;

■ For the effective management of the company, the administrators decided to **establish an organizational entity within the company i.e. the Secretariat of the BoA and the GMS**, an entity acting as **secretariat** of all activities necessary for the **f the Board of administration / General Meeting of the of Shareholders** to fulfill their tasks pursuant to the provisions set forth in the Government Emergency Ordinance no. 109/2011, as amended; Law no. 24/2017 on the issuers of financial instruments and market operations and Regulation ASF no. 5/2018 as updated;

■ **Together with the other administrators I have decided that, in order to ensure the compliance of the administrative decisions/top management actions with the requirements** of the regulatory documents regarding the companies, the corporate governance, the capital market, the transparency, the communication, **the overall activity of the Board of Administration has to be consistent with a procedure** and permanently in line with the new legislative regulations pertaining to the company's business;

■ **For documenting the activities performed over the mandate of the Board of Administration, the following documents are filed chronologically by the Secretariat of the BoA and the GMS, according to the legal effective provisions:**

- the agenda of each Board meeting;
- the minutes of the Board meetings;
- the decisions of the Board of Administration

together with the documents underlying such decisions (reports, essays, briefings, etc.);

- the minutes of the Advisory Committees meetings;
 - the reports of the Advisory Committees within the Board of Administration;
 - the Convening of the Ordinary General Meetings of the Shareholders and of the Extraordinary General meetings of the Shareholders;
 - the minutes of the Ordinary General Meeting of the Shareholders and of the Extraordinary General Meeting of the Shareholders;
 - the resolutions made by the Ordinary General Meetings of the Shareholders and the Extraordinary General Meeting of the Shareholders together with the documents that were the basis for making such decisions;
 - other documents/addresses/received by the Board of Administration for information / analysis / ordering of measures.
- **The entire activity I together with the other administrators have undertaken has been carried out by full responsibility, professional ethics, integrity and transparency, efficiency and competitiveness, sustainability and in line with the Company's updated Articles of Incorporation and the best corporate governance practices.**
 - **In my capacity as Director General, I carried out my activity in full compliance with and within the limits of the mandate entrusted to me and with permanent reporting to the Board of Administration.**

Policies and procedures on the organization and the conduct of the activities of the Board of Administration

■ **Process Procedures (PP) and Work Instructions (WI)** established for the organization and performance in line with the relevant legal framework of the specific activities of the Board of Administration are:

- ***PP SF 01 - ORGANIZATION AND CONDUCT OF MEETINGS OF THE GENERAL SHAREHOLDERS 'MEETING edition 1, revision 0;***
- ***PS 10 SMI - ORGANIZATION AND CONDUCT OF THE MEETINGS OF THE BOARD OF ADMINISTRATION edition 1, revision 0 and revision 1 of August 2020;***

- **IL 01 PS 10 SMI - ISSUE OF EXCERPTS OF BA AND GMS DECISIONS edition 1, revision 0;**
- **Process sheet PS 10 SMI - Organization and conduct of Board meetings, edition 1, revision 0.**

■ **Policies and procedures existing within the Board of Administration**, according to the Government Emergency Ordinance no. 109/2011 on corporate governance of public enterprises, as amended:

- Policy on the management of conflicts of interest;
- Policy on dividend distribution – draft;
- Policy on risk management;
- Policy on transactions with "related parties";
- Policy on sponsorship granting;
- Policy on internal and external communication

Note:

Given that, at regional, European and national level there is strong focus on increasing transparency in business, the eradication of corruption and implementation of best corporate governance practices in the administration and management of companies with majority state capital, **I had the initiative of analyzing, jointly with the other administrators, the preparation of a new policy, at the level of the Board of Administration, namely: "The policy on transparency, information dissemination, data governance and anticorruption"**, a document allowing the Board to develop a referential framework to stimulate the stakeholders' confidence in the decisions and resolutions made by Transgaz' administrators and in the actions taken by the company management.

Information and communication

To ensure accurate and timely information of all stakeholders on the activity of the company, **I have continuously watched and monitored and closely coordinated the communication and public information activity**, so that it is in line with the reporting requirements incumbent to Transgaz, as a company listed on the stock exchange and as a transmission system operator, an important player on the national and international energy scene.

The guidelines pursued with priority in this regard are contained in the **"Policy of the Board of Administration on internal and external communication"** and are

taken over in the **Company's Overall Communication Management Plan**, and are mainly focused on issues such as:

- ***permanent alignment of our website*** with the requirements of transparency and dissemination of information imposed by the good corporate governance practices;
- ***public communication and financial reporting in full compliance with*** the legal provisions pertaining to the company's business;
- ***provision of accurate, thorough and timely information and of equal and non-discriminatory treatment in the provision of information*** to all the company's shareholders;
- ***provision of efficient logistic support (including the Conference Room) for the organization and conduct of the Board meetings and of the General Meetings of the Shareholders;***
- ***dissemination of the Board decisions*** pursuant to the procedures established;
- ***publication, pursuant to the law, of the convening notices and of the resolutions issued by the General Meeting of the Shareholders on the company's website;***
- ***maintaining a permanent communication*** with the top management;
- ***improvement of the internal and external relations of the company***

Documentation on the Management control and supervision System, financial reporting and self-assessment of the Board of Administration

■ **Transgaz' Management plan** for the period 201-20217;

■ **Report on the administrators' activity**, drawn up pursuant to the Government Emergency Ordinance no. 109/2011, as amended and supplemented as follows:

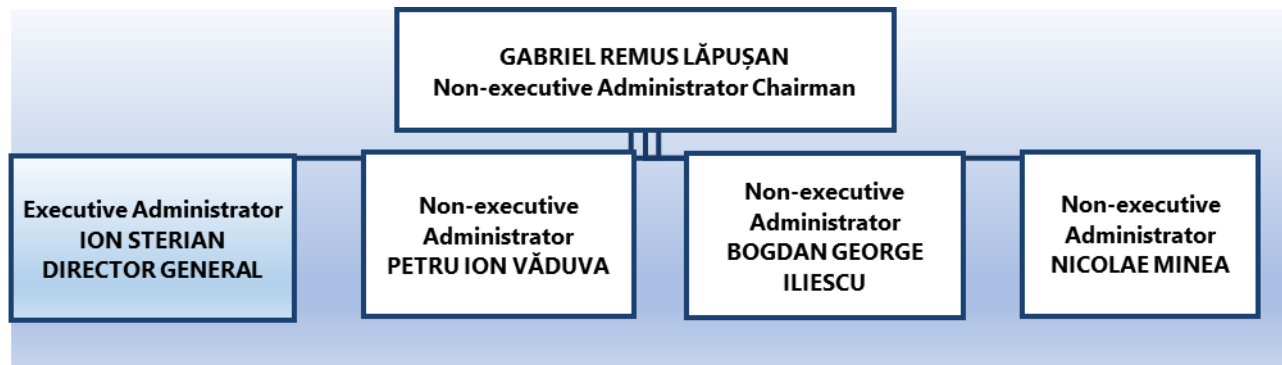
- **every six months**, submitted to the Ordinary General Meeting of the Shareholders (OGAS) to take note of the administrators' activity;
- **each year** – submitted for approval to the OGMS together with the approval of the annual financial statements and the discharge of the administrators;

■ **Quarterly Report on the performance of the Director General' mandate**, drawn up pursuant to the

Government Emergency Ordinance no. 109/2011, as amended and supplemented.

- **Quarterly, half-yearly, annual financial reports pursuant to IFRS-EU**
- **Statutory Auditor's Report;**
- **Internal Auditor's Report;**
- **Management's report on the financial statements;**
- **Assessment Report pursuant to the Internal Control/Managerial System;**
- **Report (CSR) on Corporate Social Responsibility**
- **Declaration APPLY or EXPLAIN / the status of compliance with the new Code of Corporate Governance of the BSE;**
- **Declaration of accession to the National Anticorruption Strategy for the period 2016 - 2020**

Organization Chart of the Board of Administration



Surname and given name(s)	Capacity in the Board	Legal basis under which the person was appointed		Mandate term
LĂPUȘAN REMUS GABRIEL	Non-executive Administrator Chairman of	OGMS Resolution no. 3/19.06.2017 Art.2	Interim administrator	11.07.2017 –
		OGMS Resolution no. 7/23.10.2017 Art.3	Interim administrator	29.04.2021

	the Board	OGMS Resolution no. 13/28.12.2017 Art.1	Administrator	
		BoA Resolution 11/18.03.2019 Art.1	Appointed as Chairman of the Board of Administration	
STERIAN ION	Executive Administrator Director General	OGMS Resolution no. 1/27.04.2017 art.11,12	Administrator (mandate renewal)	4 ani
		OGMS Resolution no. 15/16.05.2017 art.3	Appointed acting Director General	
		BoA Resolution no. 24/21.07.2017 Art.2	Appointed Director General	
VĂDUVA PETRU ION	Non-executive Administrator	OGMS Resolution no. 1/27.04.2017 Art.11,12	Administrator (mandate renewal)	4 ani
ILIESCU BOGDAN GEORGE	Independent Non-executive Administrator	OGMS Resolution no. 1/27.04.2017 Art.11,12	Administrator (mandate renewal)	4 ani
MINEA NICOLAE	Independent Non-executive Administrator	OGMS Resolution no. 3/19.06.2017 Art.2	Interim administrator	11.07.2017 – 29.04.2021
		OGMS Resolution no. 7/23.10.2017 Art.3	Interim administrator	
		OGMS Resolution no. 13/28.12.2017 Art.1	Administrator	

Composition of the Advisory Committees

The composition of the Advisory Committees (equivalent to the mandate term) established

under the Board of Administration, pursuant to Law No. 31/1990, Article 138¹, paragraph 2, Article 138², paragraph 2, Article 140², paragraphs (1) and (2), the Government Emergency Ordinance no. 109/2011, Article 34, Article 35, paragraph 2 and Article 55, paragraphs (2) and (3) of the Code of Corporate Governance is as follows:

1. NOMINATION AND REMUNERATION COMMITTEE		
VĂDUVA PETRU ION	non-executive administrator	BoA Resolution no. 5/ 16.05.2017
MINEA NICOLAE	non-executive administrator, independent	BoA Resolution no. 22/11.07.2017
ILIESCU BOGDAN GEORGE	non-executive administrator, independent	BoA Resolution no. 13/29.07.2013
2. RATING AND AUDIT COMMITTEE		
ILIESCU BOGDAN GEORGE	non-executive administrator, independent, <i>Chairman of the Audit and Rating Committee</i>	BoA Resolution no. 13/29.07.2013
MINEA NICOLAE	non-executive administrator, independent	BoA Resolution no. 22/11.07.2017
LĂPUȘAN REMUS GABRIEL	non-executive administrator, independent	BoA Resolution no. 22/11.07.2017
3. NTS SAFETY AND SECURITY COMMITTEE		
STERIAN ION	executive administrator	BoA Resolution no. 15/16.05.2017
VĂDUVA PETRU ION	non-executive administrator, independent	BoA Resolution no. 15/16.05.2017
LĂPUȘAN REMUS GABRIEL	non-executive administrator, independent	BoA Resolution no. 22/11.07.2017
4. STRATEGY AND DEVELOPMENT COMMITTEE		

STERIAN ION	executive administrator	BoA Resolution no. 15/16.05.2017
VĂDUVA PETRU ION	non-executive administrator, independent	BoA Resolution no. 15/16.05.2017
ILIESCU BOGDAN GEORGE	non-executive administrator, independent	BoA Resolution no. 13/29.07.2013
MINEA NICOLAE	non-executive administrator, independent	BoA Resolution no. 22/11.07.2017
5. COMMITTEE FOR REGULATION AND RELATIONS WITH PUBLIC AUTHORITIES		
STERIAN ION	executive administrator	BoA Resolution no. 15/16.05.2017
VADUVA PETRU ION	non-executive administrator, independent	BoA Resolution no. 15/16.05.2017
LĂPUȘAN REMUS GABRIEL	non-executive administrator, independent	BoA Resolution no. 22/11.07.2017

The entire activity carried out in the capacity as Director General of SNTGN Transgaz SA, since the mandate has been taken over, in April 2017, following the selection according to the provisions of GEO 109/2011, as amended is presented in the **Report on the execution of the Director General's mandate**, prepared **quarterly / half-yearly / annually** and made subject to the approval of the Board of Administration.

The entire activity of the current Board of Administration of Transgaz, since the taking over of the mandate in April 2017, following the selection conducted pursuant to the Government Emergency Ordinance no. 109/2011, as amended, is detailed in the **Report issued by Board of Administration** drawn up **quarterly/annually** in and individual and consolidated form and submitted for presentation/approval by the General Meeting of the Shareholders.

The work undertaken by the members of the Board of Administration within the Advisory Committees is illustrated in the **Reports prepared by them and submitted quarterly to the Board of Administration**.

2. Mandate, strategy, objectives – Commitments and Achievements

By adopting the **Government Emergency Ordinance no. 109/2011 on the corporate governance of public enterprises as amended**, the Romanian Government undertook responsibility that, in the future, these companies to be removed from the political sphere and **to be run by professional managers transparently selected** by internationally and nationally recognized recruitment companies approved through a single process by all stakeholders (the Government, the IMF, the EU).

In view of the fact that the efficiency and competitiveness of an economic operator mostly depend on the performance of its management, on the proper implementation of good corporate governance mechanisms during the operation of the company, pursuant to the Government Emergency Ordinance no. 109/2011, **the National Gas Transmission Company TRANSGAZ SA has implemented the private management since May 2013.**

SNTGN TRANSGAZ S.A. is the technical operator of the National Transmission System for Natural Gas and ensures the compliance in terms of efficiency, transparency, safety, non-discriminatory access and competitiveness with the national strategy established for domestic and international transmission of natural gas, the dispatching of natural gas, research and design in the field of natural gas transmission, consistent with the national and European laws and standards of quality, performance, environment and sustainable development.

Transgaz was among the pioneers of a new stage of development in the national economy, being a company pioneering the implementation of the professional private management.

In this context, considering the need to ensure the energy security of the country through the development of mega projects aimed to facilitate the transmission of new natural gas resources discovered in the Black Sea, while keeping to a minimum the cost of natural gas transmission, **the company was entrusted to professional private management in a crucial moment in its history.**

The national gas transmission company TRANSGAZ SA has a unified one-tier management system and is managed by a Board of Administration consisting of 5 members.

Thus, the new administrators of the company selected professionally (the active Board of Administration) undertook the mandate for the administration of SNTGN Transgaz SA, and immediately started to develop the **Management Plan of the company for the mandate term between 2017 and 2021**, as set forth in Article 30, paragraph 1 of the Government Emergency Ordinance no. 109/2011 on corporate governance of public enterprises, as amended and supplemented.

Whereas the **Management Plan of SNTGN Transgaz SA Medias for the period 2017-2021** is a crucial tool of strategic planning on the administration of the company, a company listed on the BSE, I have given full attention, together with the other administrators, to the set objectives, the clear establishment of the trajectory for the efficient operational activity and sustainable development and I have succeeded in building and implementing it so that the management plan would be governed by a responsible, prudent, professional and ethical attitude in relation to all stakeholders (shareholders, employees, partners, community, authorities and state institutions, media, etc).

According to the legal provisions, the Management Plan of SNTGN Transgaz for the period 2017-2021 was approved by Resolution no. 36/10.10.2017 of the Board of Administration (BoA) and updated annually by BoA Resolutions no. 38/28.08.2018, no. 41/27.08.2019, no. 17/29.05.2020. The key performance indicators were approved by the company's shareholders under the Resolution no. 12/19.12.2017 (art. 1) of the Ordinary General Meeting of the Shareholders and updated annually.

While empowering the importance of its mission for the country and for the company, the professional private management of Transgaz is committed to ensure transparent, efficient and optimal corporate governance which, by making the most of the existing and future opportunities, to enable the company to achieve excellence in business, transforming it into a natural gas operator recognized on the international market of natural gas, a leader on the energy market in the region, thereby contributing to Romania's definition as an important energy corridor for natural gas to Europe.

The Management Plan of the national natural gas transmission system operator prepared for the period 2017-2021 confirms the strategic vision of the administrators regarding:

- **efficiency and operational stability;**
- **energy safety and security;**
- **performance optimization;**
- **the company's sustainable development.**

Starting from the overall diagnosis of the activity carried out and of the prerequisites of the environment in which it operates, while capitalizing with maximum efficiency all the existing and future opportunities, the **Management Plan for the period 2017-2021** I have rigorously structured the strategic directions for action on the management of resources, operational and management processes of the company in order to achieve maximum efficiency for the established performance targets and transforming the company into a company with international recognition, a leader on the energy market

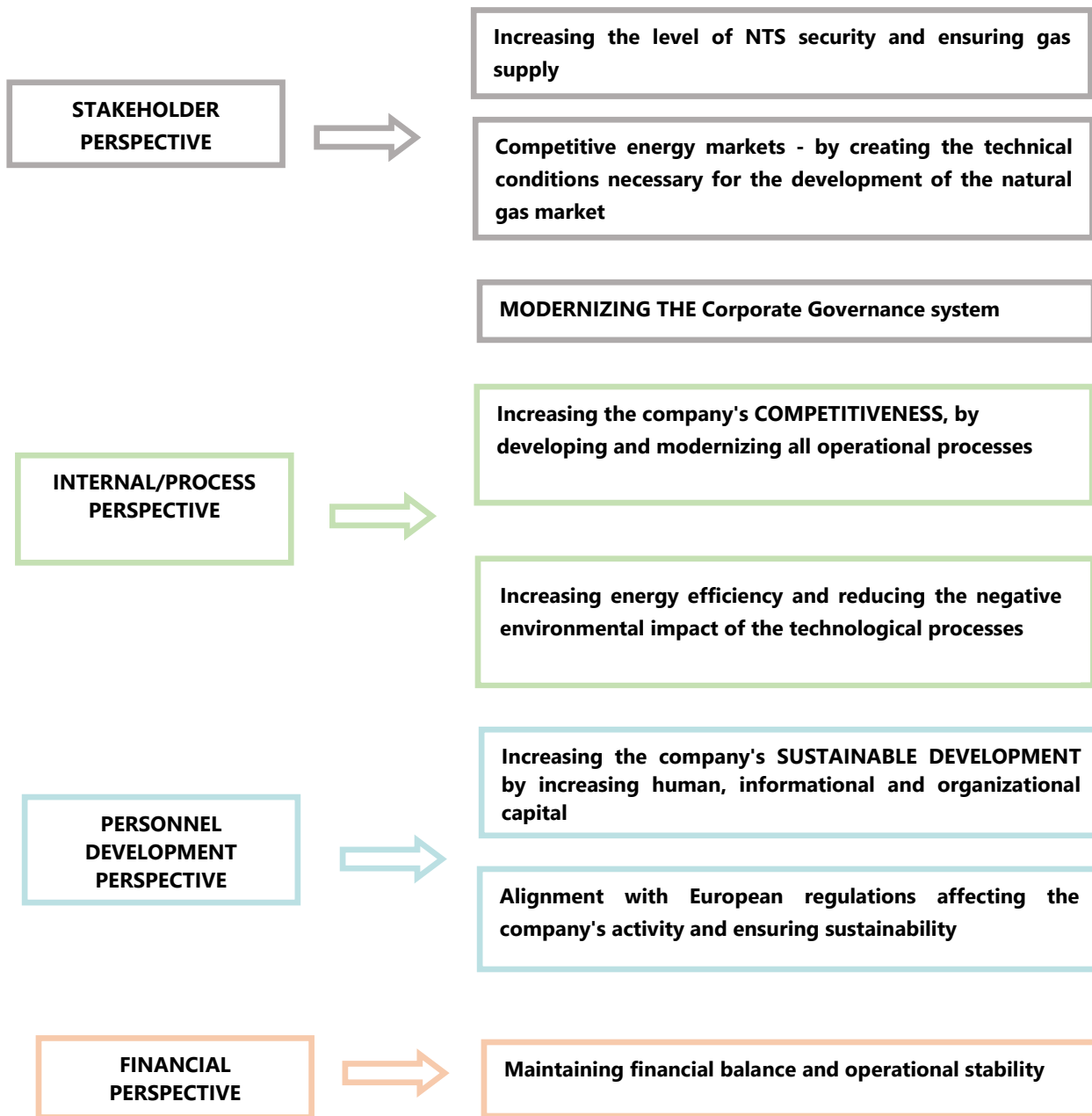
in the region, which could help define Romania as an important energy corridor for natural gas to Europe.

Reconsidering the activity of SNTGN Transgaz SA depending on the evolution of the European and national energy sector, the future objectives of the European energy policy, the priorities of the national energy strategy, the changes in the environment in which the company operates, the objectives and directions for the administration of the company established for the period 2017-2021 are directed mainly towards the following areas:



The administrators of SNTGN TRANSGAZ S.A. Medias considered that the objectives set out in the Management Plan of the company for the period 2017-2021, the objectives then taken over by the Director General and the executive management in the management component of the Administration Plan, as they are listed below, shall reach the goals regarding the improvement of the company efficiency and its redefining in line with the requirements of the modern standards of performance and competitiveness at regional, European and international levels.

BALANCED SCORECARD FOR TRANSGAZ MANAGEMENT STRATEGY FOR THE PERIOD 2017-2021

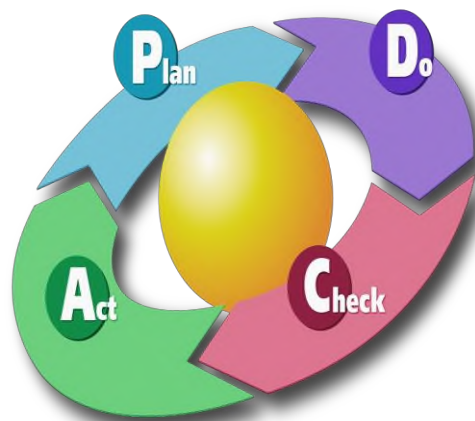


In accordance with the strategic objectives of the **Management Component on the business continuity and ensuring energy security and safety, increasing the COMPETITIVENESS of the company, by developing and modernizing the NTS, increasing the SUSTAINABLE DEVELOPMENT of the company by increasing information, human capital and maintaining financial balance and operational stability**, we prepared the Management Component, in accordance with the provisions of art. 36 paragraph 1 of the Government Emergency Ordinance no. 109/2011 on the corporate governance of public enterprises as amended.

The management component includes the vision of the general and executive management regarding the measures that will be taken to fulfill the strategic

objectives included in the Management component and the performance criteria and objectives under the mandate contract.

The management component of SNTGN TRANSGAZ SA Mediaș for the period 2017-2021 focuses on EXECUTION, as a discipline that brings things to a successful end, on PERFORMANCE OBJECTIVES, on the correlative and simultaneous achievement of the EFFICIENCY and EFFECTIVENESS of the managerial systems at methodological, organizational, informational and decisional level, in order to increase the company's economic-social and managerial performance.



In accordance with the assumed mission, the **Management Component of SNTGN TRANSGAZ SA is PDCA (Plan-Do-Check-Act) type and includes the following stages:**

- **Strategic and budgetary forecasting / programming;**
- **Implementation of programs and projects;**
- **Analysis and Control;**
- **Review / Update;**
- **Optimization.**

The management component includes for each of the strategic objectives established in the administration component, measures and ways of action to achieve these objectives, it being the main working tool for the company's management.

The Management Component together with the Administration Component and the financial and non-financial performance indicators form Transgaz' Management Plan for the period 2017-2021, which was approved by Resolution no. 36/ 10.10.2017 of the Board of Administration and updated annually by BoA Resolutions no. 38/28.08.2018, no. 41/27.08.2019 and no. 17/29.05.2020.

Commitments and achievements

With experience of 107 years in the transmission of natural gas, a strategic activity of the national economy, SNTGN TRANSGAZ SA is one of the largest national companies where the corporate governance model is operated successfully.

The results achieved during the period 2017-2021 are based on the measures and approaches of the Board of Administration on the company's management, mainly by:

- Redesigning the organizational structure through a modern and efficient new organization chart consistent with the safe and secure activity requirements

regarding the exploitation of the natural gas National Transmission System (NTS), its competitiveness and sustainable development;

- Improving the institutional relations at national level (the Parliament, the Government, ANRE, ANRM) and at international level with countries of the European Union and other countries;
- Making the activity of the Advisory Committees efficient and responsible, including increasing the responsibility of the operational personnel;
- Optimizing the operational, investment and development activity, improving the works related to the operational activity

Please find below the presentation of the manner in which the strategic objectives undertaken under the company's Management Plan for the period 2017-2021 (the detailed presentation can be referred to in Annexes 1-4) have been met:

PERSPECTIVES	STRATEGIC OBJECTIVE	LINES OF ACTION	General objectives	Status	
STAKEHOLDERS	1. Continuity of activity and ensuring energy security and safety.	1.1 Increasing the level of NTS security and ensuring the gas supply.	1.1.1 Completion of strategic investment projects included in the 10-year NTS Development Plan	Achieved according to the planning	Continuous
			1.1.2 Expansion and modernization of natural gas transmission infrastructure to improve natural gas supply (modernization development investment)	Achieved according to the planning	Continuous
			1.1.3 Rehabilitation of gas transmission pipelines in order to ensure the technical parameters necessary for natural gas transmission (NTS repairs and rehabilitation).	Ongoing	Continuous
			1.1.4 Increasing the degree of adaptability and responsiveness of the system to permanent environmental changes.	Achieved according to the planning	Continuous
			1.1.5 Increasing the degree of operational safety through local automation.	Ongoing	Continuous
			1.1.6. Ensuring the physical security and integrity of the facilities of SNTGN „TRANSGAZ“ SA.	Ongoing	Continuous

PERSPECTIVES	STRATEGIC OBJECTIVE	LINES OF ACTION	General objectives	Status	
			1.1.7 Prevention and intervention in case of emergencies.	Achieved according to the planning	Continuous
			1.1.8 Ensuring the security of critical infrastructures.	Ongoing	Continuous
		1.2 <i>Competitive energy markets - by creating the technical conditions necessary for the development of the natural gas market.</i>	1.2.1 Ensuring permanent and non-discriminatory access to the natural gas transmission system and to international interconnections.	Achieved according to the planning	Continuous
			1.2.2 Diversification of natural gas supply sources and routes.	Achieved according to the planning	Continuous
			1.2.3 Ensuring technological parameters at all interconnection points.	Achieved according to the planning	Continuous
		1.3 <i>Modernization of the Corporate Governance System</i>	1.3.1 Increasing transparency and standardizing the display of information of public interest.	Achieved according to the planning	Continuous
			1.3.2 Increasing institutional integrity.	Achieved according to the planning	Continuous
			1.3.3 Publication and management of insider dealing and market abuse strategy.	Achieved according to the planning	Continuous
			1.3.4 Optimizing the risk management process.	Achieved according to the planning	Continuous – updated regularly
			1.3.5 Improving the process of general, internal and external communication of the company, reputation and image capital.	Ongoing	Continuous
			1.3.6 Increasing market value, stock market capitalization and investor confidence in the company's shares	Achieved according to the planning	Continuous
			1.3.7 Optimizing the model of social responsibility and	Achieved according to	Continuous

PERSPECTIVES	STRATEGIC OBJECTIVE	LINES OF ACTION	General objectives	Status		
			sponsorship policy.	the planning		
INTERNAL/ PROCESSES	2. Increasing the degree of COMPETITIVENESS of the company.	2.1 <i>Development and modernization of all operational processes.</i>	2.1.1 Optimization and efficiency of management systems and processes in the company, the quality of execution of operational processes and their alignment with the requirements of the Integrated Management System Quality Environment Health and Occupational Safety (SMICMSSO) and modern standards of performance and competitiveness.	Achieved according to the planning	Continuous	
			2.1.2 Remote NTS control via automation systems and SCADA system.	Ongoing		Continuous
		2.2 <i>Increasing energy efficiency and reducing the negative impact of technological processes on the environment</i>	2.2.1 Reduction of technological consumption and maintenance within reasonable limits compared to the state of the NTS	Achieved according to the planning	Continuous	
			2.2.2 Promoting renewable energy supply solutions.	Ongoing		Continuous
			2.2.3 Pollution prevention.	Achieved according to the planning		Continuous
		PERSONEL DEVELOPMENT	3. Increasing the degree of the company's SUSTAINABLE DEVELOPMENT by increasing the capital and aligning with the European regulations applicable to the company's activity and	3.1 <i>Optimization of human resources management processes.</i>	3.1.1 Optimal sizing of human resources needs in relation to the real needs of activity and development of the company.	Achieved according to the planning
3.1.2 Improving the process of the staff's training, education and professional development.	Achieved according to the planning				Continuous	
3.1.3 Ensuring the certification of the Integrated Management System Quality Environmental Health and	Achieved according to the planning				Continuous	

PERSPECTIVES	STRATEGIC OBJECTIVE	LINES OF ACTION	General objectives	Status	
	ensuring sustainability.		Occupational Safety according to the standards SR EN ISO 9001: 2015, SR EN ISO 14001: 2015 and SR-OHSAS 18001: 2008.		
			3.1.4 Improving occupational safety and security.	Achieved according to the planning	Continuous
		3.2 Alignment with national and European regulations applicable to the company's activity.	3.2.1 Ensuring compliance with legal requirements regarding the company's authorization and licensing in the natural gas field.	Achieved according to the planning	Continuous
			3.2.2 Documentation and information on the obligations and related implementation deadlines stipulated in European regulations.	Achieved according to the planning	Continuous
			3.2.3 Participation in public consultations initiated by various authorities/institutions.	Achieved according to the planning	Continuous
			3.2.4 Collaboration with European transmission system operators.	Realizat conform planificării	Continuous
FINANCIAL	4. Maintaining financial balance and operational stability.	4.1 Ensuring sustainable financial, economic and social performance.	4.1 Maintaining financial balance and operational stability.	Achieved according to the planning	Continuous
			4.2 Ensuring a level of cash flow that covers the long-term and short-term needs of the company.	Achieved according to the planning	Continuous
			4.3 Reducing losses, overdue payments, consumption and operating costs.	Achieved according to the planning	Continuous

By synthesizing the data presented above in a matrix of the strategic objectives undertaken under Transgaz' Administration Plan for the period 2017-2021 and the way the company acted in order to achieve / fulfil such objectives the following balance sheet is resulted (as at 31 December 2020):

34 ASSUMED GENERAL OBJECTIVES of which:

**27 OBJECTIVES – Achieved as planned;
7 OBJECTIVES – ongoing and continuous**

Following the effective fulfilment of the strategic objectives under the company's management plan for the period 2017-2021, the company's management became responsible for thinking effectively and acting efficiently, in order for SNTGN TRANSGAZ SA to turn into a natural gas transmission operator with recognition on the international natural gas market, a leader on the regional energy market, thus contributing to Romania's defining as an important energy corridor in the field of natural gas to Europe.

In this respect, using efficiently the managerial tools and permanently improving the management systems and processes applied in the company, by the correlative and efficient combination of human resources processes, strategically and operationally, **as Director General** I monitored the responsible execution of the committed measures, the professional and effective fulfilment of the assumed strategic objectives, ethical commitment to shareholders, employees, business and community, the company's viability and performance, its future development.

In this way, the effect of implementing the established measures led to the expected results in terms of streamlining the operational process, optimizing economic and financial results and meeting the criteria and performance objectives set out in the mandate contract. The **methodological tools** we used to implement the management plan consisted of:



Pursuant to the company's administrators, the relationship between the **managers and the management** is the cornerstone of any complex approach that aims to obtain **managerial performance and, finally, economic performance, the performance being a special result obtained in the economic, technical-operational, social management, etc.** which triggers the company's competitiveness, efficiency and effectiveness and its procedural and structural components.

Performance, regardless of the field in which it manifests itself, is expressed mainly by indicators and indices and highlighted by a **comparative approach** with:



The managerial performances are generated and obtained by managers, i.e. by those who exercise management processes (forecast, organize, coordinate, train, control and evaluate), while economic performance is recorded in the managed field, in the application environment, by effective and active involvement of both managers and executive personnel.

The latter is in the position to initiate actions for the operationalization of managerial decisions. They ensure **the bridge between the managerial and economic performance.**

Because the managerial performance represents the objective result of a managerial exercise, according to the principles of the private management of SNTGN Transgaz SA, along with an efficient managerial vision, the strategic directions through which this vision to be materialized were also defined.

The special professional competencies, the vast managerial expertise but also the ability to control the seen and unseen dynamics of the team, the team psychology, are just some of the strengths of the private management of SNTGN Transgaz SA, a meaningful integrative management, which succeeded in substantiating plans for organizational intervention so as to allow them to streamline the efficiency of the activity and the development of the business in the context of a domestic and international environment that is constantly changing and permanently subject to the challenges and constraints generated by these changes.

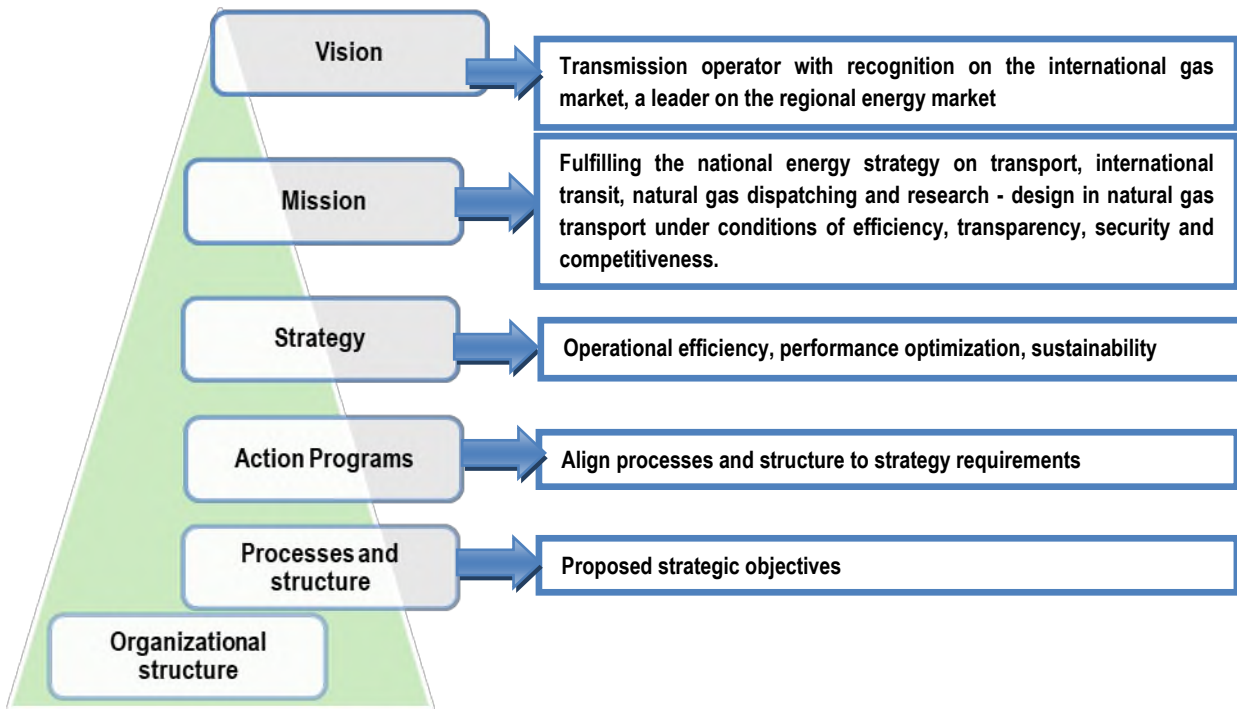
In line with these strategic directions of action, **the measures implemented by the private management since the mandate taking over allowed a much more efficient management of the company's activity by optimizing the strategic, operational, informational and decision-making processes.**

Considering the **efforts - results balance** of the managerial performance within SNTGN Transgaz SA, **we can appreciate that the contribution I made as general manager of the company is a substantial, positive one, focused on managerial redesign, organizational discipline and responsible and effective task implementation and materialized through the technical-operational measures assumed by organizational intervention.** Such measures mainly aim at:

- Keeping the increase of the company's costs under permanent control;
- Reduction of operational expenses (especially of expenses related to technological consumption and NTS losses and of the expenses related to works and services performed by third parties);
- Maintaining a minimum tariff by reducing costs and by strictly controlling the procurements;
- Strategic repositioning of the company in the context of the transmission of potential Black Sea gas resources and of the increase in the energy security - an essential component of national security;

- Judicial administration of the investment process, an essential component in the control of transmission costs and tariffs;
- Organizational redesign of processes, systems and personnel activities, tasks and responsibilities;
- Setting procedures for all activities according to the requirements of the Environment Quality Integrated Management System and of the Internal Management Control System;
- Strategic planning of annual activity programs and monitoring of the monthly implementation of the undertaken budget;
- The company's re-engineering and automation - Monitoring the implementation of the SCADA project;
- Alignment with the requirements of the national and European regulations related to natural gas transmission;
- Strengthening the control over the management of material, financial and informational resources;
- Intensifying international cooperation and the collaboration with European and international banking financial institutions, rating agencies;
- Development of the cooperation with EU institutions and bodies and other international financial-banking institutions in order to attract funding for the strategic investment projects included in the 10 years' Plan for the NTS Development, estimated at over 4 billion euros;
- Optimizing the company's institutional relations and organizational and corporate climate;
- Increasing transparency and accuracy in the provision of information inside and outside the company;
- Meeting all deadlines regarding the reporting to authorities, public institutions and the capital market, to other national and international bodies;
- Ensuring an optimal collaboration with the media, financial analysts, business and social dialogue partners;
- Improving and developing the managerial instrumentation and its quality at the level of the organizational, decisional, informational and methodological management subsystems;
- Repositioning the strategy regarding the company's internal and external communication, its visual identity and corporate culture;
- Development of the information and communication system;
- Improving the company's financial management and accounting policies.

Synthesizing, Transgaz' management strategic process for the period 2017-2021 is presented below:



3. Performance objectives and criteria pursuant to the mandate - Degree of fulfillment

Because performance matters on the road to excellence, the Board of Administration of SNTGN Transgaz SA Medias had in view the determination of the performance criteria and objectives, SMART performance indicators metering the business, profitability and productivity, effectiveness of quantitative and qualitative objectives set and expressing the company's strategic development direction and its dynamics during 2013 - 2017.

Although all performance indicators are important, some indicators are important at strategic level and they are the ones that are part of the functional areas of the company.

Throughout the process of strategic forecast regarding the administration of SNTGN TRANSGAZ S.A. Medias for the period 2013 - 2017, the changes to the current strategy are translated into strategic objectives that determine the reasons why new initiatives for the company's managerial redesign and the use of major investment programs for the development and modernization of the NTS, for business development and international cooperation are appropriate and necessary for the sustainable development of the company.

The performance criteria and objectives established in Transgaz' Administration Plan for the period 2013 - 2017 also appear in the Management Plan and are deemed as

economic, financial and managerial performance objectives for the management of the company.

3.1. Standard performance indicators

No	Indicator		2017	2018	2019	2020 preliminary
1.	Commissioned investments (lei thousand)	Performance objective	Achievement of the planned level			
		Weighting factor	0,15	0,15	0,15	0,15
		Management Plan	92.670	187.956	206.991	524.685
		Achieved	54.286	113.334	57.400	1.694.816
		Degree of achievement	58,58%	60,30%	27,73%	323,02%
		Level of achievement depending on the weighting factor	8,79%	9,04%	4,16%	48,45%
2.	EBITDA (lei thousand)	Performance objective	EBITDA increase			
		Weighting factor	0,15	0,15	0,15	0,15
		Management Plan	565.892	458.599	329.594	349.317
		Achieved	849.201	749.506	587.914	478.828
		Degree of achievement	150,06%	163,43%	178,38%	137,08%
		Level of achievement depending on the weighting factor	22,51%	24,52%	26,76%	20,56%
3.	Work productivity (lei thousand/person)	Performance objective	Increasing labor productivity in value units (turnover/ average number of staff)			
		Weighting factor	0,15	0,15	0,15	0,15
		Management Plan	321	301	311	336
		Achieved	396	407	436	355
		Degree of achievement	123,39%	134,92%	140,13%	105,65%
		Level of achievement depending on the	18,51%	20,24%	21,03%	15,85%

No	Indicator		2017	2018	2019	2020 preliminary
		weighting factor				
4.	Outstanding payments (lei thousand)	Performance objective	Making payments within the contractual term (in current prices)			
		Weighting factor	0,15	0,15	0,15	0,15
		Management Plan	0	0	0	0
		Achieved	0	0	0	0
		Degree of achievement	100%	100%	100%	100%
		Level of achievement depending on the weighting factor	15%	15%	15%	15%
5.	Outstanding receivables (lei)	Performance objective	Reducing the volume of outstanding receivables (in current prices)			
		Weighting factor	0,1	0,1	0,1	0,1
		Management Plan	255.126	289.858	299.855	387.842
		Achieved	307.210	315.637	404.509	464.287
		Degree of achievement	83,05%	91,83%	74,13%	83,53%
		Level of achievement depending on the weighting factor	8,30%	9,18%	7,41%	8,35%
6.	NTS gas consumption (%)	Performance objective	Framing in the quantities of natural gas representing technological consumption			
		Weighting factor	0,15	0,15	0,15	0,15
		Management Plan	100%	100%	100%	100%
		Achieved	37%	70%	82,97%	92,38%
		Degree of achievement	270,42%	143,24%	120,52%	108,25%
		Level of achievement depending on the	40,57%	21,49%	18,08%	16,47%

No	Indicator		2017	2018	2019	2020 preliminary
		weighting factor				
7.	Operating expenses per 1000 lei operating income (lei)	Performance objective	Reduction of operating expenses to 1,000 lei operating income			
		Weighting factor	0,15	0,15	0,15	0,15
		Management Plan	769,00	838,00	906,00	906,00
		Achieved	614,00	650,91	751,00	825,00
		Degree of achievement	125,34%	128,74%	120,70%	109,82%
		Level of achievement depending on the weighting factor	18,80%	19,31%	18,10%	16,47%
TOTAL	Level of achievement depending on the weighting factor	132,48%	118,78	110,53%	140,93%	

Table 1- The achievement of the standard performance indicators for the period 2017 - 2020

3.2. Performance criteria and objectives for the calculation of the variable component of the remuneration

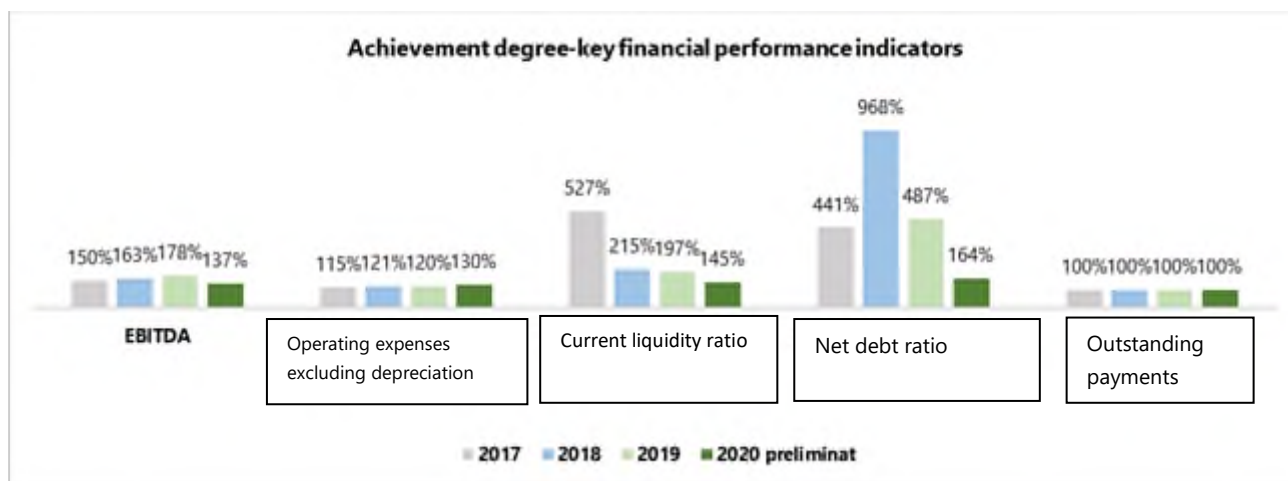
3.2.1 Key financial performance indicators

Nr. crt.	Indicator		2017	2018	2019	2020 preliminary
1.	EBITDA (lei thousand)	Performance objective	Achieving the EBITDA target undertaken in the Management Plan			
		Management Plan	565.892	458.599	329.594	349.317
		Achieved	849.201	749.506	587.914	478.828
		Degree of achievement	150,06%	163,43%	178,38%	137%

Nr. crt.	Indicator		2017	2018	2019	2020 preliminary
2.	Operating expenses excluding depreciation (lei thousand)	Performance objective	Maintaining the level of operating expenses at the level undertaken in the Management Plan.			
		Management Plan	952.321	1.002.101	1.070.891	1.095.239
		Achieved	831.262	825.782	794.795	845.452
		Degree of achievement	115%	121%	120%	130%
3.	Immediate liquidity rate	Performance objective	Current liquidity rate (acid test) to record annual values over 1.			
		Management Plan	1	1,39	0,91	1,11
		Achieved	5,27	2,99	1,79	1,61
		Degree of achievement	527%	215%	197%	145%
4.	Net debt ratio	Performance objective	Maintaining a level of the net borrowing rate below the limits established for obtaining bank financing, respectively: 3 – 2017; 3- 2018; 5.5 –2019; 5.5-2020; 4-2021			
		Management Plan	3	3,00	5,5	5,5
		Achieved	0,68	0,31	1,13	3,36
		Degree of achievement	441%	968%	487%	164%
5.	Outstanding payments	Performance objective	Maintaining outstanding payments at zero			
		Management Plan	0	0	0	0
		Achieved	0	0	0	0

Nr. crt.	Indicator		2017	2018	2019	2020 preliminary
		Degree of achievement	100,00%	100,00%	100,00%	100,00%

Table 2 - The achievement of the financial performance indicators for the calculation of the remuneration variable component for the period 2017 – 2020



3.2.2 Key non-financial performance indicators

N o.	Indicator	Objective	2017		2018		2019		2020	
			Planned	Achieved	Planned	Achieved	Planned	Achieved	Planned	Preliminary Achieved
Operational										
6	Monitoring the Implementation and Investment Strategy	<i>Achievement of the FID projects from the 10 years Development Plan I = (achieved + initiated actions)/proposed actions</i>	Measures in TYNDP 2017-2026	100%	Measures in TYNDP 2018-2027	100%	Measures in TYNDP 2018-2027	100%	Measures in TYNDP 2019-2028	100%
7	Increasing energy efficiency	<i>Maintaining the share of the NTS gas consumption in the total circulated gas below 1%</i>	<1	0,73 (137%)	<1	0,62 161,3	<1	0,5 (200%)	<1	0,56% (178,6%)

N o.	Indicator	Objective	2017		2018		2019		2020	
			Planned	Achieved	Planned	Achieved	Planned	Achieved	Planned	Preliminary Achieved
						%)				
Oriented towards public services										
8	Performance indicators related to the gas transmission service	Achievement of the targets provided for in the Performance Standard for the gas transmission service (ANRE Order 161/26.11.2015 entered into force as at 1 October 2016)	100%	0%	100%	100%	100%	100%	100%	100%
Corporate governance										
9	Implementing the internal/management internal/management control system	<p>Implementing the provisions of the SGG Order no. 400/2015 on the approval of the Internal/management Internal/management control Code of public enterprises as subsequently amended.</p> <p>$I = \frac{\text{implemented standards/standards provided by Order 400/2015}}{\text{proposed measures}} * 100$</p> <p>Achievement of the targets provided for in the Program for the implementation of SCIM</p> <p>$I = \frac{\text{measures achieved on time/proposed measures}}{\text{proposed measures}} * 100$</p>	94%	100%	94%	100%	94%	100%	94%	100%
10	Customer satisfaction	Achievement of the targets provided for in the administration plan (According to PP 165 Evaluation of Clients satisfaction, a score between	7,7	7,7 (100%)	7,8	7,8 (100%)	7,9	7,9 (100%)	8	8 (100%)

N o.	Indicator	Objective	2017		2018		2019		2020	
			Planned	Achieved	Planned	Achieved	Planned	Achieved	Planned	Preliminary Achieved
		<i>6-8 represents the fact that the services offered satisfied accordingly the requirements of the customers)</i>								
11	Setting the risk management policies and risk monitoring	<i>Achievement of the targets provided for in the administration plan related to the implementation of the requirements of Standard 8 of SGG Order no. 400/2015 on the approval of the internal/management Control Code of public entities as subsequently amended.</i>	100%	100%	100%	100%	100%	100%	100%	100%
12	Timely reporting of the key performance indicators	<i>Compliance with the legal deadlines for reporting I = actual reporting deadlines/reporting deadlines provided *100</i>	100%	100%	100%	100%	100%	100%	100%	100%
13	Increasing institutional integrity by including the measures for the prevention of corruption as an element of the managerial plans	<i>Compliance with the measures undertaken by the approved Integrity Plan I = measures achieved within the deadline /proposed measures *100</i>	100%	100%	100%	100%	100%	100%	100%	100%

Table 3 - The achievement of the non-financial performance indicators for the calculation of the remuneration variable component for the period 2017 – 2020

PERFORMANCE CRITERIA FOR THE NATURAL GAS TRANSMISSION SERVICE

Performance Indicator of the transmission service	Objective	Achieved 2017	Achieved 2018	Achieved 2019	Achieved 2020
IPO Registration of requests/notifications/complaints regarding the natural gas transmission and system service	$IP_o^1 \geq 90\%$	0%	98,43%	92,44%	99,72%
IP1 Observance of the gas delivery - takeover conditions	$IP_1^1 \geq 95\%$	100%	100%	100%	-
	$IP_1^2 \geq 95\%$	100%	100%	100%	-
	$IP_1^3 \geq 95\%$	100%	99,53%	100%	100%
	$IP_1^4 \geq 95\%$	100%	-	100%	100%
	$IP_1^5 \geq 95\%$	100%	-	100%	100%
IP2 TS Access	$IP_2^1 \geq 95\%$	100%	100%	100%	97,06%
	$IP_2^2 \geq 95\%$	100%	-	-	-
IP3 Connection to the TS	$IP_3^1 \geq 95\%$	100%	100%	100%	100%
	$IP_3^2 \geq 95\%$	100%	-	-	-
	$IP_3^3 \geq 95\%$	0%	-	-	-
	$IP_3^4 \geq 95\%$	100%	100%	-	-
IP4 Restoration of lands and/or goods affected by the execution of works at the TS facilities	$IP_4^1 \geq 95\%$	100%	-	-	-
IP5 Notification of unplanned	$IP_5^1 \geq 98\%$	78,16%	99,70%	100%	100%

Performance Indicator of the transmission service	Objective	Achieved 2017	Achieved 2018	Achieved 2019	Achieved 2020
limitations and / or interruptions and resumption of the gas transmission and system service	$IP_5^2 \geq 98\%$	0%	100%	100%	100%
IP6 Notification of planned limitations and/or interruptions and resumption of natural gas transmission and system service	$IP_6^1 \geq 98\%$	10,5%	100%	100%	100%
	$IP_6^2 \geq 98\%$	78,12%	100%	100%	100%
IP7 Resolving requests/notifications/ complaints regarding the provision of the natural gas transmission and system service, other than those treated separately under this standard	$IP_7^1 \geq 80\%$	76,39%	92,04%	96,77%	87,86%
IP8 Tel Verde (toll-free phone number)	$IP_8^1 \geq 98\%$	100%	100%	100%	100%
	$IP_8^2 \geq 98\%$	100%	-	-	-
IP9 Realization of the obligation to pay the compensations due in accordance with the provisions of the performance standard for the natural gas transmission and system service	$IP_9^1 \geq 90\%$	100%	-	-	-

Note: for the indicators marked with - no requests / notifications / complaints are registered, the indicators are considered fulfilled according to the requirements of the Performance Standard, but the degree of fulfillment of these indicators cannot be determined by mathematical calculation.

Table 2 – The degree of achievement of the standard performance indicators of the gas transmission service during the period 2017-2020

4. Activity carried out within the Advisory Committees

In order to comply with the capital market legal provisions (Law no. 297/2004 on the capital market, as amended, and the Code of Corporate Governance of the Bucharest Stock Exchange), the Board of Administration approved by BA Resolution no. 7/27.05.2013 the update of the structure of the Advisory Committees as follows:

- **the Nomination and Remuneration Committee;**
- **the Audit and Rating Committee;**
- **the NTS Safety and Security Committee;**
- **the Strategy and Development Committee;**
- **the Committee for Regulation and Relations with public authorities**

The Internal Regulations on the organization and operation of the Advisory Committees established by the company's Board of Administration (pursuant to Article 34, Article 35, paragraph 2 and Article 55, paragraph 2 and paragraph 3) (the latest version approved by BA Resolution no. 39/17.12.2015) includes information on:

- the structure of the Advisory Committees;
- the members of the Advisory Committees;
- the duties of the Advisory Committees.

The Advisory Committees established by the Board of Administration are responsible for carrying out analyses and for making recommendations to the Board of Administration in the specific areas, submitting regular / quarterly reports on their activity.

The composition of the Advisory Committees (equivalent to the mandate term) established under the Board of Administration, pursuant to Law No. 31/1990, Article 138¹, paragraph 2, Article 138², paragraph 2, Article 140², paragraphs (1) and (2), Government Emergency Ordinance no. 109/2011, as amended and supplemented, Article 34, Article 35, paragraph 2 and Article 55, paragraphs (2) and (3), and of the Code of Corporate Governance is as shown in Chapter I:

I am a member of the following Advisory Committees:

THE NTS SAFETY AND SECURITY COMMITTEE

THE STRATEGY AND DEVELOPMENT COMMITTEE

THE COMMITTEE FOR REGULATION AND RELATIONS WITH PUBLIC AUTHORITIES

The activity carried out along with the other administrators, who are members in these Advisory Committees, was constructive, analytical and in line with the duties set for each of these Committees and has consisted primarily of:

- **Consultations** on the materials / documents prepared by various entities within the SNTGN Transgaz SA organizational structure (departments/divisions/services) and submitted to the **Committee;**
- **Analyses** carried out based on the following documents: Reports / Notes / Briefings;
- **Proposals / Measures / Recommendations** to the Board of Administration, after analyzing the submitted documents

In details, the activity carried out by the Advisory Committees is presented in the Reports concluded, reports stored in the archive of SNTGN Transgaz SA.

The Internal Regulations on the organization and operation of the Advisory Committees established at the Board of Administration include the tasks set out as follows:

THE NTS SAFETY AND SECURITY COMMITTEE

- periodically analyses the list of Transgaz' critical infrastructure objectives and established security measures;
- ensures the necessary conditions for the implementation of protection measures for all the company's critical infrastructure objectives or under the authority/coordination of the company;
- monitors/re - updates own programs for the prevention and combating of terrorism through optimum physical and organizational measures with recommendations in this respect to the Board of Administration;
- monitors the compliance with the NTS maintenance upgrading and development programs as well as the manner of compliance with the technical norms for the operation and maintenance of production facilities.

THE STRATEGY AND DEVELOPMENT COMMITTEE

- assists the Board of Administration in fulfilling its responsibilities in developing and updating the overall development strategy of the company;
- analyses the opportunities identified for the development of the business and issues recommendations to the Board of Administration in relation to them;
- analyses and provides assistance to the Board of Administration regarding the company's directions of development and international cooperation;
- monitors and analyses the fulfillment of the strategic and action plans/programs regarding Transgaz' obligations as a technical operator of the NTS and issuer on the stock exchange;
- makes proposals to improve and streamline the strategic, development and collaboration activity;
- makes recommendations to the Board of Administration on the effective operability of the strategic and action plans/programs;
- monitors and analyses the fulfillment of the performance indicators of the transmission system and of the economic and financial performance of the company's activity.

THE COMMITTEE FOR REGULATION AND RELATIONSHIP WITH PUBLIC AUTHORITIES

- assists the Board of Administration in analyzing the regulatory activity and the legal obligations devolving upon the company in this field;
- monitors the compliance by the company with the obligations provided by the regulations incidental to the activity performed;
- analyses and submits proposals regarding the regulation framework to the Board of Administration.
- monitors the relationships with the public authorities and assists the BoA in the establishment and management of the collaboration policy;

THE STRATEGY AND DEVELOPMENT COMMITTEE

The Strategy and Development Committee consists of:

- **Ion STERIAN - executive administrator;**
- **Petru Ion VADUVA - non-executive administrator;**
- **Bogdan George ILIESCU - non-executive administrator, independent;**
- **Nicolae MINEA - non-executive administrator, independent.**

Notes on the activities carried out:

- **Consultations** on the materials/documents prepared by the various organizational entities within the structure of SNTGN Transgaz SA (departments/divisions/units) and submitted to the Strategy and Development Committee
- **Analyses** performed on the basis of the following documents: Reports/Notes/Information reports
- **Proposals/ Measures/ Recommendations** following the analysis of the presented documents

No.	Content / Issue presented and analysed
2017	
1.	Report on the procurement of assets, services and works having a value higher than 500,000 Euro/procurement (for the procurement of assets and works) and 100,000 Euro/procurement (for services) by Transgaz in Q I 2017 was analysed in order to be submitted to the Ordinary General Meeting of the Shareholders.
2.	The agenda of the national and international events in which SNTGN TRANSGAZ SA was invited to participate was analysed.
3.	The 2017 PAAS implementation progress as at 30.04.2017 was analysed.
4.	The April 2017 procurements not exceeding 100.000 euro were analysed.
5.	The 2017 PAAS rectification in April 2017 was analysed.

No.	Content / Issue presented and analysed
6.	The activity performed by the Marea Neagră Project Management Unit in April 2017 was analysed.
7.	The investment progress regarding the Pecineaga – Techirghiol pipeline was analysed.
8.	The Report on the administration component of the management plan was prepared.
9.	The proposal for approving the number of positions and the organizational structure of SNTGN Transgaz SA was analysed.
10.	The proposals for the modification of the organizational structure of SNTGN Transgaz SA were analysed.
11.	The 2017 PAAS implementation progress on 31.05.2017 was analysed.
12.	The May 2017 S procurements not exceeding 100.000 euro were analysed.
13.	The activity performed by the Marea Neagră Project Management Unit in May 2017 was analysed.
14.	The Agreement between SNTGN Transgaz SA and GRT Gaz SA for the joint participation in the auction for the procurement of 66% stake in the Greek Natural Gas Transmission System Operator (DESFA) was analysed.
15.	The start of negotiations with foreign partners for participation in the tender for the acquisition of a 66% stake in the Greek Natural Gas Transmission System Operator (DESFA) was analysed.
16.	The submission of the letter of interest to participate in the acquisition of a 66% stake in the Greek Natural Gas Transmission System Operator (DESFA) was analysed.
17.	The 2017 PAAS implementation progress on 30.06.2017 was analysed.
18.	The June 2017 procurements the value of which does not exceed 100,000 euro were analysed.
19.	The activity carried out by the Black Sea Project Management Unit in June 2017 was analysed.
20.	The activity report of the Transgaz Brussels Representative Office for Q II 2017 was analysed.
21.	The Report on the procurement of assets, services and works having a value higher than 500,000 Euro / procurement (for the procurement of assets and works) and 100,000 Euro / procurement (for services) by Transgaz in Q II 2017, was analysed to be submitted to the Ordinary General Meeting of the Shareholders.
22.	The 2017 PAAS implementation progress as at 31.07.2017 was analysed.
23.	The July 2017 procurements the value of which does not exceed 100,000 euro were analysed.
24.	The activity carried out by the Black Sea Project Management Unit in July 2017 was analysed.
25.	The activity report of the Human Resources Division for Half Year I 2017 was analysed.
26.	The activity report of the Corporate Strategy and Management Division for H I 2017 was analysed.
27.	The activity report of the European Funds and International Relations Division for the H I 2017 was analysed.
28.	The activity report of the Sectoral Procurement and Contracting Division H I 2017 was

No.	Content / Issue presented and analysed
	analysed.
29.	The 2017 PAAS implementation progress as at 31/08/2017 was analysed.
30.	The August 2017 procurements the value of which does not exceed 100,000 euro were analysed.
31.	The modification of the annual plans of the company in May - June 2017 was analysed.
32.	The activity carried out by the Black Sea Project Management Unit in August 2017 was analysed.
33.	The justification of the need for the procurement and the estimated volume for Contract No. 309 (brooms, brushes and other items of various types and cleaning cloths) and Contract No. 319 (toilet paper, handkerchiefs, hand towels and napkins) was analysed.
34.	It was analysed the activity report of the Research and Design Division for H I 2017.
35.	It was analysed the activity report of the Development Division for H I 2017.
36.	It was analysed the activity report of the Projects Analysis, Verification and Approval Division for H I 2017.
37.	It was analysed the activity report of the PMU BRUA for H I 2017.
38.	It was analysed the Management Component of the Management Plan of SNTGN Transgaz SA for 2017-2021.
39.	The Management Plan of SNTGN Transgaz SA for 2017 - 2021 was prepared.
40.	It was analysed the need to obtain a 50 million euro loan with the European Investment Bank.
41.	It was analysed the need to obtain a 50 million euro loan with the European Investment Bank.
42.	It was analysed the Report on the conclusion of the EUR 50 million Loan Agreement with the European Investment Bank for the financing of BRUA Phase I.
43.	It was analysed the need to increase the share capital of SNTGN Transgaz SA with the value of land for which in the period 2006 - March 2016 certificates of ownership were obtained according to GD no. 834/1991, assessed according to the assessment reports submitted with Delivery-Acceptance Report 17BV09011/01.09.2017 and the selection of the agent for the preparation of the proportionate offer prospectus as a result of the increase of the share capital, in compliance with the provisions of Law no. 99/2016 on sectoral procurement.
44.	It was analysed the 2017 PAAS implementation progress on 30.09.2017.
45.	The September 2017 procurements the value of which does not exceed 100,000 euro were analysed.
46.	It was analysed the modification of the annual plans of the company in July - September 2017.
47.	It was analysed the Report on the justification by assigning by different CPV codes of the repairs specified in Contract 402 and Contract 412 contained in Report DG44254 / 21.09.2017, performed by the same supplier.
48.	It was analysed the Report on the plan of measures to reduce the diminish the stock without movement through its priority use.
49.	It was analysed the activity carried out by the Black Sea Project Management Unit in

No.	Content / Issue presented and analysed
	September 2017.
50.	It was analysed the Report regarding the preparation of the document WHITE PAPER OF THE ADMINISTRATION OF SNTGN TRANSGAZ SA in May 2013- June 2017.
51.	It was analysed the Report on the completion of the liquidation of Nabucco Gas Pipeline International GmbH.
52.	It was analysed the activity report of the Transgaz Brussels Representative Office for Q III 2017.
53.	It was analysed the opportunity to establish a limited liability company on the territory of the Republic of Moldova, for approval by the Extraordinary General Meeting of Shareholders.
54.	It was analysed the report on the procurement of assets, services and works whose value is higher than 500,000 euro / procurement (for the procurement of assets and works) and 100,000 euro / procurement (for services) made by SNTGN TRANSGAZ SA Mediaş in Q III 2017.
55.	It was analysed the need to ratify the financing agreement concluded with the European Investment Bank on 27 October 2017.
56.	It was analysed the need to sign an addendum to the EBRD Letter of Mandate for obtaining a EBRD loan of EUR 45,230.
57.	It was analysed the 2017 PAAS implementation progress on 31.10.2017.
58.	The October 2017 procurements the value of which does not exceed 100,000 euro were analysed.
59.	It was analysed the activity carried out by UMP Black Sea in October 2017.
60.	It was analysed the Report on the completion of the liquidation of Nabucco Gas Pipeline International GmbH.
61.	It was analysed the opportunity to conclude a Memorandum of Understanding with Regasificadora del Noroeste SA
62.	It was analysed the need to complete the Financing Strategy of BRUA Phase I.
63.	It was analysed the need to approve the EUR 50 million financing agreement with the European Investment Bank.
64.	It was analysed the opportunity of associating SNTGN Transgaz SA with Regasificadora del Noroeste SA
65.	It was analysed the Supply Plan for 2018.
66.	It was analysed the Design Plan for 2018.
67.	It was analysed the research plan of SNTGN Transgaz SA for 2018.
68.	It was analysed Plan of other services performed by third parties for 2018.
69.	It was analysed the Training and professional development plan for employees for 2018.
70.	It was analysed the Report on the activity carried out by Mr. Mitrache Rares - ENTSGO Consultant in September - November 2017.
71.	It was analysed the 2017 PAAS implementation progress on 30.11.2017.
72.	The November 2017 procurements the value of which does not exceed 100,000 euro were analysed.

No.	Content / Issue presented and analysed
73.	It was analysed the activity carried out by PMU Black Sea in November 2017.
74.	It was analysed the need to set up a secondary office of SNTGN TRANSGAZ SA
75.	It was analysed the opportunity to participate in the investment tender for the privatization of the State Enterprise Vestmoldtransgaz.
2018	
1.	It was analysed the agenda of the national and international events in which SNTGN TRANSGAZ SA was invited to participate.
2.	It was analysed the Annual sectoral procurement plan for 2018.
3.	It was analysed the 2017 PAAS implementation progress on 31.12.2017.
4.	It was analysed the modification of the annual plan of the company in October - December 2017.
5.	The December 2017 procurements the value of which does not exceed 100,000 euro were analysed.
6.	It was analysed the activity carried out by the Black Sea Project Management Unit in December 2017.
7.	It was analysed the state of investment regarding the Pecineaga - Techirghiol pipeline.
8.	It was analysed the Report on the evolution of the stock without movement in Q IV 2017.
9.	It was analysed the Report on the situation of the slow-moving and non-moving stock and the action plan to reduce the stock.
10.	It was analysed the activity report of the Transgaz Brussels Representative Office for Q IV 2017.
11.	It was analysed the need to incur costs in the amount of 200,000 euro representing the assessment fee due under the Letter of Mandate signed with the European Bank for Reconstruction and Development.
12.	It was analysed the need to change position 2.2.2.2 - Execution works of compressor stations (Podișor, Bibești, Jupa) from the Modernization and Investment Development Plan for 2018.
13.	It was analysed the need to rectify the Design Plan of SNTGN Transgaz SA for 2018.
14.	It was analysed the opportunity for SNTGN TRANSGAZ SA to participate in the Bid Submission Stage for the procurement of a 66% stake in the Greek Natural Gas Transmission System Operator SA and for the submission of a binding offer in accordance with the terms of the Bidding Request issued on 10 October 2017 by the Asset Development Fund of the Hellenic Republic SA
15.	It was analysed the opportunity to negotiate the offer submitted in the investment tender for the privatization of the State Enterprise Vestmoldtransgaz.
16.	It was analysed the need to conclude a loan agreement with the European Bank for Reconstruction and Development worth up to RON 277,938,000.
17.	It was analysed the implementation stage of PAAS 2018 on 31.01.2018.
18.	The January 2018 procurements the value of which does not exceed 100,000 euro were analysed.
19.	It was analysed the activity carried out by the Black Sea Project Management Unit in January 2018.

No.	Content / Issue presented and analysed
20.	It was analysed the activity report of the Human Resources Division for 2017.
21.	It was analysed the Activity Report of the Corporate Strategy and Management Division for 2017.
22.	It was analysed the activity report of the European Funds and International Relations Division for 2017.
23.	It was analysed the activity report of the Sectoral Procurement and Contracting Division for 2017.
24.	It was analysed the need to change the organizational structure of SNTGN Transgaz SA.
25.	It was analysed the Report regarding the publication of the 2018-2027 TYNDP on the company's website, for public consultation, according to ANRE Decision 910 / 22.06.2017.
26.	It was analysed the Report on the procurement of assets, services and works having a value higher than 500,000 Euro / procurement (for the procurement of assets and works) and 100,000 Euro / procurement (for services) by Transgaz in Q IV 2017.
27.	It was analysed the implementation stage of PAAS 2018 on 28.02.2018.
28.	The February 2018 procurements the value of which does not exceed 100,000 euro were analysed.
29.	It was analysed the activity carried out by the Black Sea Project Management Unit in February 2018.
30.	It was analysed the activity report of the Research and Design Division for 2017.
31.	It was analysed the Activity Report of the Development Division for 2017.
32.	It was analysed the activity report of the Projects Analysis, Verification and Approval Division for 2017.
33.	It was analysed the activity report of UMP BRUA for 2017.
34.	It was analysed the need to approve the sale-purchase contract in the process of privatization of the State Enterprise VESTMOLDTRANSGAZ.
35.	It was analysed the 2018-2027 TYNDP.
36.	It was analysed the implementation stage of PAAS 2018 on 31.03.2018.
37.	It was analysed the Report on the modification of the company's annual plans in January-March 2018.
38.	The March 2018 procurements the value of which does not exceed 100,000 euro were analysed.
39.	It was analysed the activity carried out by the Black Sea Project Management Unit in March 2018.
40.	It was analysed the Report on the evolution of the stock without movement in Q I 2018.
41.	It was analysed the activity report of the Transgaz Brussels Representative Office in Q I 2018.
42.	It was analysed the Report on the procurement of assets, services and works having a value higher than 500,000 Euro / procurement (for the procurement of assets and works) and 100,000 Euro / procurement (for services) by Transgaz in Q I 2018.
43.	It was analysed the implementation stage of PAAS 2018 on 30.04.2018.

No.	Content / Issue presented and analysed
44.	The April 2018 procurements the value of which does not exceed 100,000 euro were analysed.
45.	It was analysed the activity carried out by the Black Sea Project Management Unit in April 2018.
46.	It was analysed the Report on the preparation of a plan of measures, with the assumption of a clear objective, on the reduction of the stock without movement until the end of 2018.
47.	It was analysed the opportunity to approve the financial contribution of SNTGN Transgaz SA from the total estimated costs related to the investment NTS developments in North-East Romania to enhance gas supply to the area and to ensure transmission capacity to Moldova.
48.	It was analysed the implementation stage of PAAS 2018 on 31.05.2018.
49.	The May 2018 procurements the value of which does not exceed 100,000 euro were analysed.
50.	It was analysed the activity carried out by the Black Sea Project Management Unit in May 2018.
51.	It was analysed the implementation stage of PAAS 2018 on 30.06.2018.
52.	It was analysed the modification of the annual plans of the company and the rectification of PAAS for the months of April - June 2018.
53.	The June 2018 procurements the value of which does not exceed 100,000 euro were analysed.
54.	It was analysed the activity carried out by the Black Sea Project Management Unit in June 2018.
55.	It was analysed the Report on the evolution of the stock without movement in Q II 2018 and the degree of implementation of the plan of measures, on the reduction of the stock without movement by the end of 2018.
56.	It was analysed the activity report of the Transgaz Brussels Representative Office for Q II 2018.
57.	It was analysed the need to approve the 2018-2027 TYNDP completed according to the ANRE requirements sent by Letter 51080 / 09.07.2018.
58.	It was analysed the Report on the procurement of assets, services and works having a value higher than 500,000 Euro / procurement (for the procurement of assets and works) and 100,000 Euro / procurement (for services) by Transgaz in Q II 2018, for its presentation to the Ordinary General Meeting of the Shareholders.
59.	It was analysed SNTGN Transgaz SA's management plan for 2017-2021, updated.
60.	It was analysed the implementation stage of PAAS 2018 on 31.07.2018.
61.	The July 2018 procurements the value of which does not exceed 100,000 euro were analysed.
62.	The procurements from 01.01.2018 - 30.06.2018 were analysed according to Art. 7 of BoA Resolution 34 / 31.07.2018.
63.	It was analysed by the activity carried out by the Black Sea Project Management Unit in July 2018.

No.	Content / Issue presented and analysed
64.	It was analysed the Report on the average purchase price of mobile phones, the value of monthly bills and the policy for allocating mobile phones at Transgaz level.
65.	It was analysed the activity report of the Human Resources Division for H I 2018.
66.	It was analysed the activity report of the Corporate Strategy and Management Division for H I 2018.
67.	It was analysed the Report on the activities carried out by the European Funds and International Relations Division for H I 2018.
68.	It was analysed the activity report of the Sectoral Procurement and Contracting Division for H I 2018.
69.	It was analysed the need to amend the Framework Regulation no. 12797 / 08.04.2014 for the organization and conduct of public tenders organized by SNTGN TRANSGAZ SA.
70.	It was analysed the need to start the capitalization procedure by sale at public auction organized through the Romanian Commodity Exchange, of the pipes buried and stored, resulting from the decommissioning of the assets subject to GD no. 1146/2011.
71.	It was analysed the need to start the procedure of capitalization by sale at public auction of pipes and scrap metal, resulting from maintenance-rehabilitation works on natural gas transmission pipelines and scrapping of fixed assets.
72.	It was analysed the need to set up working points within SNTGN TRANSGAZ SA.
73.	It was analysed the need to approve the reorganization procedure of SE Vestmoldtransgaz in a Limited Liability Company by SRL EUROTRANSGAZ.
74.	It was analysed the implementation stage of PAAS 2018 on 31.08.2018.
75.	The August 2018 procurements the value of which does not exceed 100,000 euro were analysed.
76.	It was analysed the activity carried out by the Black Sea Project Management Unit in August 2018.
77.	It was analysed the activity report of the Research and Design Division related to the first H of 2018.
78.	It was analysed the activity report of the Analysis, Verification and Approval of Projects Division for H I 2018.
79.	It was analysed the activity report of PMU BRUA for H I 2018.
80.	It was analysed the activity report of the Development Division for H I 2018.
81.	It was analysed the implementation stage of PAAS 2018 on 30.09.2018.
82.	It was analysed the modification of the annual plans of the company and the rectification of PAAS for July - September 2018.
83.	The September 2018 procurements the value of which does not exceed 100,000 euro were analysed.
84.	It was analysed the activity carried out by the Black Sea Project Management Unit in September 2018.
85.	It was analysed the Report on the evolution of the stock without movement in the third quarter of 2018 and the degree of implementation of the plan of measures, on the reduction of the stock without movement by the end of 2018.
86.	It was analysed the activity report of the Transgaz Brussels Representative Office for Q III

No.	Content / Issue presented and analysed
	2018.
87.	It was analysed the Report regarding the transmission of the Letter 55391 / 24.10.2018 regarding the Rejection of the award documents to the following recipients: Mr. Minister Eugen Orlando Teodorovici, Mr. President of ANAP Bogdan Puscas, and attention of Mr. Deputy Prime Minister Viorel Ştefan, Mr. Minister Dănuţ Andruşcă, Mr. President ANRE Dumitru Chiriţă.
88.	It was analysed the Report on the procurement of assets, services and works having a value higher than 500,000 Euro / procurement (for the procurement of assets and works) and 100,000 Euro / procurement (for services) by Transgaz in Q III 2018.
89.	It was analysed the need to complete the secondary object of activity of SNTGN Transgaz SA.
90.	It was analysed the implementation stage of PAAS 2018 on 31.10.2018.
91.	The October 2018 procurements the value of which does not exceed 100,000 euro were analysed.
92.	It was analysed by the activity carried out by the Black Sea Project Management Unit in October 2018.
93.	It was analysed the need to approve the models obtained after the completion of the REBRANDING activity.
94.	It was analysed the Report on the activities carried out on the occasion of the delegation in the Republic of Moldova, in order to update the documentation requested by the EBRD, in the context of the Ungheni - Chisinau Gas Pipeline Project.
95.	It was analysed the annual modernization and investment development plan for 2019.
96.	It was analysed the Design Plan for 2019.
97.	It was analysed the Research Plan of SNTGN Transgaz SA for 2019.
98.	It was analysed Plan for other services performed by third parties in 2019.
99.	It was analysed the training and professional development program for employees for 2019.
100.	It was analysed Supply Plan for 2019.
101.	It was analysed the implementation stage of PAAS 2018 on 30.11.2018.
102.	The November 2018 procurements the value of which does not exceed 100,000 euro were analysed.
103.	It was analysed the activity carried out by the Black Sea Project Management Unit in November 2018.
104.	It was analysed the need to extend the period of validity of Service consultancy, assistance and legal representation contract no. 92 from 03.03.2017, until 31.12.2019.
105.	It was analysed the need to extend the period of validity of Service contract, consultancy, assistance and legal representation no. 486 from 25.09.2017, until 31.12.2019.
2019	
1.	It was analysed the annual modernization and investment development plan for 2019.
2.	It was analysed Design Plan for 2019.
3.	It was analysed the Research Plan of SNTGN Transgaz SA for 2019.

No.	Content / Issue presented and analysed
4.	It was analysed the Plan for other services performed by third parties for 2019.
5.	It was analysed the training and professional development plan for employees for 2019.
6.	It was analysed the Supply Plan for 2019.
7.	It was analysed the agenda of international events in which SNTGN Transgaz SA was invited to participate.
8.	It was analysed the policy regarding the granting of sponsorships and social support at the level of SNTGN Transgaz SA in 2019.
9.	It was analysed the need to approve the financing of the 2018 - 2027 TYNDP for submission for approval to the GMS.
10.	It was analysed the annual sectoral procurement plan for 2019.
11.	It was analysed the Report on sponsorships made in 2018, according to MECT Order 278/2015.
12.	It was analysed the implementation stage of PAAS 2018 as at 31.12.2018.
13.	It was analysed the Report on the modification of the annual plans of the company in October - December 2018.
14.	The December 2018 procurements the value of which does not exceed 100,000 euro were analysed.
15.	It was analysed the activity carried out by PMU Black Sea in December 2018.
16.	It was analysed the Report on the evolution of the stock without movement in the fourth quarter of 2018 and the degree of implementation of the plan of measures, on the reduction of the stock without movement by the end of 2018.
17.	It was analysed the activity report of the Transgaz Brussels Representative Office for Q IV 2018.
18.	It was analysed the need to change the organizational structure of SNTGN Transgaz SA
19.	It was analysed the opportunity to conclude the trilateral agreement of strategic collaboration with LUKOIL Overseas Atash BV and the National Natural Gas Company Romgaz SA
20.	It was analysed the implementation stage of PAAS 2019 as at 31.01.2019.
21.	The January 2019 procurements the value of which does not exceed 100,000 euro were analysed.
22.	It was analysed the activity carried out by PMU Black Sea in January 2019.
23.	It was analysed the activity report of the Human Resources Division for 2018.
24.	It was analysed the Activity Report of the Corporate Strategy and Management Division for 2018.
25.	It was analysed the activity report of the European Funds and International Relations Division for 2018.
26.	It was analysed the activity report of the Sectoral Procurement and Contracting Division for 2018.
27.	It was analysed the need to issue a decision of SNTGN TRANSGAZ SA for the signature by Vestmoldtransgaz SRL Moldova of the contract with GRTGaz SA.
28.	It was analysed the need to issue a decision of SNTGN TRANSGAZ SA for the signature

No.	Content / Issue presented and analysed
	by Vestmoldtransgaz SRL Moldova of the contract on technical expertise and management services with GRTGaz SA.
29.	It was analysed the Report on the procurement of assets, services and works having a value higher than 500,000 Euro / procurement (for the procurement of assets and works) and 100,000 Euro / procurement (for services) by Transgaz in Q IV 2018, for its presentation to the Ordinary General Meeting of the Shareholders.
30.	It was analysed the implementation stage of PAAS 2019 as at 28.02.2019.
31.	The February 2019 procurements the value of which does not exceed 100,000 euro were analysed.
32.	It was analysed the activity carried out by PMU Black Sea in February 2019.
33.	It was analysed the activity report of the Research and Design Division for 2018.
34.	It was analysed the Activity Report of the Development Division for 2018.
35.	It was analysed the activity report of the Projects Analysis, Verification and Approval Division for 2018.
36.	It was analysed the activity report of UMP BRUA for 2018.
37.	It was analysed the plan for other services performed by third parties for 2019, updated.
38.	It was analysed the Report on the conclusion on 1 March 2019 of a Memorandum (MOU) between GRTgaz SA and SNTGN Transgaz SA which aims to establish the conditions under which GRTgaz SA could become a minority shareholder in Eurotransgaz or Vestmoldtransgaz.
39.	It was analysed the implementation stage of PAAS 2019 as at 31.03.2019.
40.	It was analysed the Report on the modification of the annual plans of the company in January - March 2019.
41.	The March 2019 procurements the value of which does not exceed 100,000 euro were analysed.
42.	It was analysed the Report on the evolution of the stock without movement in Q I 2019.
43.	It was analysed the activity report of the Transgaz Brussels Representative Office in Q I 2019.
44.	It was analysed the Report on the modification of the structure of the Board of Directors and the appointment of a sole director of Phaedra Energy Investment SL
45.	It was analysed the Report on the procurement of assets, services and works having a value higher than 500,000 Euro / procurement (for the procurement of assets and works) and 100,000 Euro / procurement (for services) by Transgaz in Q I 2019, for its presentation to the Ordinary General Meeting of the Shareholders.
46.	It was analysed the draft 2019-2028 TYNDP for submission to public consultation.
47.	It was analysed the opportunity for SNTGN Transgaz SA Mediaș to join the Employers' Federation of Oil and Gas (FPPG).
48.	It was analysed the Report on ensuring from own resources the necessary additional funds related to the investment NTS developments in North-East Romania to enhance gas supply to the area and to ensure transmission capacity to Moldova.
49.	It was analysed the implementation stage of PAAS 2019 as at 30.04.2019.
50.	The April 2019 procurements the value of which does not exceed 100,000 euro were

No.	Content / Issue presented and analysed
	analysed.
51.	It was analysed the Report regarding the withdrawal of SNTGN Transgaz SA from the company Phaedra Energy Investments SL established on 14.02.2018.
52.	It was analysed the Report on ensuring from own resources the necessary additional funds related to the investment NTS developments in North-East Romania to enhance gas supply to the area and to ensure transmission capacity to Moldova.
53.	It was analysed the 2019 - 2028 TYNDP updated after the public consultation, for submission for GMS approval.
54.	It was analysed the implementation stage of PAAS 2019 as at 31.05.2019.
55.	The May 2019 procurements the value of which does not exceed 100,000 euro were analysed.
56.	It was analysed the need to supplement the value of the Consultancy, assistance and legal representation contract no. 92 dated 03.03.2017.
57.	It was analysed SNTGN Transgaz SA's corporate communication strategy.
58.	It was analysed the Report on the state of execution of the BRUA Project - Phase 1, taking into account the new deadline - end of 2020.
59.	It was analysed the Report on the impact of the postponement of BRUA Phase 1 deadline until the end of 2020, on the non-reimbursable financing provided by the financing contract concluded with INEA and the reimbursable financing provided by the contracts concluded with EIB and EBRD.
60.	It was analysed the Report on the stage of implementation of the Project Interconnection Pipeline between the National Gas Transmission System in Romania and the Gas Transmission System in the Republic of Moldova, in the Todirești village, Ungheni District - Chisinau Municipality direction.
61.	It was analysed the implementation stage of PAAS 2019 as at 30.06.2019.
62.	It was analysed the Report on the modification of the annual plans of the company and the rectification of PAAS for April - June 2019.
63.	The June 2019 procurements the value of which does not exceed 100,000 euro were analysed.
64.	It was analysed the Report on the evolution of the stock without movement in Q II 2019.
65.	It was analysed the activity report of the Transgaz Brussels Representative Office for Q II 2019.
66.	It was analysed the procurement of assets, services and works whose value is higher 500,000 euro / procurement (for the acquisition of assts and works) and 100,000 euro / procurement (for services) made by SNTGN TRANSGAZ SA Medias in Q II 2019, for submission to the Ordinary General Meeting of Shareholders.
67.	It was analysed Management Plan for 2017-2021 - updated.
68.	It was analysed the report on the degree of fulfilment of the investment plan for the current year.
69.	It was analysed the Report on the modification of the annual plans of the company and the rectification of PAAS during the period 01.01-31.07.2019.
70.	It was analysed the Report on procurements whose value does not exceed 100,000 euro

No.	Content / Issue presented and analysed
	in July 2019.
71.	The July 2019 procurements the value of which does not exceed 100,000 euro were analysed.
72.	It was analysed the activity report of the Human Resources Organization Division for H I 2019.
73.	It was analysed the activity report of the Corporate Strategy and Management Division for H I 2019.
74.	It was analysed the Report on the activities carried out by the European Funds and International Relations Division for H I 2019.
75.	It was analysed the activity report of the Sectoral Procurement and Contracting Division for H I 2019.
76.	It was analysed the implementation stage of PAAS 2019 as at 31.08.2019.
77.	The August 2019 procurements the value of which does not exceed 100,000 euro were analysed.
78.	It was analysed the activity report of the Energy Management, Automation and SCADA Division for H I 2019.
79.	It was analysed the activity report of the Maintenance Division for H I 2019.
80.	It was analysed the activity report of the Research and Design Division for H I 2019.
81.	It was analysed the activity report of the Development Division for H I 2019.
82.	It was analysed the activity report of the Projects Analysis, Verification and Approval Division for H I 2019.
83.	It was analysed the activity report of the Procurement and Transport Unit for H I 2019.
84.	It was analysed the activity report of PMU BRUA for H I 2019.
85.	It was analysed the activity report of the Archaeological Unit for H I 2019.
86.	It was analysed the implementation stage of PAAS 2019 as at 30.09.2019.
87.	It was analysed the modification of the annual plans of SNTGN TRANSGAZ in July-September 2019.
88.	The September 2019 procurements the value of which does not exceed 100,000 euro were analysed.
89.	It was analysed the information on the evolution of the stock without movement in the third quarter of 2019 and the degree of achievement of the plan of measures on the reduction of the stock without movement until the end of 2019.
90.	It was analysed the activity report of the Transgaz Brussels Representative Office for the third quarter, 2019.
91.	It was analysed the Report on the procurement of assets, services and works having a value higher than 500,000 Euro / procurement (for the procurement of assets and works) and 100,000 Euro / procurement (for services) by Transgaz in Q III 2019, for its presentation to the Ordinary General Meeting of the Shareholders.
92.	It was analysed Modernization and investment development plan for 2020 and estimates for 2021, 2022.
93.	It was analysed Design Plan for 2020 and estimates for 2021, 2022.

No.	Content / Issue presented and analysed
94.	It was analysed the Research Plan of SNTGN Transgaz SA for 2020 and estimates for 2021, 2022.
95.	It was analysed Supply Plan for 2020 and estimates for 2021, 2022.
96.	It was analysed Plan for other services performed by third parties for the year 2020 and estimates for the years 2021, 2022.
97.	It was analysed the training and professional development program for employees for 2020.
98.	It was analysed the implementation stage of PAAS 2019 as at 30.11.2019.
99.	The November 2019 procurements the value of which does not exceed 100,000 euro were analysed.
2020	
1.	The annual sectoral procurement plans (PAAS, PAAS BRUA and PAAS Moldova) for 2020 were analysed.
2.	It was analysed the financing proposal for the 2019 - 2028 TYNDP for submission to the approval of the General Meeting of Shareholders.
3.	It was analysed the proposal to update the Modernization and Investment Development Plan for 2020 and estimates for 2021,2022.
4.	It was analysed the agenda of the national and international events in which SNTGN TRANSGAZ SA was invited to participate.
5.	It was analysed the policy regarding the granting of sponsorships and social support at the level of SNTGN Transgaz SA in 2020.
6.	It was analysed the Report on 2019 sponsorships, according to MECT Order 278/2015.
7.	It was analysed the Report on the total value of natural gas procurement contracts necessary to balance the NTS, for Q III 2019 and the evolution of purchase prices.
8.	It was analysed the implementation stage of PAAS 2019 as at 31.12.2019.
9.	It was analysed the Report on the modification of the annual plans of the company and the rectification of PAAS for the months of October - December 2019.
10.	It was analysed the Report no. DG2281 / 16.01.2020 regarding the procurements in December 2019 whose value does not exceed 100,000 euro.
11.	It was analysed the Report 3438 / 22.01.2020 on the evolution of the stock without movement in the fourth quarter of 2019 and the degree of achievement of the plan of measures on the reduction of the stock without movement by the end of 2019.
12.	It was analysed the Report on the TGN retrospective at BSE during December 2007-31.12.2019.
13.	It was analysed the Report no. 3345 / 22.01.2020 of the Transgaz Brussels Representative Office for Q IV 2019.
14.	It was analysed the need to change the organizational structure of SNTGN Transgaz SA
15.	The development plan of Vestmoldtransgaz SRL for 2020-2029 was analysed.
16.	It was analysed the financing proposal of Vestmoldtransgaz SRL in the Republic of Moldova.
17.	The commitments proposed by SNTGN Transgaz SA in case AT. 40335 of the European

No.	Content / Issue presented and analysed
	Commission, Directorate General for Competition.
18.	It was analysed the proposal for approving the establishment of Romanian Gas Hub Services SA and the Articles of Incorporation of the new company, for submission for EGMS approval.
19.	It was analysed the implementation stage of PAAS 2020 as at 31.01.2020.
20.	The January 2020 procurements the value of which does not exceed 100,000 euro were analysed.
21.	It was analysed the activity report of the Human Resources Organization Division for 2019.
22.	It was analysed the activity report of the Corporate Strategy and Management Division for 2019.
23.	It was analysed the activity report of the European Funds and International Relations Division for 2019.
24.	It was analysed the activity report of the Sectoral Procurement and Contracting Division for 2019.
25.	It was analysed the proposal to approve the extension of the validity of letters of bank guarantee in favour of the operators of the Centralized Natural Gas Market of short-term standardized products.
26.	It was analysed the Report on the procurement of assets, services and works having a value higher than 500,000 Euro / procurement (for the procurement of assets and works) and 100,000 Euro / procurement (for services) by Transgaz in Q IV 2019, for its submission to the Ordinary General Meeting of the Shareholders.
27.	It was analysed the proposal to approve the accession of SNTGN Transgaz SA Mediaş, as an Associate Member, to the Association for Investor Relations on the Romanian Stock Exchange (ARIR) for submission for approval to the Extraordinary General Meeting of SNTGN Transgaz Shareholders.
28.	It was analysed SNTGN Transgaz SA's corporate communication strategy.
29.	It was analysed the activity report of the Research and Design Division for 2019.
30.	It was analysed the Activity Report of the Development Division for 2019.
31.	It was analysed the activity report of the Projects Analysis, Verification and Approval Division for 2019.
32.	It was analysed the activity report of PMU BRUA for 2019.
33.	It was analysed the implementation stage of PAAS 2020 on 29.02.2020.
34.	The February 2020 procurements the value of which does not exceed 100,000 euro were analysed.
35.	It was analysed the draft 2020-2029 TYNDP for submission to public consultation.
36.	It was analysed Activity report of the Transgaz Brussels Representative Office in Q I 2020.
37.	It was analysed the implementation stage of PAAS 2020 as at 31.03.2020.
38.	It was analysed the Report on the modification of the annual plans of the company and the rectification of the annual program of sectoral procurements for January - March 2020.
39.	The March 2020 procurements the value of which does not exceed 100,000 euro were

No.	Content / Issue presented and analysed
	analysed.
40.	It was analysed the Report on the evolution of the stock without movement in Q I 2020 and the degree of implementation of the action plan, on the reduction of the stock without movement by the end of 2020.
41.	It was analysed the proposal regarding the substantiation of the rectification of the Design Plan of SNTG.N Transgaz SA for the year 2020 and estimates for the years 2021, 2022.
42.	It was analysed the Report on the procurement of assets, services and works having a value higher than 500,000 Euro / procurement (for the procurement of assets and works) and 100,000 Euro / procurement (for services) by Transgaz in Q I 2020, for its presentation to the Ordinary General Meeting of the Shareholders.
43.	The updated Management Plan of SNTGN Transgaz SA for the period 2017-2021 was prepared.
44.	It was analysed the implementation stage of PAAS 2020 as at 30.04.2020.
45.	The April 2020 procurements the value of which does not exceed 100,000 euro were analysed.
46.	It was analysed 2020 - 2029 TYNDP updated, after public consultation, for submission for prior approval of the GMS.
47.	It was analysed the Report on the state of implementation of PAAS 2020 on 31.05.2020.
48.	It was analysed the Report regarding the April 2020 procurements the value of which does not exceed 100,000 euro - according to Art.7 of BoA Resolution no.17 / 29.05.2020.
49.	It was analysed the Report on the May 2019 procurements the value of which does not exceed 100,000 euro.
50.	It was analysed the proposal regarding the updating of the Development Plan of Vestmoldtransgaz SRL for the years 2020-2029.
51.	It was analysed the Report on the progress of the project Development on the Romanian territory of the National Natural Gas Transmission System on the Bulgaria – Romania – Hungary – Austria - Corridor Phase I.
52.	It was analysed the implementation of PAAS for 2020 during 01.01.2020 - 30.06.2020.
53.	It was analysed the Report on the modification of the annual plans of the company and the rectification of the Annual Program of sectoral procurements for April - June 2020.
54.	The June 2020 procurements the value of which does not exceed 100,000 euro were analysed.
55.	It was analysed the Report on the evolution of the stock without movement in Q II 2020 and the degree of achievement of the action plan on the reduction of the stock without movement by the end of 2020.
56.	It was analysed the activity report of the Transgaz Brussels Representative Office for Q II 2020.
57.	It was analysed TransGasFormation 2020 Annual Procurement Plan.
58.	It was analysed the proposal to rectify the Modernization and Investment Development Plan for 2020 and reduce the funds allocated to it.
59.	It was analysed the proposal to approve the supplement the Supply Plan for 2020.

No.	Content / Issue presented and analysed
60.	It was analysed the Report on the procurement of assets, services and works having a value higher than 500,000 Euro / procurement (for the procurement of assets and works) and 100,000 Euro / procurement (for services) by Transgaz in Q II 2020, for its presentation to the Ordinary General Meeting of the Shareholders.
61.	It was analysed the implementation stage of PAAS for 2020, between 01.01.2020 - 31.07.2020.
62.	The July 2020 procurement the value of which does not exceed 100,000 euro were analysed.
63.	It was analysed the activity report of the Human Resources Division for H I 2020.
64.	It was analysed the activity report of the Corporate Strategy and Management Division for H I 2020.
65.	It was analysed the activity report of the European Funds and International Relations Division for H I 2020.
66.	It was analysed the activity report of the Sectoral Procurement and Contracting Division for H I 2020.
67.	It was analysed the proposal to complete the secondary object of activity of SNTGN TRANSGAZ SA.
68.	It analysed the proposal empowering the Director - General of Transgaz for approval of the procurement of natural gas for NTS balancing.
69.	It was analysed the proposal to approve the allocation of the financial flow for the implementation of the project Interconnection of the National Natural Gas Transmission System in Romania with the similar natural gas transmission system in the Republic of Serbia, including electricity supply, cathodic protection and optical fibre.
70.	It was analysed the implementation stage of PAAS 2019 as at 31.08.2020.
71.	The August 2020 sectoral procurements the value of which does not exceed 100,000 euro were analysed.
72.	It was analysed the activity report of the Energy Management, Automation and SCADA Division for H I 2020.
73.	It was analysed the activity report of the Maintenance Division for the first half of 2020.
74.	It was analysed the activity report of the Research and Design Division for H I 2020.
75.	It was analysed the activity report of the Research and Design Division for H I 2020.
76.	It was analysed the activity report of the Projects Analysis, Verification and Approval Unit for H I 2020.
77.	It was analysed the activity report of the Logistics Division for H I 2020.
78.	It was analysed the activity report of PMU BRUA for H I 2020.
79.	It was analysed the activity report of the Archaeological Unit for H I 2020.
80.	It was analysed the implementation stage of PAAS 2020 on 30.09.2020.
81.	It was analysed the Report on the modification of the annual plans of the company and the rectification of the annual plan of sectoral procurements for July - September 2020.
82.	The September 2020 sectoral procurements the value of which does not exceed 100,000 euro, were analysed.

No.	Content / Issue presented and analysed
83.	It was analysed the Report on the evolution of the stock without movement in Q III 2020 and the degree of achievement of the plan of measures, on the reduction of the stock without movement by the end of 2020.
84.	It was analysed the activity report of the Transgaz Brussels Representative Office for Q III 2020.
85.	It was analysed the Report on the procurement of assets, services and works having a value higher than 500,000 Euro / procurement (for the procurement of assets and works) and 100,000 Euro / procurement (for services) by Transgaz in Q III 2020, for its presentation to the Ordinary General Meeting of the Shareholders.
86.	It was analysed the implementation stage of PAAS 2020 as at 31.10.2020.
87.	The October 2020 sectoral procurements the value of which does not exceed 100,000 euro were analysed.
88.	It was analysed Modernization and investment development plan for 2021 and estimates for 2022, 2023.
89.	It was analysed Design Plan for 2021 and estimates for 2022, 2023.
90.	It was analysed the Research Plan of SNTGN Transgaz SA for 2021 and estimates for 2022, 2023.
91.	It was analysed Supply Plan for 2021 and estimates for 2022, 2023.
92.	It was analysed Plan for other services performed by third parties for the year 2021 and estimates for the years 2022, 2023.
93.	It was analysed the training and professional development plan for employees for 2021.
94.	It was analysed the need to approve the financing of the 2020 - 2029 TYNDP for submission for approval to the GMS.
95.	It was analysed the implementation stage of PAAS 2020 as at 30.11.2020.
96.	The November 2020 procurements the value of which does not exceed 100,000 euro were analysed.
97.	It was analysed the proposal to approve the conclusion of the Agreement for the termination of the Legacy Contract between SNTGN Transgaz SA and Gazprom Export LLC and the empowerment of the director-general of SNTGN Transgaz SA for its signature.
2021	
1.	The annual sectoral procurement plans for 2021 were analysed.
2.	It was analysed the implementation stage of PAAS 2020 as at 30.11.2020.
3.	The November 2020 procurements the value of which does not exceed 100,000 euro were analysed.
4.	It was analysed the report on the modification of the annual plans of the company and the rectification of the PAAS for October - December 2020.
5.	It was analysed the agenda of external events in which SNTGN Transgaz SA was invited to participate.
6.	It was analysed the policy regarding the granting of sponsorships and social support at the level of SNTGN Transgaz SA in 2021.
7.	It was analysed the Report on sponsorships granted by SNTGN Transgaz SA in 2020.

No.	Content / Issue presented and analysed
8.	It was analysed the Report on the evolution of the stock without movement in Q IV 2020 and the degree of implementation of the action plan, on the reduction of the stock without movement by the end of 2020.
9.	It was analysed the Report on the TGN retrospective at BVB during December 2007-31.12.2020.
10.	It was analysed the activity report of the Transgaz Brussels Representative Office for Q IV 2020.
11.	It was analysed the need to change the organizational structure of SNTGN Transgaz SA
12.	It was analysed the draft 2021-2030 TYNDP for submission to public consultation.
13.	It was analysed the Report on the draft Sustainability Report for 2020.
14.	It was analysed the implementation stage of PAAS 2021 during the period 01.01.2021 - 31.01.2021.
15.	The January 2021 procurements the value of which does not exceed 100,000 euro were analysed.
16.	It was analysed the activity report of the Human Resources Division for the year 2020.
17.	It was analysed the activity report of the Corporate Strategy and Management Division for 2020.
18.	It was analysed the activity report of the European Funds and International Relations Division for 2020.
19.	It was analysed the activity report of the Sectoral Procurement and Contracting Division for the year 2020.
20.	It was analysed the Report regarding the modification of the Collective Labour Contract of SNTGN Transgaz SA.
21.	It was analysed the need to change the organizational structure of SNTGN Transgaz SA.

NTS SAFETY AND SECURITY COMMITTEE

The NTS Safety and Security Committee consists of:

- **STERIAN ION** **executive administrator;**
- **VĂDUVA PETRU ION** **non-executive administrator;**
- **LĂPUȘAN REMUS GABRIEL** **independent non-executive administrator.**

Notes on the activities carried out:

- **Consultations** on the materials/documents prepared by the various organizational entities within the structure of SNTGN Transgaz SA

(departments/divisions/units) and submitted to the NTS Safety and Security Committee

- **Analyses** performed on the basis of the following documents: Reports/Notes/Information reports
- **Proposals/ Measures/ Recommendations** following the analysis of the presented documents

Tag no.	Contents / the issues presented and analysed
Year 2017	
1.	The activity of the Steering Committee for monitoring the implementation of the measures included in the "Priority Program for reducing technological consumption during 2013-2017" was analysed.
2.	The activity of the Working Group for the revision of the Network Code for the National Gas Transmission System was analysed.
3.	The proposal for approving the Assessment Report no. 32251 / 10.07.2017 in order to capitalize on the piping material and iron waste resulting from the maintenance-rehabilitation works to the natural gas transmission pipelines and from the scrapping of fixed assets, by selling it by public auction.
4.	The Activity Report of the Operations Department related to the first half of 2017 was analysed.
5.	The Activity Report of the Operation and Maintenance Department related to the first half of 2017 was analysed.
6.	The Activity Report of the NTS Infrastructure Risk Tracking Service for the first half of 2017 was analysed.
7.	The need to introduce additional clauses in the Gas Transmission Contract with commercial partners (NU) having debts registered with the records of SNTGN Transgaz SA for the gas year 2017-2018 was analysed.
8.	The NTS Repair, Rehabilitation and Maintenance Program for 2018 was analysed.
Year 2018	
1.	The Information on the preparation of NTS for safe operation during the winter period 2017-2018 was analysed.
2.	The activity of the Steering Committee for monitoring the implementation of the measures included in the "Priority Program for reducing technological consumption during the period 2013-2017" was analysed.
3.	The activity of the Working Group for the revision of the Network Code for the National Gas Transmission System was analysed.
4.	The need to empower the Director General to conclude contracts for the

Tag no.	Contents / the issues presented and analysed
	purchase of balancing gas was analysed.
5.	The activity of reducing NTS technological consumption was analysed.
6.	The activity of the Working Group meant to prepare the draft revisions of the Network Code for the National Gas Transmission System necessary to configure a gas market model on the entry-exit system using the virtual trading point (PVT), established on the basis of Decision no.1005 / 24.10.2017, was analysed.
7.	The Report on the procurement of gas for the physical balancing of the NTS during the period February 22 and March 1, 2018 was analysed.
8.	The Activity Report for 2017 of the Operation Division was analysed.
9.	The Activity Report 2017 of the Maintenance Division for was analysed.
10.	The need to conclude the Contract for underground storage of natural gas for the period 2018/2019 and the empowerment of the Director General of SNTGN Transgaz SA for its signing was analysed.
11.	The Report on the procurement of natural gas in March 2018 for the physical balancing of the NTS was analysed.
12.	The need to purchase natural gas to cover the technological consumption of SNTGN Transgaz SA during the period October 1, 2018 and September 30, 2019 was analysed.
13.	The Report on the procurement of gas for the physical balancing of the NTS in April 2018 was analysed.
14.	The need to approve the Addendum no. 1 to the gas underground storage contract no. 73/2018 and the empowerment of the Director General of SNTGN Transgaz SA for its signing.
15.	The Report on the procurement of natural gas in May 2018 for the physical balancing of the NTS was analysed.
16.	The Report on the procurement of natural gas in June 2018 for the physical balancing of the NTS was analysed.
17.	The Report regarding the approval of the transmission tariffs for the gas transmission activity on the natural gas transmission pipeline Isaccea 1 - Negru Vodă 1 for the period October 1, 2018 - September 30, 2019 by ANRE Order no. 99/29 May 2018 was analysed.
18.	The Report regarding the approval of the regulated income, of the total income and of the transmission tariffs for the gas transmission activity through the National Transmission System, by ANRE Order no. 98/29 May 2018 was analysed.
19.	The Report on the procurement of natural gas in August 2018 for the physical balancing of the NTS was analysed.

Tag no.	Contents / the issues presented and analysed
20.	The Activity Report of the Operation Division related to the first half of 2018 was analysed.
21.	The Activity Report of the Maintenance Division related to the first half of 2018 was analysed.
22.	The need to empower the Director General of SNTGN Transgaz SA in order to approve the natural gas procurement operations necessary for balancing the NTS was analysed, including the signing of the contracts concluded in this respect, as appropriate.
23.	The Report on the procurement of natural gas in September 2018 for the physical balancing of the NTS was analysed.
24.	The Report on the procurement of natural gas in October 2018 for the physical balancing of the NTS was analysed.
25.	The NTS Repair, Rehabilitation and Maintenance Program for 2019 was analysed.
26.	The Report on the procurement of natural gas in November 2018 for the physical balancing of the NTS was analysed.
Year 2019	
1.	The NTS Repair, Rehabilitation and Maintenance Program for 2019 was analysed.
2.	The activity for reducing the NTS technological consumption was analysed.
3.	The Report on the procurement of natural gas for the physical balancing of the NTS in January 2019 was analysed.
4.	The activity of the Working Group meant to prepare the draft revisions of the Network Code for the National Gas Transmission System necessary to configure a natural gas market model on the entry-exit system using the virtual trading point (PVT), established based on Decision no.1005 / 24.10.2017 was analysed.
5.	The Report on the procurement of natural gas for the physical balancing of the NTS in February 2019 was analysed.
6.	The Activity Report of the Operation Division for 2018 was analysed.
7.	The Activity Report of the Energy Management, Automation and SCADA Division for 2018 was analysed.
8.	The Activity Report of the Maintenance Division for 2018 was analysed.
9.	The Report on the procurement of natural gas for the physical balancing of the NTS in March 2019 was analysed.
10.	The Report on the design and installation of Security and Surveillance Systems for gas metering and regulation (MRS) stations was analysed.
11.	The opportunity to approve the purchase of natural gas to cover the

Tag no.	Contents / the issues presented and analysed
	technological consumption of SNTGN Transgaz S.A. during the period October 1, 2019 - September 30, 2020 was analysed. .
12.	The need to approve the conclusion of the Contract for underground storage of natural gas for the period 2019/2020 was analysed.
13.	The Report on the procurement of natural gas for the physical balancing of the NTS in April 2019 was analysed.
14.	The need to store in the underground storage facilities a quantity of natural gas purchased in order to cover the technological consumption of the NTS for the current gas year was analysed.
15.	The Report on the procurement of natural gas in May 2019 for the physical balancing of the NTS was analysed.
16.	The adequacy or not of the transport capacities on the alternative routes was analysed in the event that Gazprom will stop any gas transit through Ukraine.
17.	The need to approve the tariffs for the implementation of special works was analysed.
18.	The need to purchase natural gas to cover the technological consumption of SNTGN Transgaz SA during the period October 1, 2019 - September 30, 2020 was analysed.
19.	The Report on the procurement of natural gas for the physical balancing of the NTS in June 2019 was analysed.
20.	The Report on the procurement of natural gas for the physical balancing of the NTS in July 2019 was analysed.
21.	The substantiation of the regulated tariffs for the activities related to the operation of the natural gas transmission system during October 1, 2019 - September 30, 2020 was analysed.
22.	The substantiation of the tariffs to be practiced by the administrator of the natural gas balancing market during October 1, 2019 - September 30, 2020 was analysed.
23.	The Report on the procurement of natural gas for the physical balancing of the NTS in August 2019 was analysed.
24.	The opportunity to approve the conclusion of Addendum no. 1 to the Contract no. 327 / 24.04.2019 on the underground storage of natural gas and the approval of the procurement of natural gas necessary to ensure the minimum stock established by the Decision of the A.N.R.E. no. 1773 / 16.10.2019.
25.	The actions carried out by the TSO for the physical balancing of the NTS were analysed.
26.	The total value of the procurement contracts necessary to balance the NTS

Tag no.	Contents / the issues presented and analysed
	for the gas year 2018-2018 and the evolution of the procurement prices were analysed.
27.	The NTS Repair, Rehabilitation and Maintenance Program for 2020 and estimates for 2021, 2022 were analysed.
28.	The Report on the actions carried out by the TSO for the physical balancing of the NTS in November 2019 were analysed.
Year 2020	
1.	The activity for reducing NTS technological consumption was analysed.
2.	The Report on the actions carried out by TSO for the physical balancing of the NTS in December 2019 was analysed.
3.	The activity of the Working Group meant to prepare the draft revisions of the Network Code for the National Gas Transmission System necessary to configure a natural gas market model on the entry-exit system using the virtual trading point (PVT), established based on Decision no.1005 / 24.10.2017 was analysed.
4.	The Report on the actions carried out by the TSO for the physical balancing of the NTS in January 2020 was analysed.
5.	The proposal to adjust the regulated tariffs for the natural gas transmission activity for the period October 1, 2020 - September 30, 2021 was analysed.
6.	The Activity Report of the Operations Department for 2019 was analysed.
7.	The Activity Report of the Energy Management, Automation and SCADA Division for 2019 was analysed.
8.	The Activity Report of the Maintenance Division for 2019 was analysed.
9.	The Report on the actions carried out by the TSO for the physical balancing of the NTS in February 2020 was analysed.
10.	The Report on the actions carried out by TSO for the physical balancing of the NTS in March 2020 was analysed.
11.	The activity of the Working Group meant to prepare the draft revisions of the Network Code for the National Gas Transmission System necessary to configure a natural gas market model on the entry-exit system using the virtual trading point (PVT), established based on Decision no.780 / 17.07.2019 was analysed.
12.	The proposal for approving the total revenue and transport tariffs related to the Isaccea - Negru Vodă transmission pipeline 2, 3 for the period October 1, 2020 - September 30, 2021 was analysed by benchmarking against tariffs of European Union countries.
13.	The Report on the actions carried out by the TSO for the physical balancing of the NTS in April 2020 was analysed.

Tag no.	Contents / the issues presented and analysed
14.	The Report on the actions carried out by the TSO for the physical balancing of the NTS in May 2020 was analysed.
15.	The Report regarding the status of works in progress performed by the constructor SC TOTAL GAZ SA, Iași was analysed.
16.	The Report on the actions carried out by the TSO for the physical balancing of the NTS in June 2020 was analysed.
17.	The Report on the total value of the gas procurement contracts necessary to balance the NTS for the second half of 2020 and the evolution of the purchase prices was analysed.
18.	The Report on the actions carried out by the TSO for the physical balancing of the NTS in July 2020 was analysed.
19.	The Report on the actions carried out by the TSO for the physical balancing of the NTS in August 2020 was analysed.
20.	The activity report of the Operation Division for the first half of 2020 was analysed.
21.	The Report on the actions carried out by the TSO for the physical balancing of the NTS in September 2020 was analysed.
22.	The Report on the total value of natural gas procurement contracts necessary to balance the NTS for the third quarter of 2020 and the evolution of purchase prices was analysed.
23.	The Report on the actions taken by the TSO for the physical balancing of the NTS in October 2020 was analysed.
24.	The Report on the status of actions / transmission scenarios for the safe operation of the NTS during the cold season 2020-2021 was analysed.
25.	The NTS Repair, Rehabilitation and Maintenance Program for 2021 and estimates for 2022 and 2023 were analysed.
26.	The Report on the actions taken by the TSO for the physical balancing of the NTS in November 2020 was analysed.
27.	The proposal for approving the procedure for starting / continuing / resuming the provision of natural gas transmission services and / or approving the transfers of booked capacity and the posting thereof on Transgaz website was analysed.
Year 2021	
1.	The activity of reducing NTS technological consumption was analysed.
2.	The actions carried out by the TSO for the physical balancing of the NTS in

	December 2020 were analysed.
3.	The activity of the Working Group meant to prepare the draft revisions of the Network Code for the National Gas Transmission System necessary to configure a natural gas market model on the entry-exit system using the virtual trading point (PVT), established based on Decision no. 1420 / 10.12.2020 was analysed.
4.	The Report on the total value of gas procurement contracts necessary to balance the NTS for the fourth quarter of 2020 and the evolution of the purchase prices was analysed.
5.	The activity of reducing NTS technological consumption was analysed.
6.	The Report on the actions carried out by TSO for the physical balancing of the NTS in January 2021 was analysed.
7.	The activity of the Working Group meant to prepare the draft revisions of the Network Code for the National Gas Transmission System necessary to configure a natural gas market model on the entry-exit system using the virtual trading point (PVT), established based on Decision no. 1420 / 10.12.2020 was analysed.

THE COMMITTEE FOR REGULATION AND RELATIONSHIP WITH PUBLIC AUTHORITIES

The Committee for Regulation and Relationship with Public Authorities consists of:

- **STERIAN ION** executive administrator;
- **VĂDUVA PETRU ION** non-executive administrator;
- **LĂPUŞAN REMUS GABRIEL** independent non-executive administrator.

Notes on the activities carried out:

- **Consultations** on the materials/documents prepared by the various organizational entities within the structure of SNTGN Transgaz SA (departments/divisions/units) and submitted to the Committee for Regulation and Relationship with Public

- **Analyses** performed on the basis of the following documents: Reports/Notes/Information reports
- **Proposals/ Measures/ Recommendations** following the analysis of the presented documents

Tag no.	Contents / Presented and analysed issues
Year 2017	
1.	The Report regarding the approval by ANRE order no. 74/2 August 2017 of the regulated income, of the total income and of the transmission tariffs for the natural gas transmission activity through the national transmission system was analysed.
2.	The Report on the approval by ANRE Order no. 73/2 August 2017 of transmission tariffs for the natural gas transmission activity related to the gas transmission pipeline Isaccea 1 - Negru Vodă 1 for the period October 1, 2017 - September 30, 2018.
3.	The Report on the legality and validity of the adjustments operated by ANRE to Transgaz SA proposals regarding the regulated income, total income and tariffs for natural gas transmission activity for the period October 1, 2017 - September 30, 2018, approved by Order no. 74/2017 and the measures taken to challenge them in court.
4.	The Report on the activity carried out by Mr. Mihai Goage - ENT SOG Consultant during June 2017 - August 2017 was analysed.
5.	The Report on the activity of the Regulations and Licensing Unit for the first half of 2017 was analysed.
6.	The Activity Report of the Land Regulations and Formalities Division for the first half of 2017 was analysed.
7.	The Report on the activity carried out by Mr. Mihai Goage - ENT SOG Consultant during March 2017 - May 2017 was analysed.
Year 2018	
1.	The request for the approval of the Ministry of Economy to incur total monthly costs in accordance with the provisions of art. 8. paragraph (2) of the Government Ordinance. no. 26/21 August 2013 was analysed.
2.	The Report on the adjustment of the regulated tariffs for the gas transmission activity for the period October 1, 2018-30 September 2019 was analysed.
3.	The Activity Report of the Regulations and Licenses Unit for 2017 was analysed.
4.	The Activity Report of the Division of Regulations and Land Formalities for 2017 was analysed.

Tag no.	Contents / Presented and analysed issues
5.	The Report on the activity carried out by Mr. Rareş Mitrache - ENT SOG Consultant during December 2017 - February 2018 was analysed.
6.	The need to substantiate the regulated tariffs related to the process of connection to the natural gas transmission system was analysed.
7.	The need to approve the commitments proposed by SNTGN Transgaz SA in respect of case no. AT. 40335 of the European Commission, General Directorate of Competition.
8.	The Activity Report of the Division of Land Regulations and Formalities for the first half of 2018 was analysed.
9.	The Report on the activity carried out by Mr. Rareş Mitrache - ENT SOG Consultant during March - August 2018 was analysed.
10.	The Report on the activity carried out by Mr. Mitrache Rares - ENT SOG Consultant during September - November 2018 was analysed.
Year 2019	
1.	The Activity Report of the Land Regulations and Formalities Division for 2018 was analysed.
2.	The Report on the activity carried out by Mr. Rareş Mitrache - ENT SOG Consultant during December 2018 - February 2019 was analysed.
3.	The need to approve the regulated tariffs for the natural gas transmission activity for the period October 1, 2019-30 September 2020 was analysed.
4.	The Report regarding the modifications of the Methodology for Establishing the Regulated Tariffs for the natural gas transmission services approved by ANRE Order no. 41 of March 15, 2019 with a significant negative impact on the regulated income of SNTGN Transgaz SA was analysed.
5.	The Report regarding the approval by ANRE Order no. 64/30 May 2019 of the regulated income, of the total income and of the transmission tariffs for the natural gas transmission activity through the National Transmission System was analysed.
6.	The Report on the activity carried out by Mr. Rareş Mitrache - ENT SOG Consultant between March 2019 - May 2019 was analysed.
7.	The Report on the total revenues and transmission tariffs related to Isaccea 2 and Isaccea 3 - Negru Vodă 2 and Negru Vodă 3 pipelines for the period October 1, 2019 - September 30, 2020 was analysed, in order to be submitted to the National Energy Regulatory Authority for analysis and approval.
8.	The Report on the activity carried out by Mr. Rareş Mitrache - ENT SOG Consultant between June 2019 - August 2019 was analysed.
9.	The Report on the modification of provisions of Transgaz' updated Articles of Incorporation was analysed.

Tag no.	Contents / Presented and analysed issues
10.	The report on the activity carried out by Mr. Mitrache Rares - ENTSOG Consultant during September - November 2019 was analysed.
Year 2020	
1.	The Activity Report of the Natural Gas Regulation Unit for 2019 was analysed.
2.	The Report on the activity carried out by Mr. Rareş Mitrache - ENTSOG Consultant during December 2019 - February 2020 was analysed.
3.	The Activity Report of the Regulations and Land Formalities Division for 2019 was analysed.
4.	The Report on the approval by ANRE Order no. 83/27 May 2020 of the regulated income, of the total income and of the transmission tariffs for the natural gas transmission activity through the National Transmission System was analysed.
5.	The report on the activity carried out by Mr. Rareş Mitrache - ENTSOG Consultant between March 2020 - May 2020 was analysed.
6.	The proposal to substantiate the regulated tariffs for the activities related to the operation of the natural gas transmission system during October 1, 2020 - September 30, 2021 was analysed.
7.	The proposal to substantiate the tariffs to be practiced by the administrator of the natural gas balancing market during October 1, 2020 - September 30, 2021 was analysed.
8.	The report on the activity of the Regulations and Land Formalities Division for the first half of 2020 was analysed.
9.	The report on the activity carried out by Mr. Rareş Mitrache - ENTSOG Consultant between June 2020 - August 2020 was analysed.
10.	The report on the activity carried out by Mr. Mitrache Rares - ENTSOG Consultant during September - November 2020 was analysed.
Year 2021	
1.	The Activity Report of the Natural Gas Regulation Unit for 2020 was analysed.

5. Supervision and control of the company's management

The Board of Administration, the main body supervising the company's activity and operating as a buffer decision-making entity between the executive management of the

company represented by directors and its shareholders, delegated the company's management to the Director General.

During the mandate, the number of Board meetings and of General Shareholders' Meetings is indicated in the table below:

Tag no.	No. of Board Meetings	No. of Ordinary General Shareholders' Meetings	No. of Extraordinary General Shareholders' Meetings
2017	38	8	3
2018	55	7	1
2019	60	11	1
2020	44	7	4
2017-2020	197	33	9
Total Board Meetings -197	156 electronic	42 General Shareholders' Meetings	
of which:	41 ordinary		

Based on the approved management strategy, through the Management Component, as Director General I established the general lines of the company's policies (commercial policies, code of ethics, corporate governance code, treasury policies, occupational safety and health, plan for measures regarding the protection of the health and safety of employees and of the NTS objectives against COVID -19, regarding the investor relations, the public communication and social responsibility, policies on operational and investment activities, regulations and associations, financial-accounting policies, personnel and social dialogue policies, etc.).

In order to effectively report to the Board of Administration, the planning, budget execution and the status of achievement of the objectives established by the Management Component, as Director General, I have developed a way of Reporting the status of activities within the divisions / units, particularly: each division/ unit prepares a **monthly Activity Report** and the Strategy and Management Division prepares the **Report on the company's activity**.

Other reports that I presented to the Board of Administration as a Director General upon the request thereof are, without limitation to, the following:

▪ Report on the mandate execution prepared quarterly / half-yearly / 9 months / annually according to the provisions of GEO 109/2011, as amended;
▪ Quarterly, half-yearly, annual financial reports according to IFRS-EU
▪ Statutory auditor's report;
▪ The internal auditor's report;
▪ Management statement on financial statements;
▪ Evaluation report according to the Internal / Managerial Control System;
▪ Report (CSR) Corporate social responsibility;
▪ APPLY or EXPLAIN statement / Status of compliance with the New Corporate Governance Code of BSE.
▪ Half-yearly report of the directors of units and divisions and of the heads of independent departments;
▪ Quarterly report of the regional operating centers within SNTGN Transgaz SA and of Mediaș Subsidiary.

The Board of Administration submits **annual reports on their activity** to the General Meeting of Shareholders, **as they are required** under the Government Emergency Ordinance no. 109/2011, as amended, under the accounting and financial, capital market and sectoral laws pertaining to the company's business.

The **system of procedures established** for each of the procedural activities of the company is one of the effective tools for supervising the company's activity as part of the mechanism for monitoring and control of the actions taken for the fulfilment of the set objectives.

The divisions for supervision and control of the company's executive management activity were focused mainly on the following areas of action and organizational intervention:



Managed by a Board of Administration composed of professional administrators with extensive expertise in the field, SNTGN TRANSGAZ SA has managed to achieve economic and financial performances year by year and to be subject to an upward trend in terms of business and human resources development contributing to its execution and stock exchange capitalization.

Transgaz' Board of Administration meets at the company's registered office or in any other another place it agrees upon, whenever necessary but at least once every three months, and is convened by the Chairman of the Board following the request of two Board members or by the General Manager. During the meetings, the Board of Administration shall adopt resolutions conducive to the fulfilment of the duties in an effective and efficient manner.

While exercising the powers / duties that Transgaz' administrators have as set forth in the Articles of Incorporation and the Contract of Mandate, they have been in charge with the supervision and control of the executive management in the spirit of good corporate governance practices and of the professional ethics, with full responsibility, good faith and professionalism, reliability, sound control and they have spared no effort to fulfil the objectives assumed for the management of the company during the period 2017 - 2021.

During May 2017 - December 2020, as Director General, I was granted, by Decisions of the Board of Administration, 202 mandates to resolve and such mandates were duly and timely fulfilled.

The main powers of the Board of Administration are as follows:

- establishes the main course of action and development of the company, elaborates Transgaz' policies SA according to the effective regulations;
- establishes the accounting system and the financial control and approves the financial planning;
- approves Transgaz' organizational structure and the rules of organization and operation;
- appoints and revokes Transgaz' Director General and sets his/her remuneration;
- supervises the Director General's activity;
- prepares the annual report, organizes the general meetings of shareholders and sets their remuneration and implements their decisions;
- files the petition for Transgaz' insolvency to start pursuant to the legal regulations;
- approves the levels of securities for persons acting as administrators;
- concludes legal documents for the acquisition, sale, exchange or pledging the assets of Transgaz based on the approval of the General Meeting of Shareholders when the law imposes this condition;
- approves the powers of branches per areas of business (economic, commercial, technical, administrative, financial, legal, etc.) in order to achieve the company's field of business;
- approves the conclusion of any agreement for which it has not been delegated the power to the company's Director General;
- submits every year to the General Meeting of Shareholders, after each financial year ends, the report on the activity of TRANSGAZ, the balance sheet and the profit and loss account for the previous year;
- submits to the General Meeting of Shareholders the activity program and the draft budget of income and expenses for the coming year;
- convenes the General Meeting of Shareholders whenever necessary;
- establishes the rights, obligations and responsibilities of TRANSGAZ' employees pursuant to the approved organizational structure;
- decides on the contracting of bank loans, including of external loans, establishes the powers and current bank loans, the trade credits on short and medium term and approves the release of the securities;
- approves the number of jobs and the regulatory documents for the establishment of functional and production departments;
- approves the production, research, development and investment programs;
- approves policies for environmental protection, occupational safety, pursuant to the current legal regulations;
- approves, within the limits of the budget of revenues and expenditures approved by the General Meeting of Shareholders, changes in its structure pursuant to the powers it was authorized for;
- negotiates the collective labour agreement by mandating the Director General and approves the status of the employees;

- ensures and is responsible for the performance of any other tasks and duties established by the General Meeting of Shareholders or as set forth in current laws;
- makes any other decisions regarding the business of the company, except those that are within the competence of the General Meeting of Shareholders;
- elaborates the management plan that includes the management strategy during the mandate in order to achieve the targets and performance criteria established in the mandate contracts;
- approves the internal regulation on the organization and operation of the consulting committees set up at the level of the Board of Administration and the members thereof;
- approves the management plan during the mandate and for the first year of the mandate of the director general of TRANSGAZ SA;
- approves the amendment of the secondary object of activity of SNTGN Transgaz SA;
- approves the set up/dissolution of working points – work sites of the NTS.

SNTGN TRANSGAZ SA draws up periodic and continuous reports about important events concerning the company, including but not limited to its financial situation, performance, ownership and management, both in the media and on its website (www.transgaz.ro).

The company prepares and disseminates relevant periodical and continuous information pursuant to the International Financial Reporting Standards (IFRS) and to other reporting standards or environment, social and governance standards (ESG). The information is disseminated both in Romanian and in English.

Pursuant to the schedule of financial communication with the Bucharest Stock Exchange, the administrative and executive management of Transgaz has organized and organizes meetings with financial analysts, brokers, financial advisors and investors both during the dissemination of the financial statements and of the economic-financial results and on the occasion of other aspects of the life and activity of the company, impacting the TGN stock prices and the decisions to invest in the company shares.

The Board members have made and still make decisions in the sole interest of the company and have not taken or shall not take part in any deliberation or decision that creates a conflict between their personal interests and those of the company or of subsidiaries controlled by it.

Each Board member shall make sure he/she avoids any direct or indirect conflict of interest with the company or a subsidiary controlled by it and, if such a conflict arises, he/she shall refrain from deliberating and voting on such matters pursuant to the legal provisions in force.

In order to ensure the procedural fairness of **the transactions with stakeholders**, the Board members apply criteria, without being limited to, the following:

- they maintain the powers of the Board of Administration or of the General Meeting of Shareholders, as appropriate, for approving the most important transactions;
- they ask for preliminary opinions on the most important transactions from the internal control structures;
- they approve that the negotiations regarding such transactions are conducted by one or more independent administrators or by the administrators having no links with the parties concerned;
- they use independent experts.

The Board of Administration **sets the corporate policy for dissemination of information** in compliance with the current laws and the company's Articles of Incorporation. This policy must guarantee equal access to information for shareholders, investors and the significant shareholders and it must not allow abuses on confidential information or information about "transactions with itself".

The **Corporate Social Responsibility** is an aspect of corporate governance through which companies initiated various socially responsible actions that can be quantified in terms of sustainability and sustainable performance.

The crucial role played by TRANSGAZ in the energy field in Romania and in Europe is naturally associated with its willingness to support the real needs of all those who constantly contribute to the smooth running of its activity. A part of its sustainable development strategy, the social responsibility policy aims to permanently increase the accountability of the company towards the employees, shareholders, partners, community and environment.

The priority areas where TRANSGAZ S.A. gets involved and shall be involved from social point of view are: sustainable development of the community, education, sport, arts and culture, humanitarian activities, health, environment.

6. Risk Management

The risks identified in the company and requiring proper management and control include:

Risks related to the natural gas sector
The risk associated with government intervention in the key infrastructure sectors;
The amendment of the regulatory framework specific to the natural gas market and of the legal regulations applicable to the company's business;
The impact of competing projects on the international gas transmission;
The seasonal fluctuation of the activity;
The changing in gas prices in Romania.
Risks related to natural gas transmission activity
The regulated nature of the gas transmission activity;

The variations in the price of gas purchased by the company;
The risk related to the implementation of Transgaz' new business model;
The conclusion of international transmission contracts on the basis of intergovernmental agreements;
The failure to meet the investment program – an obligation of Transgaz assumed under the Concession Agreement;
The risk of failing to improve the profitability of the current activity of gas transmission and the reduction of the technological consumption;
The risk regarding the limited access to own sources for financing the development plans;
The failure to develop other income generating activities as its main field of business
The risk that ANRE does not accept the remuneration of investments made and their inclusion in RAB
The risk that the National Transmission System may be affected by natural disasters;
The risk on the regime of classified information of Transgaz;
Strong unions that can make the process of optimizing and streamlining the company's business difficult.
Financial Risks
Credits;
Exchange rates;
Interest rate;
Liquidities.

By the nature of the activities carried out, the company is exposed to the risks identified and shown above and, in the event that any of these risks materializes, it could adversely affect the business, financial status and/or operational results of Transgaz.

By ensuring an effective optimization of the management of the risks identified, through the proper and effective implementation and development of a risk management system, of a measure program regarding the risks for the company, Transgaz' administrators believe that it can avoid/reduce/assume the impact of risks over the company's business and its financial-economic results.

The objective of the risk management system within SNTGN Transgaz SA is to secure long-term sustainability and to reduce the uncertainty associated with its strategic objectives and financial targets.

There are five pyramidal risk management levels in the company, as illustrated in figure 1:



Fig. 1- *The design of the risk management system*

Risk management policies

- **The Risk Management Strategy**, approved by BoA Resolution 41/2018, for 2017-2021, establishes both the actions necessary to optimize the risk management process and the framework for identifying, evaluating, monitoring and controlling significant risks, in order to maintain them at acceptable levels depending on the *risk tolerance limit*. Through the risk management strategy, the risk tolerance in relation to risk exposure is established, using a **3-step scale** resulting in a **matrix with 9 values** for risk exposure;
- **Statement – Commitment of the Director General on Risk Management**;
- **System procedure PS 05 SMI Risk Management** establishes a unitary set of rules for risk management and for drafting and updating of the Risk Register.

SNTGN Transgaz SA defined its **Risks Grouping System** by using the risk categories.

Internal context	External context
RISK CATEGORY	
Human resources	Suppliers/Subcontractors
Information/communication	Legislative
Control of activities	Economic environment
Organizational environment	Institutional environment
Location availability	Hazard
Material/financial resources	External/Clients

Engineering/construction	External/social
Infrastructure/working environment	Force majeure
Technical	

The risk categories provide a structured and manageable overview of the company risks. By using the risk categories, the risk monitoring function is improved and helps us to:

- determine the common causes that lead to the highest concentrations of risks;
- develop better risk responses;
- think in a structured and oriented way during the risk identification stage;
- cover all possible aspects of the risk conditions;
- improve the effectiveness of internal/management control systems;
- report the risks between the organizational structures.

The strategic risks are directly related to Transgaz' development strategy and are associated with the strategic objectives:



Fig. 2- Strategic risks categories

The operational risks are directly related to the activity carried out at the level of services, offices, departments, sectors and are associated with **operational objectives**. Risk awareness, understanding of the company's risk profile and risk management skills improved considerably throughout the company.

The following documents specific to risk management are prepared/approved **annually** for the information of the Board of Administration:

- the risk profile by comparison with the tolerance limit of the company;
- the risk register, at the company level;
- the plan of measures for mitigating risks at company level;
- annual report on risk management and monitoring within SNTGN Transgaz SA.

7. Financial performance achieved during the mandate

The sustainable financial performance represents the state's main expectation as a majority shareholder.

THE MAIN ECONOMIC AND FINANCIAL INDICATORS

No.	Indicator	Obtained as at 31 December (thousand lei)			
		2017	2018	2019	2020 preliminated
0	1	2	3	4	5
1.	Turnover	1.800.079	1.741.929	1.850.405	1.474.078
2.	Operating revenue before the balancing and the construction activity according to IFRIC12	1.719.993	1.608.437	1.576.667	1.332.657
3.	Revenue from balancing	120.686	235.427	324.688	199.239
4.	Revenue from the construction activity according to IFRIC12	63.950	405.794	868.357	1.575.005
5.	Financial revenue	190.546	46.844	98.952	60.465
6.	Operating cost before the balancing and the construction activity according to IFRIC12	1.055.267	1.046.952	1.228.699	1.099.003
7.	Cost of balancing gas	120.686	235.427	324.688	199.239
8.	Cost of constructed assets according to IFRIC12	63.950	405.794	868.357	1.575.005
9.	Financial cost	150.227	25.449	27.818	19.574
10.	Gross profit	705.045	582.880	419.102	274.545
11.	Profit tax	125.305	98.132	86.676	48.161
12.	Deferred profit tax revenue	3.876	10.927	15.833	3.405
13.	Net profit	583.616	495.675	348.259	229.790
14.	Total comprehensive result related to the period	601.442	491.233	343.622	214.077
15.	Transmitted gas – thousand cm	12.869.908	12.975.921	13.227.501	12.380.266
16.	Investment cost	95.599	468.151	1.063.025	1.687.321

No.	Indicator	Obtained as at 31 December (thousand lei)			
		2017	2018	2019	2020 preliminated
17.	Rehabilitation cost	13.954	21.646	12.632	17.165
18.	Technological consumption	73.831	70.003	66.257	79.187
19.	Technological consumption – thousand cm	95.243	81.034	65.208	69.325

*) transmitted quantity in respect of which the transmission services are invoiced

Table 3- Main economic and financial indicators for the period 2017 - 2020

EVOLUTION OF THE MAIN ECONOMIC AND FINANCIAL INDICATORS

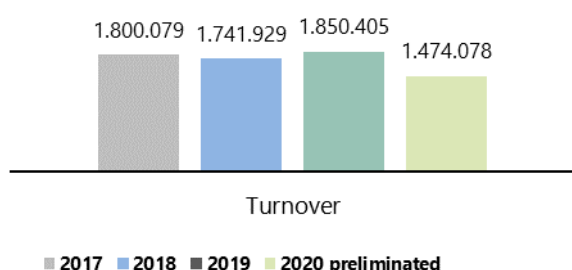


Chart 1 – Turnover 2017 - 2020 (thousand lei)

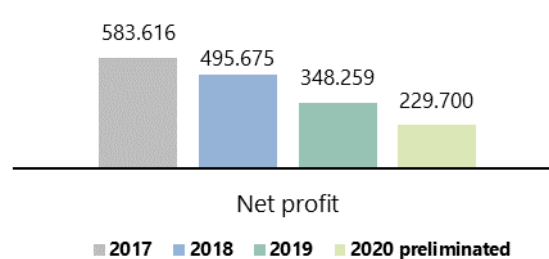


Chart 2 - Net Profit 2017 - 2020 (thousand lei)

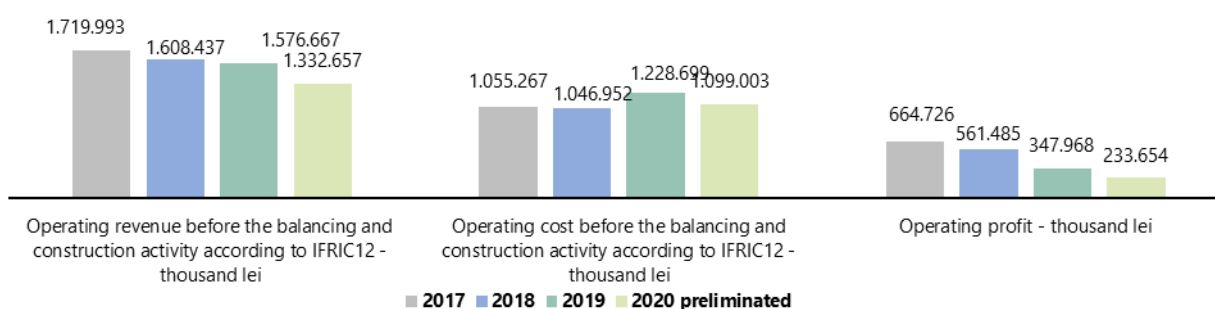


Chart 3 - Evolution of the operating revenue, expense and operating profit before the balancing and construction activity according to IFRIC 12 during 2017 - 2020

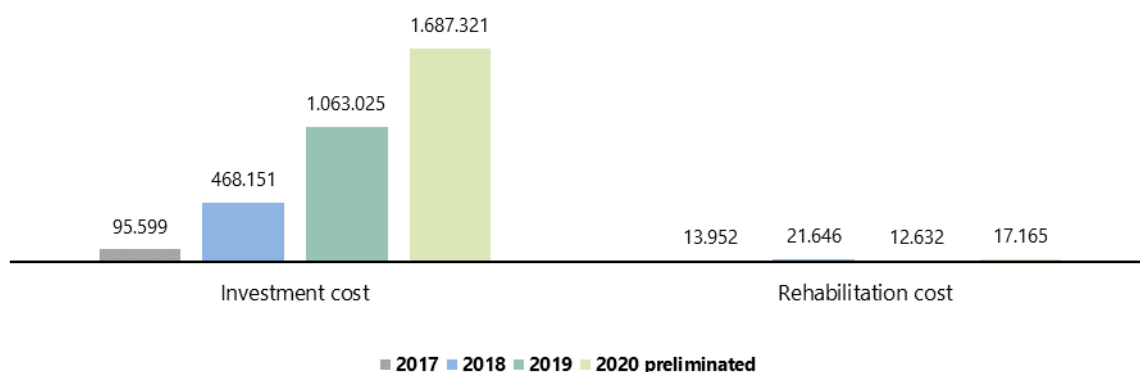


Chart 4 - Evolution of the investment and rehabilitation costs during 2017 – 2020 (thousand lei)

The values of the profitability, liquidity, risk and management indicators in 2017- 2020:

No.	Indicators	Calculation formula	2017	2018	2019	2020 prelinat ed
1.	Profitability indicators					
	EBITDA in total sales	EBITDA	47,18%	43,03%	29,27 %	32,48%
		Turnover				
	EBITDA in equity	EBITDA	22,53%	20,19%	14,23 %	12,55%
		Equity				
	Gross profit share	Gross profit	39,17%	33,46%	22,65 %	18,62%
		Turnover				
	Return on equity	Net profit	15,48%	13,35%	9,21%	6,03%
		Equity				
2.	Liquidity indicators					
	Current liquidity indicator	Current assets	5,57	3,59	2,58	1,92
		Short term debts				
	Acid test ratio	Current assets - Stocks	5,27	2,99	1,60	1,61
		Short term debts				
3.	Risk indicators					
	Leverage indicator	Borrowed capital	1,85%	6,28%	17,44 %	40,31%
		Equity				
	Interest coverage ration	EBIT	X	222,77	80,40	13,17
		Interest expense				
4.	Management indicators					
	Days' sales outstanding	Average accounts receivable x 365 days	142,85	141,49	137,09	167,42
		Turnover				
	Days' payable	Average accounts	19,43	35,52	40,78	54,35

No.	Indicators	Calculation formula	2017	2018	2019	2020 preliminary
	outstanding	payable x 365 days				
		Turnover				

Table 4 – Evolution of the profitability, liquidity, risk and management indicators during 2017-2020

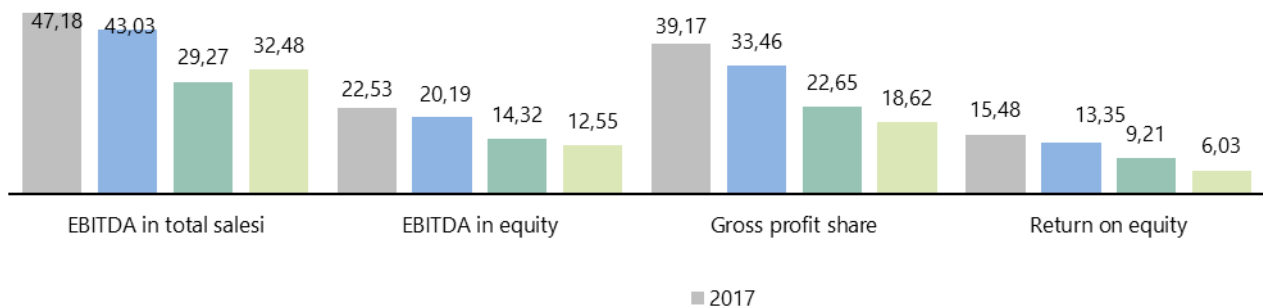


Chart 5- Evolution of the profitability indicators during 2017 – 2020

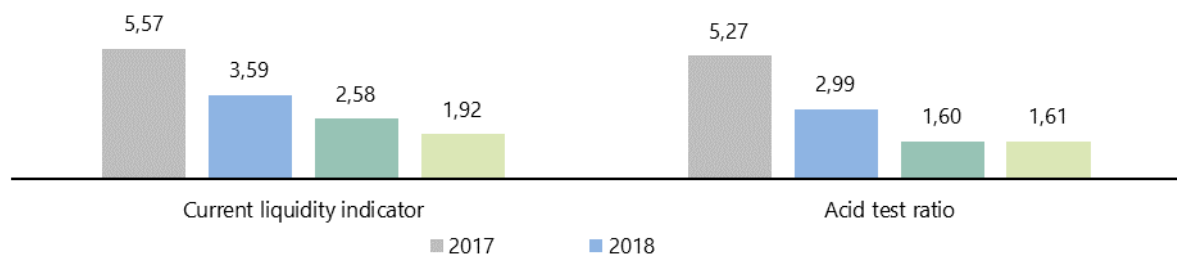


Chart 6-Evolution of the liquidity indicators during 2017 – 2020

Detailed information regarding the evolution of the economic and financial results and of the performance indicators can be found both in the **Administrators' Annual Report**, a public document published on the company's website and in the annual Financial Statements prepared according to IFRS-EU, also published on the Transgaz website.

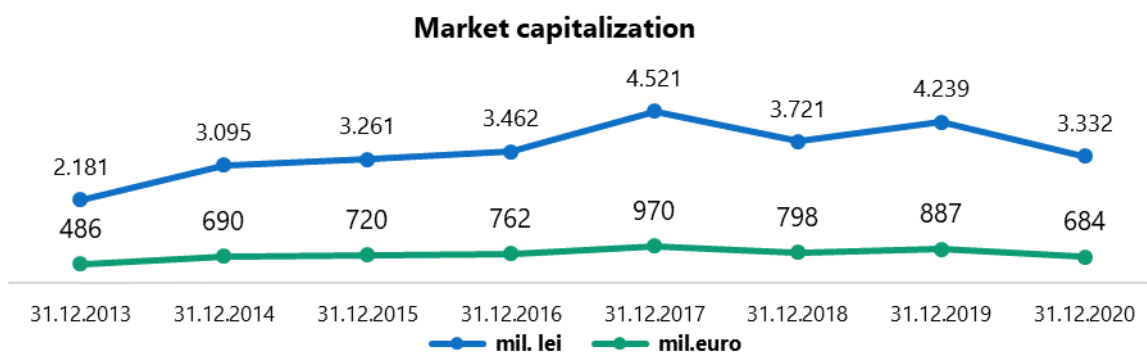
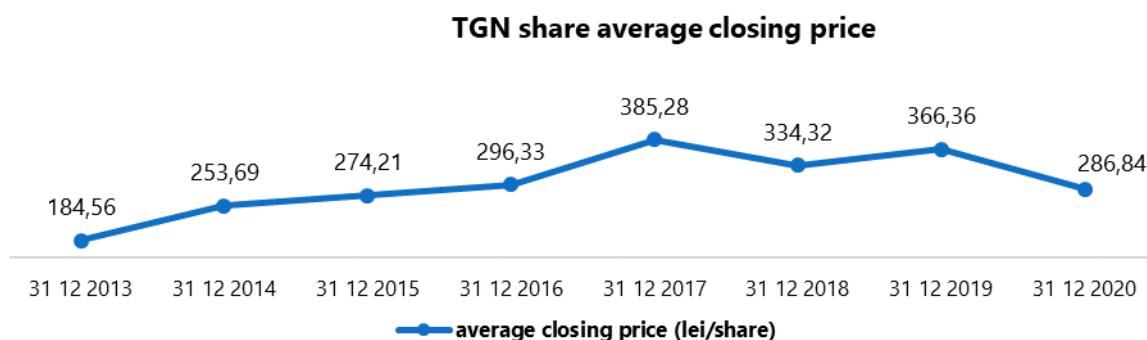
Due to the fact that the implementation and application of the corporate governance principles as they are set forth in Government Emergency Ordinance no. 109/2011 provide **not only a balance between compliance and performance, but a real increase in economic efficiency and investment climate**, the company's administrators must respond several particular challenges arising from the modernization, streamlining and strategic integration of the company into the European natural gas transmission system in light of the natural gas reserves discovered in the Black Sea.

The resources discovered in the Black Sea, together with the complex strategic movements ongoing within the European market of natural gas, are of particular importance for the future of the country and the company's involvement in such events is of special importance not only for its future but also for the energy security of the country for the next two to three decades.

While helping to ensure the energy independence of Romania, SNTGN Transgaz SA is responsible for implementing an investment program of over **Euro 4 billion, dedicated to the construction of the national gas transmission infrastructure for the new discoveries in the Black Sea** and for connecting the NTS to the European infrastructure.

Through the proposed investment projects for the development and modernization of the natural gas transmission infrastructure, through the implementation of intelligent control, automation, communications and network management systems, **the administrative and executive management of Transgaz intended and aim both to maximize the energy efficiency throughout the chain of activities carried out and to create an intelligent natural gas transmission system that is efficient, reliable, flexible and able to effectively cope with the future demands for natural gas transmission.**

Indicators of the Transgaz stock activity for the period 2013- 2020



Transgaz`s rating

Starting with 2006 and until March 2019, S&P Global Ratings granted and monitored Transgaz rating.

Getting a rating was a necessary step in addressing a policy for openness to international capital markets, with a view to attracting the most advantageous sources of funding and also providing investors with a valuable instrument in the IPO and SPO stock exchange listing process.

In this respect, on June 20, 2018, S&P Global Ratings published the last report on the revision of the outlook of the operator of the National Gas Transmission System Transgaz SA from stable to negative, and, at the same time, they affirmed the company's credit rating at BB +.

Following the internal analysis and in compliance with all legal provisions regarding the procurement of rating services, on 28.03.2019, the company concluded a contract for the award of a private point in time rating (PPIT) with Fitch. As a result of the assessment, on 28 June 2019, the agency awarded Transgaz, the private point in time rating 'BBB-' with Stable Outlook and on 10 July 2019 following the conclusion of a contract for the obtained rating publication and surveillance, on 17.07.2019, upon the company's request, the International Rating Agency Fitch published the rating granted to Transgaz, namely 'BBB-' with Stable Outlook.

On 8 July 2020, the Fitch Rating Agency reaffirmed the rating granted to the company, i.e. 'BBB-' with Stable Outlook, reflecting 'the solid profile of Transgaz's activity as a concessionaire and operator of the Romanian natural gas transmission network, as well as the perspective of a progressive contraction of the international gas transit activity deriving from traditional routes.

The rating is supported by the country's gas transportation regulations and our expectations that a significant current investment in the Bulgaria-Romania-Hungary-Austria (BRUA) corridor will be added to Transgaz' regulated asset base (RAB) which is the basis for future gains", according to the agency's report.

From the rating history of Transgaz, as presented below, **it can be noticed that during the mandate of the current Board of Administration, Transgaz` rating for the foreign currency loans and for the loans in the local currency recorded a positive evolution from `BB with a negative outlook` to `BB+ with a positive outlook`.**

No.	Date	Foreign currency loans rating	Local currency loans rating
1	2006	a început monitorizarea societății pentru acordarea ratingului	-
2	26 March 2007	BB+ perspectivă pozitivă	BB+ positive outlook
3	29 February 2008	BBB- perspectivă negativă	BBB- negative outlook
4	30 October 2008	BB+ perspectivă negativă	BBB- negative outlook
5	17 February 2010	BB+ perspectivă negativă	BBB- negative outlook
6	24 March 2010	BB+ perspectivă stabilă	BBB- stable outlook
7	26 January 2011	BB+ perspectivă stabilă	BBB- stable outlook
8	5 May 2011	BB+ perspectivă stabilă	BBB- stable outlook
9	7 December 2011	BB+ perspectivă stabilă	BB+ stable outlook
10	11 June 2012	BB+ / sub supraveghere cu perspectiva negativă	BB+ / undersurveillance negative outlook
11	4 September 2012	BB perspectivă negativă	BB negative outlook
12	8 August 2014	BB perspectivă stabilă	BB stable outlook
13	24 June 2015	BB+ perspectivă stabilă	BB+ stable outlook
14	20 June 2018	BB+ perspectivă negativă	BB+ negative outlook
15	17 July 2019	BBB- perspectivă stabilă	BBB- stable outlook
16	8 July 2020	BBB- perspectivă stabilă	BBB- stable outlook

8. Managerial performance 2017-2021

The main **managerial achievements** of my mandate as Director General and executive administrator of SNTGN Transgaz SA are presented by 6 dimensions of the activity carried out (investment, business development, competitive financing, domestic and

international institutional, human capital, social involvement and recognition), as follows:

INVESTMENT MANAGERIAL PERFORMANCE	<ol style="list-style-type: none">1. The completion of the BRUA Phase 1 Project by the assumed deadline and at the value of EUR 423 million, with savings of 11% compared to the initially budgeted amount of EUR 479 million, respectively with savings of EUR 56 million;2. By implementing the BRUA phase I project, Transgaz has fulfilled the most important part of its commitments to the European Commission, commitments set out in Decision C (2020) 1232 of 06.03.2020, respectively to ensure the maximum available capacity (following implementation of the BRUA phase 1 project and other relevant infrastructure works) for gas transmission network users from Romania to Hungary and Bulgaria. Moreover, the commitments proposed by Transgaz and approved by the European Commission did not involve additional costs for the company than those already foreseen for the implementation of the planned infrastructure projects;3. Completion of the Ungheni-Chisinau gas pipeline (120 km) one month earlier than as provided for in VESTMOLDTRANSGAZ privatization contract, in a complex and difficult socio-political context, aggravated by the need to manage the negative impact of the COVID-19 pandemic on the territory of the Republic of Moldova upon the development of construction works;4. Construction and commissioning of approximately 60 investment objectives to an estimated value of approx. Lei 2.3 billion / Euro equivalent - approx. Euro 500 million;5. Construction only in 2020 of approx. 900 km of gas transmission pipelines (of which 120 km abroad) compared to the period of the last 20 years (2000-2019) when the built pipeline km annual average was 103.4 km/year;
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	<p>6. Preparation and undertaking of an ambitious Plan for the NTS Development for the next 10 years, with strategic investment projects of over Euro 4.1 billion, of which for approx. Euro 1.3 billion the final investment decision has already been taken or is in an advanced stage to be taken;</p> <p>7. The reduction by 45.6% (respectively by Lei 92 million) of the NTS technological consumption, respectively from 160.14 million cubic meters of natural gas in 2013 to 68 million cubic meters in 2020, as a result of the implementation of the measures arranged and included in the "Priority Program of measures aimed to render the NTS technological consumption within the approved limits, during the period 2017-2021".</p>
<p>BUSINESS DEVELOPMENT MANAGERIAL PERFORMANCES</p>	<p>1. TRANSGAZ' transformation into the first multi-national energy company by the procurement of I.S VESTMOLDTRANSGAZ Chisinau of the Republic of Moldova;</p> <p>2. Carrying forward investments on the territory of the Republic of Moldova according to the Development Plan of VESTMOLDTRANSGAZ for 2020-2030;</p> <p>3. Establishment of Romanian Gas Hub Services SA together with Central European Gas Hub (CEGH) Austria, which is intended to facilitate the expansion and strengthening of the strong gas strategic position TRANSGAZ, which will be the majority shareholder of this company, will have in the region;</p> <p>4. Strengthen the collaboration and cooperation with peer EU and worldwide companies.</p>
<p>INVESTMENT COMPETITIVE FUNDING MANAGERIAL PERFORMANCES</p>	<p>During the period 2017-2020, in addition to the company's own sources for financing the investments in progress, funding was ensured by European grants and grant agreements were signed:</p> <ul style="list-style-type: none"> ▪ No. INEA / CEF / ENER / M2014 / 0025 with a grant value of Euro 1,519,342.00 for the preparation of the FEED for the Compressor Stations along the route of BRUA

phase 1;

- **No. INEA / CEF / ENER / M2015 / 1119593 with a grant value of Euro 179,320,400.00** (the largest grant received by Romania for energy infrastructure projects) for the "Development on the Romanian territory of the National Gas Transmission System along the Bulgaria – Romania – Hungary – Austria Corridor" (part of the Project of Common Interest - coded in the PCI list 7.1.5." Gas pipeline from Bulgaria to Austria via Romania and Hungary) - BRUA.

but also funding under MA LIOP - Ministry of European Funds. The Financing Contract no. 226, with a grant value of 214,496,026.71 lei, for the investment project "NTS Developments in the North-Eastern part of Romania to improve the natural gas supply of the area as well as to ensure the transmission capacities to the Republic of Moldova" was concluded on 11/22/2018.

It was also possible to obtain a grant amounting to lei 701,259.60, by the conclusion of the Grant Agreement no. POCU / 685/3/8/132556 for the TransGasFormation project - organization of professional training courses.

Other sources for the financing of strategic investments are bank loans from national and international financial and banking institutions.

Thus, during November 2017 - November 2020, Transgaz contracted two loans in Euro the financing cost of which was 0.2% and 1.3%, respectively, while the Romanian State incurred a loan related financing cost between 1 % and 1.25%.

During the same period, Transgaz contracted four loans in Lei the financing cost of which was between 2.3% and 3.5%, while the Romanian State incurred a loan related financing cost between 3.7% and 4.85%.

**INTERNAL AND
INTERNATIONAL
INSTITUTIONAL**

1. Effective managerial decisions materialized in substantiated resolution proposals, adopted by institutions and authorities of the Romanian State regarding the legislative and regulatory activity incidental to the

MANAGERIAL PERFORMANCES

- company's activity; (legislative proposals and amendments to regulatory deeds included in the final documents issued by institutions / authorities which resulted in the potential optimal implementation of the company's activity and planned infrastructure projects);
2. **Successful negotiations with international and national financial and banking institutions on attracting competitive financing for the company's investment projects;**
 3. **Successful negotiations with the European Commission on the case investigation launched against Transgaz and the termination thereof by the fulfilment of the assumed commitments;**
 4. **The optimization of the company's rating for foreign and local currency loans, from "BB + with a negative outlook" in 2018 to "BBB- with a stable outlook" in 2020, one notch above the sovereign rating;**
 5. **Transgaz' entry into the Romanian Investor Relations Association (ARIR) as a result of fulfilling the VEKTOR criteria and indicators approved by Bucharest Stock Exchange (BSE) in relation to the company's activity on the Romanian capital market;**
 6. **Advanced stage of certification procedures for appropriate environmental assessment (EA) for the company's strategy for investments in the development of the NTS, which allows for lower costs related to the financial loans, reduced negotiation time and signing of financing contracts with international financing institutions, making it easier to obtain the Environmental Agreement for investment projects under the plan for the development of the NTS;**
 7. **Increasing the confidence of the stakeholders and shareholders in the management's capability and capacity to develop and actually implement viable investment projects for the sustainable development of natural gas transmission infrastructure in our country, as evidenced by both the actual reality and the performance of TGN's shares on BSE.**

<p style="text-align: center;">HUMAN CAPITAL MANAGERIAL PERFORMANCES</p>	<ul style="list-style-type: none"> ▪ The managerial decision we made in respect of the organization through Project Management Units (PMUs) of the ongoing strategic investment projects (BRUA PMU, Moldova PMU), PMUs which, by using the human capital, the specialists within the company for the management of these projects triggered substantial savings in the company's operating costs; ▪ Obtaining a grant amounting to lei 701,259.60 by signing the Grant Agreement no. POCU / 685/3/8/132556 for the TransGasFormation project - organizing professional training courses for the company's employees; ▪ Transgaz was the first company in the energy sector to draw up a "Plan of measures if an epidemic caused by the COVID-19 virus, affecting the health of employees of the company and the activity of SNTGN TRANSGAZ (periodically reviewed) is declared"; ▪ Implementation of the Internal Management Control System within the entire company, which led to the increase in the efficiency of the monitoring of all the processes and management systems within the company, to the minimization of the risks related to the activity carried out and implicitly to the decrease of operational costs; ▪ Improving the company's risk profile by reducing the major risks and the risks with low tolerance by the internal management control measures implemented.
<p style="text-align: center;">SOCIAL ENGAGEMENT</p>	<ul style="list-style-type: none"> ▪ effective managerial decisions committed in the field of corporate social responsibility; ▪ responsible attitude in relation to the obtained results and achievements; ▪ cautious management of the patrimony so that the management of the social engagement actions is efficient both from an institutional, legal and from an economic point of view; ▪ remodeling the results of the activity from purely economic ones to economic-social ones; ▪ recognition of the value and performances obtained certified by awards, diplomas, distinctions from national and international institutions / authorities.

I. INVESTMENT MANAGERIAL PERFORMANCE

- 1. The completion of the BRUA Phase 1 Project by the assumed deadline and at the value of EUR 423 million, with savings of 11% compared to the initially budgeted amount of EUR 479 million, respectively with savings of EUR 56 million;**
- 2. By implementing the BRUA phase I project, Transgaz has fulfilled the most important part of its commitments to the European Commission, commitments set out in Decision C (2020) 1232 of 06.03.2020, respectively to ensure the maximum available capacity (following implementation of the BRUA phase 1 project and other relevant infrastructure works) for gas transmission network users from Romania to Hungary and Bulgaria. Moreover, the commitments proposed by Transgaz and approved by the European Commission did not involve additional costs for the company than those already foreseen for the implementation of the planned infrastructure projects;**
- 3. Completion of the Ungheni-Chisinau gas pipeline (120 km) one month earlier than as provided for in VESTMOLDTRANSGAZ privatization contract, in a complex and difficult socio-political context, aggravated by the need to manage the negative impact of the COVID-19 pandemic on the territory of the Republic of Moldova upon the development of construction works;**
- 4. Construction and commissioning of approximately 60 investment objectives to an estimated value of approx. Lei 2.3 billion / Euro equivalent - approx. Euro 500 million;**
- 5. Construction only in 2020 of approx. 900 km of gas transmission pipelines (of which 120 km abroad) compared to the period of the last 20 years (2000-2019) when the built pipeline km annual average was 103.4 km/year;**
- 6. Preparation and undertaking of an ambitious Plan for the NTS Development for the next 10 years, with strategic investment projects of over Euro 4.1 billion, of which for approx. Euro 1.3 billion the final**

investment decision has already been taken or is in an advanced stage to be taken;

- 7. The reduction by 45.6% (respectively by Lei 92 million) of the NTS technological consumption, respectively from 160.14 million cubic meters of natural gas in 2013 to 68 million cubic meters in 2020, as a result of the implementation of the measures arranged and included in the "Priority Program of measures aimed to render the NTS technological consumption within the approved limits, during the period 2017-2021".**

The completion of the BRUA Phase 1 Project by the assumed deadline and at the value of EUR 423 million, with savings of 11% compared to the initially budgeted amount of EUR 479 million, respectively with savings of EUR 56 million;

The project budgeted value was Euro 479 milion (exchange rate 1 EURO = Lei 4.4137) and the project achievement value was Euro 423 milioane euro (average exchange rate of Lei 4.6313 used for reporting to INEA).

Transgaz succeeded to implement BRUA phase 1 with savings of 11% as opposed to the initially budgeted value, particularly with savings amounting to Euro 56 million, primarily as a result of having contracts concluded based on transparent procurement procedures in a competitionnal environment, which led to contracts being awarded at values under the estimated ones.

As an example, by the procurement of the pipe material only, Transgaz recorded savings of EURO 40 milion compared to the value estimated at the start of the auction.

At the same time, by ensuring the project management by the inhouse personnel with high professional expertise, based on efficiency principles and good corporate governance practices, **the company recorded significant savings in the management costs.**

The value per km (including with the compressor stations) is 4 million lei / km (equivalent (875 thousand euro / km). The value per km (only for the pipeline and its related special facilities) is 3 milion lei/km (equivalent 633 thousand Euro/km).

The values recorded by Transgaz in the construction of one km of DN 800 pipeline (without compressor stations) are by approximately 50% lower than those of other

similar investment projects (e.g. the Greece-Bulgaria interconnection, which does not provide for the construction of compressor stations - 1.32 million Euro / km).

By the implementation of BRUA phase 1, Transgaz met the most important part of the commitments assumed towards the European Commission under Decision C (2020)1232 dated 06.03.2020 to ensure for the gas transmission network users the maximum available capacity (following the implementation of BRUA phase 1 and of other relevant infrastructure works) from Romania to Hungary and Bulgaria and to guarantee the offer of the minimum firm capacities defined below:

- (a) 0.75 mld mc/an (8.048.250 MWh/an) capacitate fermă (continuând cu 1 Octombrie 2019) care va fi crescută la 1,75 mld mc/an (18.779.250 MWh/y) în 1 octombrie 2020 – la PI Csanádpalota între România și Ungaria; și
- (b) 0,75 mld.mc/an (8.048.250 MWh/an) capacitate fermă (continuând cu 1 noiembrie 2019) care va fi crescută la 1,50 mld mc/an (16.096.500 MWh/an) capacitate fermă, la 40 barg, în 31 august 2020 la PI Giurgiu/Ruse între România și Bulgaria;

Moreover, the commitments proposed by Transgaz and approved by the European Commission did not entail additional costs for the company besides the ones already provided for the implementation of the planned infrastructure projects.

In order to meet such commitments, the construction works related to BRUA phase 1 and the re-classification of the Giurgiu-Podisor pipeline were completed by the deadline agreed with the European Commission so that Transgaz was able to offer firm gas transmission capacities of 1.75 bcma at IP Csanádpalota between Romania and Hungary and of 1.50 bcma, at 40 barg, at IP Giurgiu/Ruse between Romania and Bulgaria.

BRUA phase 1 represents an essential stage in the development of the national gas transmission system. With this project put in operation, Romania gets connected to the regional gas transmission corridors and is able to secure gas supply from new sources which will satisfy to a greater extent the domestic market demand and will provide higher predictability and increased energy security to the Romanian consumer.

At the same time, BRUA is a way of access to the EU markets for the potential gas production extracted by our country from the Black Sea.

BRUA pipeline is a reason for national pride and continuity of the Romania's tradition in energy sector.

It is a project where all the relevant decision-making and operating factors were involved and which, through earnestness, professionalism, responsibility, through an

exemplary mobilization of all resources, ensuring an efficient, competitive management throughout the project implementation, managed to overcome all constraints and challenges encountered and to be successfully achieved on time, despite the current COVID pandemic 19 context.

It was not easy at all, but the strength and determination to contribute to the economic development of our country and to leave a legacy for the future in this respect, helped us to complete this mission and we will not stop here because there is a program for the development of the Romanian gas transmission infrastructure for the next 10 years, including investment projects estimated at over 4 billion euro ahead of us.

This pro-active and responsible behavior, together with the managerial performance already characterizing all the works undertaken by the company, will lead in the future to the increase in the value of the company's shares and to the strengthening of the company's public and investment profile. Transgaz will continue to invest in high value-added projects, according to the commitments assumed towards the shareholders, towards the Romanian state, towards the European Commission and towards the external institutional partners.

Completion of the Ungheni-Chisinau gas pipeline (120 km) one month earlier than as provided for in VESTMOLDTRANSGAZ privatization contract, in a complex and difficult socio-political context, aggravated by the need to manage the negative impact of the COVID-19 pandemic on the territory of the Republic of Moldova upon the development of construction works;

Ungheni-Chisinau gas pipeline was completed on July 24, 2020, one month earlier than as established under the privatization contract. It was loaded with gas and turned operational. Starting with July 30, 2020, the gas pipeline allows for the natural gas to be supplied to the distribution network of Chisinau Municipality and to the Thermal Power Station Chisinau. The value of the investment is 81 million Euro VAT excluded.

On February 18, 2019, in Chisinau, the works to the Iași-Ungheni-Chisinau Phase II interconnection project were officially launched and the objective was declared of national interest in the Republic of Moldova. This is a strategic project for Romania, for Transgaz it represents the concrete proof of the commitment through which our country supports the Republic of Moldova in achieving the objective of consolidating energy security and integrating into the European Union energy market. The project execution works were divided into 7 lots:

- **Lot 1** with the object: „DN 600 gas transmission pipeline (**26.07 km** long) located within the limits of Ungheni and Nisporeni districts”;
- **Lot 2**, with the object: „DN 600 gas transmission pipeline (**35.89 km** long) located within the limits of Călărași district”
- **Lot 3**, with the object: „DN 600 gas transmission pipeline (**32.18 km** long) located within the limits of Strășeni district”
- **Lot 4**, with the object: „DN 600 gas transmission pipeline (**15.86 km** long) and DN 300 gas transmission pipeline (**2.6 km** long) located within the limits of Chișinău”
- **Lot 5**, with the object: „MRS Semeni, MRS Petricani, MRS Ghidighici, MRS Tohatini, bidirectional Gas Metering Node Tohatin and Objective Automation and Security”.
- **Lot 6**, with the object: „Gas distribution pipeline MRS Tohatin – Thermal Power Station Chisinau and MRS Tohatin-Distribution Chisinau; Connection Pipeline MRS Ghidighici – MRS Petricani and Connection Pipeline MRS Petricani – Distribution System Chisinau.
- **Lot 7**, with the object: „ Administrativ Complex Ghidighici – made up of six buildings, Manin Office Building, Mechanic Workshop and Warehouse Industrial Hall, Gate Building, Laboratory Building, Fire-fighting Pump Building, Gas Metering-Regulating Station (MRS Ghidighici) which will comprise the administrative head office of “Vestmoldtransgaz” S.R.L.

Transgaz, Eurotransgaz, Vestmoldtransgaz together with the constructors acted with utmost responsibility and made substantial efforts for the timely completion of the works for the construction of Ungheni-Chisinau pipeline irrespective of the weather conditions and the measures taken to prevent COVID 19 contamination.

After Ungheni-Chisinau gas pipeline had been completed and filled with gas, Vestmoldtransgaz, under the direct coordination of Transgaz, went further to the stage of being interconnected with the transmission system of the Republic of Moldova, operated by Moldovatransgaz and the distribution network of Chisinau operated by Chisinau Gaz:

- On 10 September 2020, in Tohatin, the interconnection between Ungheni - Chisinau gas pipeline with the gas transmission pipeline DN530 Râmnița - Chisinau, owned by Moldovatransgaz, was achieved through the bidirectional technological node.
- On 23 September 2020, the Ungheni - Chisinau gas pipeline was interconnected with the DN720 gas distribution pipeline, to CET Chisinau, Vadului Voda Street, operated by Chisinau Gaz.

- On 10 November 2020, the Ungheni - Chisinau gas pipeline was interconnected with the DN 325 gas distribution pipeline from Petricani Street, operated by Chisinau Gaz, a complex work carried out by Transgaz by coupling under pressure.
- On 11 November 2020, the Ungheni - Chisinau gas pipeline was interconnected with the DN 720 gas distribution pipeline, towards the city networks, Petricani Street, operated by Chisinau Gaz, a complex work carried out by Transgaz by coupling under pressure.

The operation of the Ungheni - Chisinau gas pipeline is carried out in accordance with the following agreements:

- Interconnection agreement between VMTG and Transgaz in the Ungheni Interconnection Point no. 12/2020, concluded on 14 July 2020;
- Operation agreement between VMTG and Moldovatrangaz in the Todirești and Tohatin Interconnection Points no. 36/2020, concluded on 20 November 2020.

The interconnection of the gas transmission systems of Romania and the Republic of Moldova is correlated with another important investment of SNTGN Transgaz SA, namely the implementation in our country of the project "*NTS developments in the North-East of Romania in order to improve natural gas supply of the area and to ensure transmission capacities to the Republic of Moldova*", which creates opportunities for connecting to the gas network of the localities from the consumption area Onești, Gherăiești, Lețcani, (Bacău, Neamț and Iași counties) and the localities from the Historical Bucovina.

In order to streamline both the implementation process and to obtain funding under the programs provided by European regional development funds, the project "*NTS developments in the North-East of Romania in order to improve the gas supply of the area and to ensure transmission capacities to the Republic of Moldova*", includes:

- construction of a new 104.1 km long, DN 700, Pn 55 bar gas transmission pipeline, in the Onești-Gherăiești direction; *part of this pipeline, respectively 60 km will be put into operation at the end of this year, for gas supply to the Republic of Moldova in the winter of 2020-2021;*
- construction of a new 61.05 km long, DN 700, Pn 55 bar gas transmission pipeline, on the Gherăiești-Lețcani direction; *part of this pipeline, respectively 40 km will be put into operation at the end of this year, for the gas supply to the Republic of Moldova in the winter of 2020-2021;*
- construction of a Gas compressor station in Onești with an installed capacity of 9.14 MW, with 2 compressor units of 4.57 MW each, one active and one backup;
- construction of a Gas compressor station in Gherăiești with an installed capacity of 9.14 MW, with 2 compressor units of 4.57 MW each, one active and one backup.

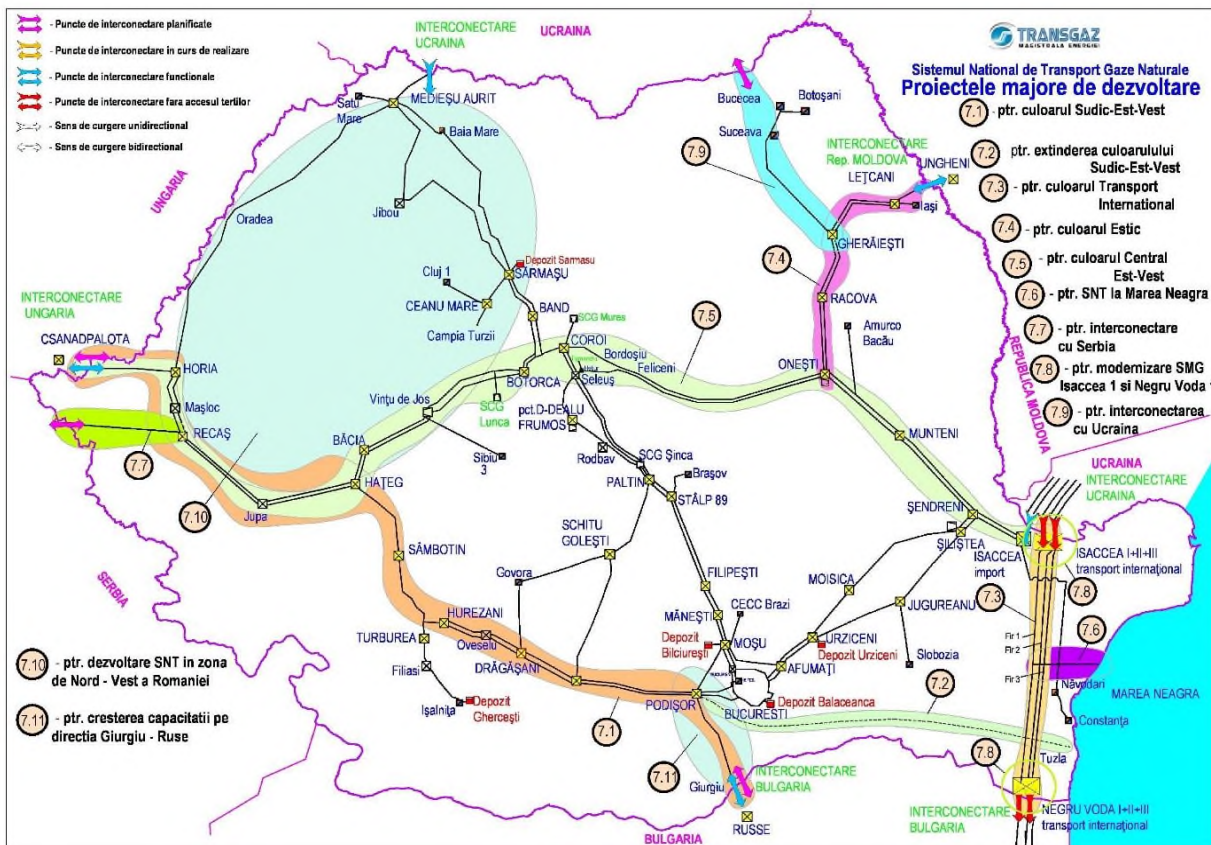
The project is to be completed in 2021 and thus it will be possible to ensure a maximum gas transmission capacity of 1.5-2.2 billion cubic meters/year for the Republic of Moldova.

Achievement and commissioning of approximately 60 investment objectives with an estimated value of approx. 2.3 billion lei/euro equivalent - approx. euro 500 million; the main investment objectives in the development of the NTS and its extension in order to connect the localities to the gas network are:

Name of the works	Estimated amount (lei)
GAS TRANSMISSION PIPELINE MAȘLOC - RECAȘ	9.815.670
INCREASING THE SECURITY OF GAS SUPPLY IN THE TÂRGU MUREȘ - UNGHENI - CORUNCA - COROI - ERNEI - REGHIN AREA	5.802.552
UPGRADING TN RECAȘ	999.500
UPGRADING TN MOISICA	847.749
TCS JUPA	175.638.303
TCS PODIȘOR	176.628.337
TCS BIBESTI	189.357.304
BRUA gas transmission pipeline (LOT 1,2,3)	1.201.085.996
RAU OLT UNDERCROSSING BY DN 300 DRAGAȘANI - CARACAL PIPE (gas supply connection of Caracal mun.)	2.311.265
REPAIR OF RAU ARGES CROSSING BY PIPELINE DN 500 SCHITU GOLEȘTI - ȚIGVENI, Valea Danului area, 1st and 2nd floors	1.450.673
INTERCONNECTION GAS TRANSMISSION PIPELINE BETWEEN DN 250 ȚELINE - SIGHIȘOARA AND DN 700 COROI - BARCUȚ	1.779.759
WORKS FOR ENSURING THE SAFETY OF THE GAS TRANSMISSION PIPELINES DN 500 MANESTI - BRAZI PIPE I and II, in the Stâncești area	1.320.304
INTERCONNECTION OF THE JUPA COMPRESSOR STATION TO THE NATIONAL TRANSMISSION SYSTEM - Station automation and security	6.869.086
NTS INTERCONNECTION WITH T1 GAS INTERNATIONAL TRANSMISSION PIPELINE AND REVERSE FLOW AT ISACCEA	15.875.571
MINTIA - BRAD - STEI PIPELINE	22.965.487
Dn 500 CRAIOVA – SEGARCEA Pipeline	35.213.731
Dn 406 VASLUI – IASI Pipeline	10.000.000
UPGRADING GCS ONESTI AND SILISTEA	315.070.000
UPGRADING GMS ISACCEA 1	67.182.983
TOTAL	2.240.214.270

Construction, only in 2020, of approx. 900 km of gas transmission pipeline (of which 120 km abroad) compared to the period of the last 20 years (2000-2019) in which the annual average of km of pipeline built was 103.4 km/year.

Preparation and undertaking of an ambitious NTS Development Plan for the next 10 years with strategic investment projects worth over 4.1 billion euros.



No	Project No.	Project	Estimated amount mil. Euro	Completion deadline	Project Importance	Project Status
1	7.1.1	Development on the Romanian territory of the National Gas Transmission System on the Bulgaria – Romania – Hungary – Austria Corridor – Phase I	478,6	2020	Ensuring a gas transmission capacity to Hungary of 1.75 billion cubic meters/year, respectively of 1.5 billion cubic meters/year to Bulgaria. The importance of the project at the European Union	FID

No	Project No.	Project	Estimated amount mil. Euro	Completion deadline	Project Importance	Project Status
					level is reflected by the nomination of the Project "Gas pipeline from Bulgaria to Austria via Romania and Hungary" both on the first and on the second and third list of projects of common interest.	
2	7.1.2	Development on the Romanian territory of the National Gas Transmission System on the Bulgaria – Romania – Hungary – Austria Corridor – Phase II)	74,5	2022	Ensuring a gas transmission capacity to Hungary of 4.4 billion cubic meters/year, respectively of 1.5 billion cubic meters/year to Bulgaria. The importance of the project at the level of the European Union is reflected by the nomination of the Project "Gas pipeline from Bulgaria to Austria via Romania and Hungary" both on the first and on the second and third list of projects of common interest.	A non FID
3	7.2	Development on the Romanian territory of the Southern Transmission Corridor for taking over the Black Sea gas	371,6	2022	Taking over in the NTS the Black Sea gas for transmission to Romania and European markets is of strategic importance for Transgaz. The importance of the project at the level of the European	A non FID

No	Project No.	Project	Estimated amount mil. Euro	Completion deadline	Project Importance	Project Status
					Union is reflected by the nomination of the Project on the second and third list of projects of common interest.	
4	7.3	The interconnection of the national gas transmission system with the international gas transmission pipeline T1 and reverse flow Isaccea	77,7 Phase 1: 8,8 Phase 2: 68,9	Etapa 1: 2018 Etapa 2: 2020	Transgaz is implementing this project to increase security of gas supply while meeting the requirements of the European Commission. We would like to mention that this project is part of the first, second and third list of projects of common interest at EU level and will be carried out in two Phases.	FID
5	7.4	NTS developments in North-East Romania for enhancing gas supply to the area and for ensuring transmission capacities to the Republic of Moldova	174,25	2021	Ensuring a transmission capacity of 1.5 billion cubic meters/year at the interconnection point between the gas transmission systems of Romania and the Republic of Moldova.	FID
6	7.5	Extension of the bi-directional gas transmission corridor Bulgaria – Romania - Hungary – Austria (BRUA Phase III)*	530	2025	Depending on the increase in the Black Sea offshore production, the further development of the network is considered: an additional route through the center	LA non FID

No	Project No.	Project	Estimated amount mil. Euro	Completion deadline	Project Importance	Project Status
					of Romania and a new interconnection with Hungary.	
7	7.6	New NTS developments for taking over Black Sea gas	9,14	2021	Creation of an additional gas taking over point from the offshore exploitation blocks of the Black Sea.	FID
8	7.7	Romania - Serbia Interconnection	56,21	2021	Establishment of an interconnection pipeline with Serbia in order to diversify supply sources and increase energy security in the region.	A non FID
9	7.8	Upgrading Isaccea 1 and GMS Negru Vodă 1	26,65	2021	Upgrading gas metering stations at interconnection points to increase energy security in the region.	FID
10	7.9	Interconnection between the gas transmission systems of Romania and Ukraine in the Gherăești - Siret direction	125	2025	Achievement of an interconnection with Ukraine in the Gherăești-Siret direction, in addition to the project on NTS developments in the North-East area of Romania, in order to improve the natural gas supply of the area.	LA non FID
11	7.10	Development/Upgrading of the gas transmission infrastructure in the North-Western part of Romania	405	Phase 1 2022 Phase 2 2025 Phase 3 2026	Increasing the transmission capacities in the North-West area of Romania in order to ensure the growth trends of consumption in the region.	LA non FID

No	Project No.	Project	Estimated amount mil. Euro	Completion deadline	Project Importance	Project Status
12	7.11	Increase in the gas transmission capacity of the interconnection Romania-Bulgaria, in the Giurgiu-Ruse direction	51,8	2027	Improving the gas supply in the area.	LA non FID
13	7.12	Eastring–Romania	Phase 1: 1.297 Romania Phase 2: 357 mil. Romania	Phase 1: 2025 Phase 2: 2030	EASTRING will be open to well-established sources as well as alternative sources. It will bring gas from new sources in the Caspian/Eastern Mediterranean/Black Sea/Middle East Regions. At the same time, it will supply South East Europe from the European gas HUBs. The total capacity will be available to any transporter or supplier.	LA non FID
14	7.13	Monitoring system, data control and acquisition for the cathodic protection stations related to the National Gas Transmission System	8	2023	It offers the possibility to set, monitor and operate clearly and precisely remotely the points of interest of the system, eliminates the costs of reading data, avoids situations where due to weather conditions it is not possible to read data and human errors, allows distributed location control, reduces	LA non FID

No	Project No.	Project	Estimated amount mil. Euro	Completion deadline	Project Importance	Project Status
					operating and maintenance costs, significantly reduces setup time.	
15	7.14	Development of the SCADA system for the National Gas Transmission System	5,5	2023	Upgrading the gas transmission infrastructure by upgrading the hardware and software architecture.	LA non FID
16	7.15	Upgrading GMS Isaccea 2 and GMS Negru Voda 2 for enabling bidirectional flow on the T2 pipeline	26,65	2024	Creating the possibility of bidirectional flow on the T2 pipeline, part of the Trans-Balkan corridor	LA non FID
17	7.16	Upgrading GMS Isaccea 3 and GMS Negru Voda 3 for enabling bidirectional flow on the T3 pipeline	26,65	2028	Creating the possibility of bidirectional flow on the T3 pipeline, part of the Trans-Balkan corridor	LA non FID
18	7.17	Interconnection between NTS and the Black Sea LNG Terminal	19,6	2026	Creating the transmission capacity to take over gas from the LNG terminal located on the Black Sea shore	LA non FID
	TOTAL		4.120,85 mil. EURO of which 1268,65 mil euro FID project + A non-FID, (~31%) as follows: 766,34 mil. Euro FID projects -5 projects; 502,31 mil. Euro A non-FID projects-3 projects; 2.852,20 mil euro LA non-FID projects (~69%) - 10 projects			

The reduction by 45.6% (respectively by 92 million lei) of the technological consumption of the NTS, respectively from 160.14 million cubic meters of natural gas in 2013 to 68 million cubic meters in 2020, as a result of the implementation of the measures ordered and contained in the "*Priority program of measures*

aimed at meeting the technological consumption registered in the NTS within the approved limits, in the period 2017-2021"

MANAGEMENT PERFORMANCE IN BUSINESS DEVELOPMENT

- 1. Turning TRANSGAZ into the first multinational company in the energy field through the procurement of SE VESTMOLDTRANSGAZ Chisinau from the Republic of Moldova;**
- 2. Continuation of investments on the territory of the Republic of Moldova according to the Development Plan of VESTMOLDTRANSGAZ for 2020-2030;**
- 3. Establishment of Romanian Gas Hub Services SA together with Central European Gas Hub (CEGH) Austria, through which it intends to expand and consolidate the strong strategic position of TRANSGAZ, which will be the majority shareholder of this company, in the gas field in the region;**
- 4. Intensify the collaboration and cooperation relations with similar companies in the European Union and in the world**

Transformation of TRANSGAZ into the first multinational company in the energy field through the procurement of S.E VESTMOLDTRANSGAZ Chisinau from the Republic of Moldova

By Resolution no. 10 adopted in the meeting of 12.12.2017, the Extraordinary General Meeting of Shareholders of Transgaz S.A. (EGMS) approved the establishment, on the territory of the Republic of Moldova, of a company, based on the conditions of the Moldovan laws. Based on the EGMS Resolution of 18.12.2017, Eurotransgaz S.R.L. was established in Chisinau, having as sole shareholder S.N.T.G.N. Transgaz S.A. from Romania. In fulfilling its object of activity, Eurotransgaz S.R.L. communicates to the privatization authorities of Chisinau the intention to participate in the investment competition on Vestmoldtransgaz.

On 28 March 2018, SRL Eurotransgaz signed the contract for taking over the SE Vestmoldtransgaz. The privatization contract involves, on the one hand, the procurement of the gas transmission operator Vestmoldtransgaz, as well as the obligation to make investments in a maximum amount of EUR 93 million necessary for the development of the Ungheni-Chisinau gas pipeline.

These investments were completed on 24 July 2020 and they consisted in:

- The DN 600 pipeline, 55 bar pressure, 120 km long;
- 4 Gas Metering Regulating Stations (at Semeni in Ungheni District, Ghidighici, Petricani and Tohatin - Chisinau);

- 11 valve groups for sectioning the pipe route;
- 2 gas distribution pipelines from MRS Tohatin to the distribution system of Chisinau municipality approximately 3.2 km long each;
- 1 medium pressure gas distribution pipeline, from MRS Ghidighici to the distribution system of Chisinau municipality of about 1.5 km long;
- 1 connection of 2.6 km to MRS Ghidighici, DN 300, PN 55 bar;
- A gas metering node at Tohatin that will connect the planned Ungheni - Chisinau pipeline with the existing gas transmission system in the Republic of Moldova, operated by MOLDOVATRANGAZ;
- An administrative complex in Ghidighici, where the administrative headquarters of VESTMOLDTRANSGAZ / EUROTRANSGAZ is located.

Continuation of investments on the territory of the Republic of Moldova according to the Development Plan of VESTMOLDTRANSGAZ for 2020-2030

The energy sector can become a real "engine of economic growth". Through the opportunities offered by the Project for the interconnection of the gas transmission systems of the Republic of Moldova and Romania, the country can ensure a high degree of energy security and regional integration. The cross-border interconnection of the networks is today a priority of the energy policy of the Republic of Moldova.

Any scenario of internal development of the gas system, or import from external sources requires an adequate transmission infrastructure in this regard and to meet the requirements of the European Union's energy policy, based on three fundamental objectives: energy security, sustainable development and competitiveness.

"Vestmoldtransgaz" SRL of the Republic of Moldova, in which the sole shareholder is Eurotransgaz and in which the sole shareholder is TRANSGAZ from Romania, provided in the Development Plan for 2020-2030, the increase of the potential of the natural gas transmission network to ensure interoperability with existing systems and upgrading the gas transmission infrastructure, improving efficiency and interconnection with natural gas transmission systems in neighboring countries.

The investments to be carried out on the territory of the Republic of Moldova during the period 2021-2030 are:

- **The construction of the gas transmission network by DN 500 pipelines on the Ungheni - Bălți direction**, by the connection in the gas transmission network from the North of the Republic of Ananiev-Cernăuți-Bogorodicieni. (CBA);
- **Extension of gas distribution networks to N-W of the Chisinau municipality**, according to the connection points indicated by "Chisinau-gas" S.R.L. in the Connection notice no. 538 of 05.10.2017;
- **Construction of a bypass pipeline for Chisinau.**

Expansion of the gas transmission network Iași - Ungheni in the direction of Balti will materialize the objective of diversifying natural gas transmission sources and networks, strengthening the energy security of the country and the region, giving existing institutions the opportunity to increase their capacity for complex projects. At the same time, this interconnection will allow the reversibility of the gas flow between Romania - Moldova - Ukraine - Russian Federation for access to additional natural gas storage capacities, which the Republic of Moldova does not have, which would open the Moldovan market to Ukrainian suppliers and vice versa.

The proposed version for the construction of a bypass pipeline for Chisinau municipality, has as real purpose the diversification of sources and supply directions of Chisinau municipality and Ialoveni district, producing positive effects related to the flexibility, reliability of the existing transmission system. The Republic of Moldova aspires to become an energy-independent state, free to choose its power sources, with decision-making possibilities in setting the price of natural gas, reducing the discrepancy between existing natural gas transmission systems, a bridge between the EU's natural gas networks (Romania) and eastern ones (Ukraine, Russian Federation).

In view of the support that Romania offers to the Republic of Moldova regarding its European aspirations, the harmonization of the legislation of the Republic of Moldova with that of the European Union, the contribution we have made to this end has made it possible for VESTMOLDTRANSGAZ to be part of the "**Memorandum of understanding on ensuring reverse flows on the Trans-Balkan corridor**". Also, thanks to the trust it enjoys at regional level, TRANSGAZ managed to also introduce in this Memorandum the company MOLDOVATRANSGAZ.

Establishment of Romanian Gas Hub Services SA together with Central European Gas Hub (CEGH) Austria, through which it intends to expand and consolidate TRANSGAZ` strong strategic position in the field of natural gas in the region, which will be the majority shareholder of this company.

The project of a regional hub on the territory of Romania means multiple advantages in the field of energy security, but also commercial, economic and geopolitical benefits.

The gas HUB in Romania **gives our country an important position in the operation of regional markets and projects of energy security, predictability and security of supply for consumers**, by developing a domestic, responsible, transparent and liquid trading market, uniquely dispatched to prevent crises in exceptional situations. Regional transmission system operators will enjoy **increased revenues from transmission tariffs by increasing transported volumes**.

The access of Romanian gas producers to the regional and European markets will stimulate investments in infrastructure. **Romanian** domestic and industrial **consumers**

will benefit from safe gas sources and competitive prices by the connection to regional transmission corridors.

The initiative of a regional gas hub in Romania means a pioneering in the energy field for the Southeast European region, a courageous initiative with a long-term impact, contributing to the sustainable economic development of the country and its potential to become a stronger voice internationally.

This ambitious project involves the joint effort of all stakeholders, from the individual consumer, local and national authorities, the European Union institutions and, of course, Transgaz, the national operator of the natural gas transmission system, the engine behind this initiative.

The gas HUB in Romania is an ambitious project that fully supports the consolidation of the European Energy Union, placing our country on the map of smart and innovative projects at national, regional, European and international level. Romania HUB is a model of good practice, a model of thinking ahead and to correctly evaluate the new trends that will define the future of the energy sector and the free market in general.

The company is in process of being set up, currently undergoing the Competition Council notification and analysis process.

Intensifying the collaboration and cooperation relations with similar EU and world-wide companies

In order to be able to develop and implement investment projects of the size of those included in the 10 years NTS Development Plan, it is necessary to intensify collaboration and cooperation, partnerships with similar neighboring companies, in the European Union and around the world, but also partnerships on providing competitive financing for these strategic investments on the development of the gas transmission infrastructure in our country.

During my mandate, I managed to conclude 22 Memoranda of Understanding (MoU) and other 6 are being negotiated. Their main purpose being:

- Exchange of knowledge regarding the construction of pipelines in order to achieve the Black Sea Interconnection (the pipeline that will be extended from the planned metering station located in Tuzla and Podișor);
- Creation of technical and commercial capacities for bidirectional gas flow through the Trans-Balkan corridor;
- Cooperation in the fulfillment of the national energy strategy, in order to identify the opportunities and initiate the necessary steps for the development and maintenance of the gas transmission infrastructure, of the production and storage capacities. To

this end, the establishment of joint groups of experts and/or analysts whose mission will be to formulate proposals on concrete areas of collaboration.

- Analyzing the possibility of developing collaborative relationships, mutually beneficial projects, exchange of experience;
- Cooperation in order to investigate the possibility of development, promotion, support of gas infrastructure projects in their territories to benefit both Parties. Exchange of experience and information and mutual assistance in the field of projects of common interest;
- Development of projects regarding gas fields, transmission and construction of the transmission infrastructure on the Romanian territory in the Black Sea and in other regions of Romania;
- Collaboration in the development and use of the transmission network in connection with the development of gas production projects, including knowledge on pipeline execution projects;
- Cooperation for the construction of the South-North gas corridor (Vertical Corridor) and bidirectional flow;
- Identifying the opportunities and initiating the necessary steps for the development and maintenance of the natural gas transmission infrastructure, of the storage capacities regarding the realization of: the projects included in TYNDP; Natural gas hub in Romania; Forecasts and other analyses requested by ENTSOG; Annual investment programs included in the TYNDP and related reporting (including Environmental Report - SEA Procedure);
- Make every effort to comply with international business rules and regional gas quality standards for their transmission through Ro-HU interconnection from 1 January 2020, in order to support the free gas flow and trading in Central and Eastern European countries;
- Popularization of ongoing projects and considered by the Parties at regional, European and transcontinental level;
- Facilitating the establishment of new contacts, increasing the degree of information of major European entities on the achievements and prospects of the Parties;
- Participation in international exchange of experience;
- Attracting new funds and investments in the Parties' projects of interest;
- Exchange of information and evaluation of a possible cooperation regarding the development of the gas hub in Romania;
- Joint establishment of a company that could have as object of activity, inter alia, the development, implementation and operation of gas trading services in Romania, including the operation of the Virtual Trading Point and a trading platform, but also of any other services for the development of the Romanian gas market ("The Romanian Gas Hub");
- The Eastern European Natural Gas Development Partnership (EE-NGP) which is established by the United States Agency for International Development (USAID), the

United States Energy Association (USEA), Ministries and gas transmission system operators(TSO) in Eastern Europe to ensure sustainable institutional capacity to develop and use the first common transmission planning models in the region; The models are expected to be used to analyse at regional level the domestic pipeline infrastructure, interconnection pipelines and regional storage capacity needed to accelerate the gasification process in Eastern Europe;

- Consulting services provided by the Bank within the European investment consulting hub;
- Expressing the interest of banking institutions in supporting Transgaz` investments program in infrastructure development.

II. INVESTMENT COMPETITIVE FINANCING MANAGEMENT PERFORMANCE

In support of the management decisions regarding the provision of financing for the strategic investments carried out by the company regarding the development of the national gas transmission infrastructure, as Director General I have always considered taking those steps to attract competitive financing sources and the financing mix to be effective in relation to the scale and value of the investment.

During the period 2017-2020, **in addition to the company's own funding sources for the investments carried out, EU grants were ensured** based on the financing contracts signed are:

- **No. INEA/CEF/ENER/M2014/0025 with a grant amount of 1.519.342,00 euro** for the preparation of the *FEED for the Compressor stations on the BRUA pipeline route phase 1*;
- **No. INEA/CEF/ENER/M2015/1119593 with a grant amount of 179,320,400.00 euros (the largest grant received by Romania for energy infrastructure projects)** for "*Development on the Romanian territory of the National Gas Transmission System on the Bulgaria – Romania – Hungary – Austria corridor*" (parte a Proiectului de Interes Comun – codificat în lista PCI 7.1.5. "*Conducta de gaze din Bulgaria in Austria via România si Ungaria*) – BRUA.

but also funding through MA LIOP - Ministry of European Funds, on 11/22/2018, the Financing Contract no. 226 was concluded, with a grant value of 214,496,026.71 lei, for the investment project "NTS developments in the North-East area of Romania in order to improve the natural gas supply of the area as well as to ensure the transmission capacities to the Republic of Moldova".

A grant amounting to 701,259.60 lei was also obtained, by signing the Financing Agreement no. POCU/685/3/8/132556 for the TransGasFormation project - organizing professional training courses.

Other sources of financing strategic investments are bank loans from national and international financial and banking institutions.

In order to emphasize the competitiveness of the financing obtained by Transgaz, please find below a comparison between the costs at which the National Gas Transmission Company Transgaz S.A. was financed. ("Transgaz" or "the Company") and the costs at which the Romanian State was financed by the Ministry of Public Finance ("Romanian State") between November 2017 and November 2020. The aforementioned period is relevant because, until November 2017, Transgaz did not contract financing.

The financing amounts accessed by Transgaz are represented by bank loans (generally investment loans) obtained from International Financial Institutions and Commercial Banks present on the Romanian market, while the financings obtained by the Romanian State are represented by government securities issued in the form of state bonds or treasury certificates.

Whereas the treasury certificates have a maturity of up to 12 months and the cost paid by the Romanian State to the investor for financing is a discount granted to the investor, applied to the value of the certificate and not an annual interest (or coupon as is the case of the government bond), they were not considered relevant for the proposed comparison and as such were not taken into account.

In addition to the fact that the accessed financing products are not similar, the comparison of the financing cost is further hampered by the fact that the amortization of loans is performed differently from the amortization of government securities. Thus, if the investment loans are partially repaid in a generic way at certain intervals not exceeding six months, the government securities are fully amortized at maturity.

Thus, in order to make an appropriate comparison, those government bonds were taken into account for which the currency and the date of issue correspond to the currency and the date of use of the loans contracted by the Company.

Moreover, the government bonds the residual maturity (the period from issuance to maturity) of which was equal to half of the repayment period plus the grace period of the loan +/- 20% were selected.

The financing cost for the loans contracted by Transgaz is represented, for the purpose of this comparison, by the cumulative value of the margin and the reference rate (from the day of accessing the funds or, where such data were not available, its annual average) or by the value fixed rate quoted by the financial institution, while the financing cost of government bonds was represented by the coupon rate.

Thus, during November 2017 - November 2020, Transgaz contracted two loans in Euro the financing cost of which was 0.2% and 1.3%, respectively, while the Romanian State borrowed at a financing cost within the range 1 % - 1.25%.

During the same period, Transgaz contracted four loans in Lei the financing cost of which was within the range 2.3% - 3.5%, while the Romanian State borrowed at a financing cost within the range 3.7% - 4.85%.

III. DOMESTIC AND INTERNATIONAL INSTITUTIONAL MANAGEMENT PERFORMANCES

1. **Effective managerial decisions materialized in substantiated proposals for settlement, appropriated by institutions and authorities of the Romanian State regarding the legislative and regulatory activity incidental to the company's activity; (*legislative proposals and amendments to some regulatory acts found in the final documents issued by institutions/ authorities which resulted in the possibility of optimally carrying out the company's activity and planned infrastructure projects*);**
2. **Successful negotiations with international and national financial and banking institutions on attracting competitive financing for the company's investment projects;**
3. **Successful negotiations with the European Commission on the case investigation opened against Transgaz and its closure by the fulfilment of the undertaken commitments;**
4. **Optimizing the company's rating for foreign currency and local loans, from "BB + with a negative outlook" in 2018 to "BBB- with a stable outlook" in 2020, one notch above the sovereign rating;**
5. **Transgaz' entry into the Romanian Investor Relations Association (ARIR) as a result of fulfilling the VEKTOR criteria and indicators approved by the Bucharest Stock Exchange (BVB) in relation to the company's activity on the Romanian capital market;**
6. **Advanced stage of certification procedures for appropriate environmental assessment (EA) for the company's investment strategy in NTS development, which allows lower costs for financial loans, reduced negotiation time and signing financing contracts with financial assistance institutions, making it easier to obtain the Environmental Agreement for investment projects from the NTS development plan;**
7. **Increasing the confidence of stakeholders and shareholders in the ability and capacity of the management to develop and actually implement viable investment projects for the sustainable development of natural gas**

transmission infrastructure in our country, as evidenced by both the reality on the field and the performance of TGN's share at the Bucharest Stock Exchange.

IV. HUMAN CAPITAL MANAGEMENT PERFORMANCES

- What is worth emphasizing here and it represents a performance is the managerial decision we made to **organize strategic investment projects in Project Management Units (PMUs) (PMU BRUA, PMU Moldova)**, PMUs which, through the use of human capital, of the company's specialists in the management of these projects, **meant substantial savings in the company's operating costs**; the Project Management Unit ensured the integrated management of the strategic projects underway within the company, in the approved time schedules, in the allocated budget and based on the quality requirements established in accordance with the company's strategy; each Project being a logical sequence of processes, grouped on the following phases that define the life cycle of the project: initiation, planning, execution, monitoring & control, closure;
- **Obtaining a grant amounting to lei 701,259.60, by signing the Financing Agreement no. POCU/685/3/8/132556 for the TransGasFormation project** - organization of professional training courses for the company's employees;
- **Transgaz was the first company in the energy sector to draw up a "Plan of measures in the event of a declaration of an epidemic caused by the COVID-19 virus, affecting the health of the company employees and the activity of SNTGN TRANSGAZ (regularly reviewed)";**
- **Implementation of the Internal Management Control System at the level of the entire company**, which led to the increase of the efficiency of monitoring all the processes and management systems within the company, to the minimization of the risks related to the activity carried out and implicitly to the decrease of operational costs;
- **Improving the risk profile at the company level** by reducing the major risks and those with low tolerance through the internal managerial control measures implemented.

V. SOCIAL INVOLVEMENT

The current context of globalization, sustainable development and competitiveness requires that organizations at both national and international level be evaluated not only in terms of economic performance, quality management, communication policy, but also in terms of social performance, their contribution to the development of the social life of the community in which they operate.

Consistent with the principle of applying a responsible management in fulfilling its commitments, **SNTGN TRANSGAZ SA**, realizes the importance of the fact that sometimes a financial support for a noble cause or for a humanitarian purpose is vital and, therefore, both through the initiated CSR programs and the sponsorship policy, is actively involved in community life, thus contributing to increasing the degree of social cohesion and the sustainable development of the community.

In the current context of economic development, visibly marked by permanent transformations of the environment in which companies operate, **effective managerial decisions in the field of corporate social responsibility have meant a responsible attitude towards the results and performances obtained so that the management of social involvement actions is a prudent and efficient one both economically and legally.**

In its activity, **SNTGN TRANSGAZ SA** carried out sponsorship actions every year, **in compliance**



with the allocated budget and legal provisions, in areas such as:

Sponsorship is certainly a practice of supporting social cohesion and sustainability at the level of the community in which **SNTGN TRANSGAZ SA** operates.

As benefits, social involvement actions have generated favourable influences in terms of:

- competitive advantages;
- the company's reputation;
- the company's ability to attract partners, shareholders;
- maintaining motivation and productivity;
- the vision of investors, shareholders and the community;
- company relations with stakeholders, media;

Given that all these **actions of social involvement** allow the company to interact with the environment in which it operates and **generate social benefits (goodwill)** in terms of image, notoriety, visibility and credibility of the company in the environment in which it is present, **we appreciate that by the managerial decision to create an efficient communication, development and monitoring framework regarding the sponsorship actions at the level of SNTGN TRANSGAZ SA, we managed to remodel the results of the activity from purely economic to social- economic ones.**

Furthermore, **SNTGN TRANSGAZ SA** being an important issuer of securities on the Romanian capital market, has implemented the principles of good practice of corporate governance and has developed transparent and responsible business practices, ensuring equal and non-discriminatory information treatment for all shareholders, an aspect that imposed maximum caution, increased attention, strategic managerial decisions, important in terms of responsible management of the entire capital/assets of the company.

During the 2017-2021 term, at the end of 2020, as a sign of recognition and appreciation of the value, results and performances obtained, both Transgaz and I as its Director General (CEO), received from some prodigious institutions/national and international bodies, numerous awards and distinctions as presented in the table below:

AWARDS OBTAINED BY SNTGN TRANSGAZ SA:

No.	DISTINCTION/ AWARD	YEAR OF OBTAINING THE DISTINCTION/AWARD
1	DIPLOMA OF EXCELLENCE - for ranking 5 consecutive years on the first place - awarded by the Sibiu Chamber of Commerce, Industry and Agriculture - Top Performing Companies	2017
2	DIPLOMA I PLACE - for the economic results of 2017 - granted by the Sibiu Chamber of Commerce, Industry and Agriculture	2017
3	FIRST PLACE IN TOP BUSINESS ROMANIA – certified by ListaFirme.ro	2017
4	FIRST PLACE - SERVICES (Very large enterprises - Pipeline transport) - National Top of Companies	2017
5	FIRST PLACE –SERVICES – granted by the Sibiu Chamber of Commerce, Industry and Agriculture - Top Performing Companies	2017
6	SPECIAL DIPLOMA – for 5 years of continuous performance - awarded by FINMEDIA	2017
7	FIRST PLACE – NATIONAL AWARDS – National Top of Companies, XXIV edition, 2017	2017
8	FIRST PLACE – for the economic results of 2018 - SERVICES (Very large enterprises - Pipeline transport) - granted by the	2018

	Sibiu Chamber of Commerce, Industry and Agriculture	
9	ANNIVERSARY DIPLOMA – for the support given to the University in its effort to prepare the specialists of tomorrow, on the occasion of the 70th anniversary of its existence - granted by the Petrol-Gas University of Ploiești	2018
10	THE MAGNA CUM LAUDE FRIENDSHIP GALA 2018, 17th edition	2018
11	ESQR'S QUALITY ACHIEVEMENTS AWARD - LONDON	2017
12	FIRST PLACE IN TOP BUSINESS ROMANIA – certified by ListaFirme.ro	2019
13	BEST COMPANY IN IR2019 - ARIR	2019
14	EXCELLENCE AWARD – Investments in cross-border projects - awarded at the 2019 BURSA Gala	2019
15	ORDER OF INDUSTRIAL AND COMMERCIAL MERIT FOR THE DEGREE OF COMMANDER – granted by the President of Romania Mr. Klaus Werner Iohannis by DECREE no. 777 of 30 October 2019	2019
16	FIRST PLACE IN TOP BUSINESS ROMANIA – certified by ListaFirme.ro	2020
17	STRATEGIC COMPANY ÎN ENERGY FIELD – for finalising the investment objective BRUA 1 and the Ungheni – Chișinău pipeline – awarded at THE DIPLOMAT-BUCHAREST 2020 Gala	2020
18	FINANCING OF THE YEAR – For finalising the € 479 million worth project BRUA 1 – awarded during the ENERGINOMICS AWARDS 2020 Gala	2020
19	BUSINESS PERFORMANCE – Financial Market Magazine Awards Gala	2020
20	ROMANIA - REPUBLIC OF MOLDOVA COOPERATION AWARD	2020

AWARDS/DISTINCTIONS OBTAINED AS DIRECTOR GENERAL

No.	DISTINCTION/ AWARD	YEAR OF OBTAINING THE DISTINCTION/AWA RD
1	DIPLOMA – THE BEST CEO – awarded at the CAPITAL Awards Gala - Excellence in management	2018
2	HONORARY PROFESSOR OF THE ACADEMIC UNION DIPLOMA, OXFORD, UK	2019
3	AWARD FOR INVESTMENTS IN GAS TRANSMISSION INFRASTRUCTURE – awarded at the DINNER - Financial Intelligence Awards 2019 Gala	2019

9. Self-assessment of the personal activity and of that of the Board

Since the managerial performance is the objective result of a managerial exercise, in the acceptance of the private management of SNTGN Transgaz SA, together with an effective management thinking, the strategic directions that this thinking to materialize has also been defined.

The special professional skills, the extensive management expertise and the ability to control visible and invisible dynamics of the team, its psychology, are just some of the advantages of the private management of SNTGN Transgaz SA, a **sense integrating management**.

The private and professional management of the company has succeeded in substantiating the administration and management plans effective in terms of operational intervention and supervision so that through them to achieve the optimization of the activity efficiency and the business development in the context of a national and international environment continuously changing.

As accepted by the private management of the company, the use of modern tools for operational and measurement of performance, instruments successfully used the in strategic management, allows the effective monitoring of the courses of action established for achieving the strategic objectives concerning the management of the company for the period between 2017 and 2021.

The Board of Administration annually assesses its size, composition and works so that its activity, as seen in relation to the dynamic of the requirements of the Board role and duties, is constantly aligned and hence the decisions made for the management of the company are timely, effective and competitive.

The **Annual Report issued by the Board of Administration**, a report that together with the annual financial statements requires the approval of the Ordinary General Meeting of the Shareholders (OGMS), details the management activity of the company compared to the objectives undertaken under the Management Plan. Also, on this term, pursuant to the legal provisions, the administrators of the company submit the discharge from administration to the approval of OGMS.

The structure of the Board of Administration of TRANSGAZ ensures a balance between the executive and non-executive members so that no person or small group of persons can dominate the decision making process of the Board of Administration. The decision-making process within the company is and shall remain a collective responsibility of the Board of

Administration, which shall be held jointly responsible for all decisions taken while exercising its powers.

The members of the Board of Administration constantly update their skills and improve their knowledge on the company's activity and on the best corporate governance practices in order to fulfil their role.

In accordance with the provisions of the Articles of Incorporation of the company, updated, the Board of administration is chaired by a Chairman, appointed by the General Meeting of Shareholders (GMS) from among the members of the Board of Administration.

The responsibilities of the Director General

The Director General of TRANSGAZ S.A. is appointed by the Board of Administration, from among the members of the board or from outside the board of administration.

The Director General has mainly the following responsibilities:

- **applies TRANSGAZ` development strategy and policies established by the Board of Administration;**
- **prepares and submits for approval to the Board of Administration, the management plan during the term of his mandate and for the first year of mandate;**
- **hires, promotes and dismisses the staff, in accordance with the law;**
- **appoints, suspends or revokes the executive directors and the directors of the subsidiaries;**
- **participates in the negotiation of the collective labour agreement, the negotiation and conclusion of which is carried out in accordance with the law, within the mandate given by the board of administration;**
- **negotiates, in accordance with the law, individual labour contracts;**
- **concludes legal documents, in the name and on behalf of TRANSGAZ S.A., within the limits established by the decisions of the board of administration;**
- **establishes the duties and responsibilities of TRANSGAZ` staff;**
- **approves the collection and payment operations, according to the legal competences and the Articles of incorporation;**
- **approves the operations of sale and purchase of goods, within the competences delegated by the board of administration;**
- **empowers the executive directors, the directors within the subsidiaries and any other person to exercise any responsibility within its competence;**
- **fulfils any other task that the board of administration has delegated to be his responsibility;**
- **prepares and presents to the board of administration the reports provided by law;**
- **submits for the approval of the board of administration the transactions concluded with the administrators, or the directors, with the employees,**

respectively the shareholders who have control over Transgaz or with a company controlled by them, if the transaction has, individually or in a series of transactions, a value of at least the RON equivalent of 50,000 euros.

The undersigned, Ion STERIAN, was appointed Director General of SNTGN Transgaz SA by the Decision of the Board of Administration no. 24 / 21.07.2017.

The duration of the mandate is 4 years. As an executive administrator, my mandate started on 30.04.2017 and is terminated on 29.04.2021.

The strengths considered upon my appointment as Director General have been and still are:

- vast technical expertise and professional experience gained in the administration and control / management of large and medium-sized companies, listed companies;
- the strategic vision and the ability to evaluate the impact generated by it on the company's activity and results;
- the ability to act as a facilitator of information in relation to the executive management of the company, between the members of the Board, to adapt to different opinions and points of view, to ensure a permanent balance between board members and the company's management;
- appropriate training and personality for the role of leader in the coordination and decision-making process regarding the administration of the company;
- excellent institutional and interpersonal communication skills both within the board and in its relations with the executive management and stakeholders of the company;
- decision-making power and coherence in executive management guidance and control actions;
- skills and ability to develop and maintain an efficient, dynamic and appropriate relational system specific to the company's activity;
- the ability to ensure a precise delimitation between the roles and responsibilities of the Board of Administration and those of the executive management;
- determination, the quality of a good organizer, dynamism, communication and dialogue skills;
- creativity, hard work, desire to get involved and the strength to undertake the responsibility of managing a large company, team spirit;
- independent reasoning in decision making, critical and constructive reasoning, collective responsibility.

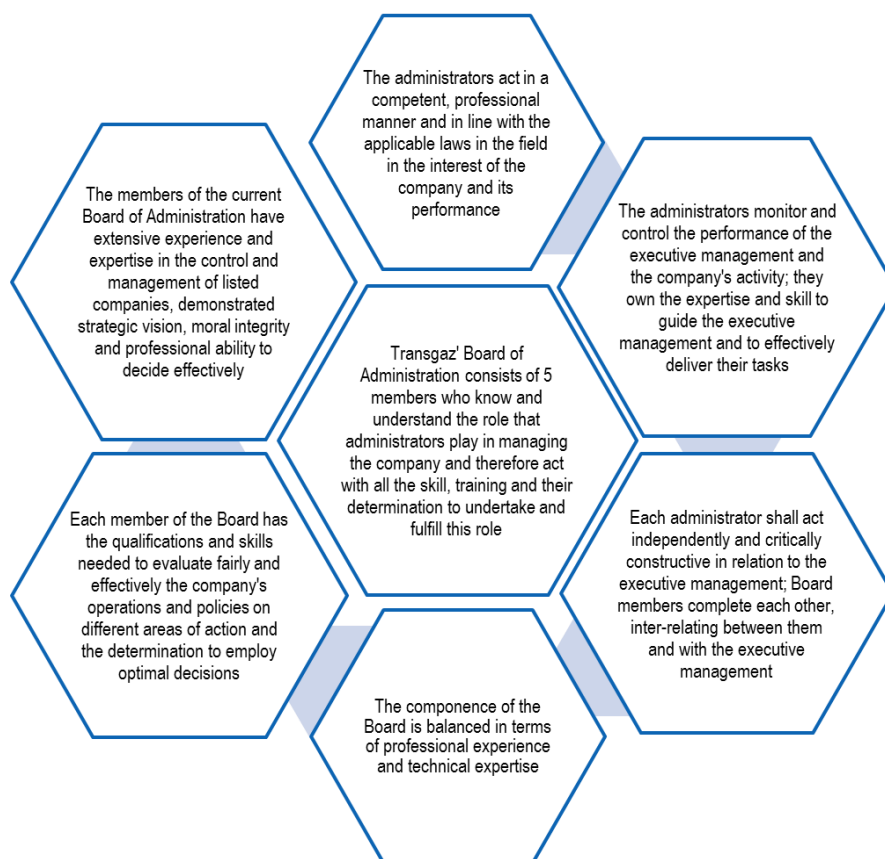
The activity I have carried out during the 2017-2021 mandate as an executive administrator and Director General of SNTGN Transgaz S.A was performed:

- in compliance with the applicable legislation related to the field of business, the interest of the company and its increasing performance;
- in a professional and competent manner while pursuing efficiency and excellence in

business;
<ul style="list-style-type: none"> ▪ in good faith, with loyalty and with the mandate of a good manager of state property and other shareholders;
<ul style="list-style-type: none"> ▪ in the spirit of best corporate governance practices;
<ul style="list-style-type: none"> ▪ in a transparent, prudent manner and with utmost responsibility and seriousness;
<ul style="list-style-type: none"> ▪ in compliance with the standards of moral and professional ethics and integrity;
<ul style="list-style-type: none"> ▪ through total commitment and acceptance of tasks and projects of national and international strategic scale;
<ul style="list-style-type: none"> ▪ effectively and based on consensus and effective communication both during the actions undertaken and the decisions made for the management of the company;
<ul style="list-style-type: none"> ▪ in a sustainable manner through remodelling and development of business by strategically repositioning the company, which became a major player on the European, regional and international energy scene;

As executive administrator in the current Board of Administration of SNTGN Transgaz SA and also as the company`s Director General I would like to mention that my every decision and action was made in a collective and unitary manner pursuant to the legal provisions in force and in strict compliance with the terms of the mandate granted and of the commitments undertaken regarding the administration and general management of the company in the period 2017-2021.

Regarding the architecture, competence and work of the current Board of Administration of SNTGN TRANSGAZ S.A., I can add the following:



Self-assessment report prepared by the members of the Board of Administration on the compliance of the activity with the requirements of the New Corporate Governance Code of the Bucharest Stock Exchange

SNTGN Transgaz SA, as a company listed on the BSE in the Premium category, voluntarily adopted the CGC provisions of the BSE and reports as of 2010 total or partial compliance by the ***Statement on compliance or non-compliance with the provisions of the Corporate Governance Code (the `apply or explain` Statement)*** contained in the Administrators' Report.

In September 2015, a **new BSE Corporate Governance Code** was launched for companies listed on the main market, applicable from 4 January 2016. The new Code was developed by the BSE as part of a new corporate governance framework for promoting higher governance and transparency standards for the listed companies.

The implementation of the new rules is based on the "apply and explain" principle, which provides the market with clear, accurate and timely information on how listed companies comply with corporate governance rules.

Transgaz is in full compliance with most of the provisions of the new Code, and the provisions with which the company is not yet in compliance were explicitly presented in a current report

sent to the BSE in January 2016, which was also published on the company's website at the section: *Informații investitori/Raportări curente/2016*.

Any further compliance of the company in this respect will be reported to the capital market.

The provisions of the new Code	Compliant	Non-compliant or partially compliant	Reason for non-compliance
Section A-Responsibilities			
A.1	All companies must have an internal Board Regulation that includes the terms of reference / responsibilities of the Board and the key management functions of the company and which applies, inter alia, the General Principles of Section A.	X	
A.2	Provisions for managing conflicts of interest should be included in the Board Regulation. In any event, Board members must notify the Board of any conflicts of interest that have arisen or may arise and refrain from participating in the discussions (including by non-attendance, unless the failure to attend would hamper the formation of the quorum) and from the vote for the adoption of a decision on the issue giving rise to the conflict of interest concerned.	X	
A.3	The Board of Administration or the Supervisory Board must be composed of at least 5 members.	X	
A.4	Most members of the Board of Administration should not hold executive positions. At least one member of the Board of Administration or the Supervisory Board must be independent in the case of companies from the Standard Category. In the case of Premium Category companies, no less than two non-executive members of the Board of Administration or the Supervisory Board must be independent. Each independent member of the Board of Administration or the Supervisory Board,	X	

The provisions of the new Code	Compliant	Non-compliant or partially compliant	Reason for non-compliance
as the case may be, must file a statement at the time of his/her nomination for election or re-election, and when any change of his/her status occurs, indicating the elements based on which he/she is considered as independent from the point of view of his/her character and judgment and according to the following criteria:			
A.4.1. He / she is not the General Manager / Chief Executive Officer of the company or of a company controlled by the company and has not held such a position in the last 5 years.	X		
A.4.2. He / she is not the employee of the company or of a company controlled by the company and has not held such a position in the last 5 years.	X		
A.4.3. He/she does not receive and has not received any additional remuneration or other benefits from the company or a company controlled by it, other than those corresponding to the capacity of non-executive administrator.	X		
A.4.4. He/she is not or was not the employee or does not or did not have a contractual relationship in the previous year with a significant shareholder of the company, a shareholder controlling over 10% of the voting rights, or a company controlled by it.	X		
A.4.5. He/she has not and did not have a business or professional relationship with the company or a company controlled by it, either directly or as a client, partner, shareholder, member of the Board / Administrator, general manager / executive manager or employee of a company if, by virtue of its substantive nature, this relationship may affect his/her objectivity.	X		

The provisions of the new Code	Compliant	Non-compliant or partially compliant	Reason for non-compliance
<p>A.4.6. He/she is not and was not, in the last 3 years, an external or internal auditor or a partner or employed associate of the current external financial auditor or the internal auditor of the company or a company controlled by it.</p>	X		
<p>A.4.7. He/she is not the general manager / executive director of another company where another general manager / executive director of the company is the non-executive administrator.</p>	X		
<p>A.4.8. He/she has not been a non-executive administrator of the company for more than 12 years.</p>	X		
<p>A.4.9. He/she has no family ties with a person in the cases mentioned in A.4.1 and A.4.4.</p>	X		
<p>A.5 Other relatively permanent commitments and obligations of a member of the Board, including executive or non-executive positions in the Board of Non-Profit organizations and companies, should be disclosed to potential shareholders and investors prior to nomination and during his/her term of office.</p>	X		
<p>A.6 Any member of the Board must report to the Board any relationship with a shareholder directly or indirectly owning shares representing more than 5% of all voting rights. This obligation refers to any relationship that may affect the member's position on matters decided by the Board.</p>		X	<p>Information will be requested from Board of Administration members</p> <p>Transgaz will send to the BSE a current report at the time of compliance.</p>
<p>A.7 The company must designate a Board Secretary responsible for supporting the work of the Council.</p>	X		
<p>A.8 The Corporate Governance Statement will inform whether a Board assessment has taken place under the leadership of the Chairman or the nomination committee</p>		X	<p>The activity of the Board of Administration is evaluated on the basis of the performance</p>

The provisions of the new Code	Compliant	Non-compliant or partially compliant	Reason for non-compliance
	and, if so, will summarize the key measures and the resulting changes. The company must have a policy / guidance on the Council's assessment with regard to the purpose, criteria and frequency of the assessment process.		<p>criteria included in the management plan as well as in the mandate contracts, and the extent to which they are fulfilled is included in the Board of Administration annual report.</p> <p>The company does not have a policy / guide for assessing the activity of the Board of Administration, the assessment being made on the basis of the above-mentioned criteria. TGN will send a current compliance report when drafting this policy.</p>
A.9	The corporate governance statement should contain information on the number of Board and committee meetings over the past year, the participation of administrators (in person and in absentia), and a report by the Board and committees on their activities.	X	
A.10	The corporate governance statement should include information on the exact number of independent members of the Board of Administration or the Supervisory Board.	X	
A.11	The Boards of Premium Category Companies must establish a nomination committee composed of non-executive members, which will lead the nomination process of new members of the Board and make recommendations to the Board. Most members of the nomination committee must be independent.	X	

The provisions of the new Code	Compliant	Non-compliant or partially compliant	Reason for non-compliance
Section B - Risk Management System and Internal Control System			
B.1	The Board should establish an audit committee in which at least one member has to be a non-executive independent administrator. Most members, including the Chairman, must have demonstrated that they have appropriate qualifications relevant to the functions and responsibilities of the Committee. At least one member of the audit committee must have proven and appropriate auditing or accounting experience. In the case of Premium Category companies, the audit committee must consist of at least three members and the majority of the members of the audit committee must be independent.	X	
B.2	The Chairman of the Audit Committee should be an independent non-executive member.	X	
B.3	Within its responsibilities, the audit committee must carry out an annual assessment of the internal control system.	X	
B.4	The assessment should take into account the effectiveness and scope of the internal audit function, the adequacy of the risk management and internal control reports submitted to the audit committee of the Board, the promptness and effectiveness with which executive management addresses the deficiencies or weaknesses identified following the internal control and the submission of relevant reports to the Board.	X	
B.5	The audit committee should assess the conflicts of interest in relation to the transactions of the company and its subsidiaries with affiliated parties.	X	
B.6	The audit committee should assess the effectiveness of the internal control system	X	

The provisions of the new Code	Compliant	Non-compliant or partially compliant	Reason for non-compliance
and risk management system.			
B.7 The Audit Committee should monitor the application of generally accepted legal standards and auditing standards. The Audit Committee should receive and evaluate internal audit team reports.	X		
B.8 Whenever the Code mentions reports or analyses initiated by the Audit Committee, they should be followed by regular reports (at least annually) or ad-hoc reports to be submitted to the Board.	X		
B.9 No shareholder may be granted preferential treatment over other shareholders in connection with transactions and agreements entered into by the company with shareholders and their affiliates.	X		
B.10 The Board must adopt a policy to ensure that any transaction of the company with any of the companies with which it has close relationships with a value equal to or greater than 5% of the net assets of the company (according to the latest financial report) is approved by the Board following a binding opinion of the Board's Audit Committee and properly disclosed to shareholders and potential investors, to the extent that such transactions fall within the category of events subject to reporting requirements.		X	This policy will be developed and approved in accordance with the BoA Rules of Procedure and organization and the Articles of Incorporation.
B.11 Internal audits should be performed by a separate structural division (audit department) within the company or by hiring an independent third party.	X		
B.12 In order to ensure the main functions of the internal audit department, it must report functionally to the Board through the audit committee. For administrative purposes and within the management's responsibility to monitor and mitigate	X		

The provisions of the new Code	Compliant	Non-compliant or partially compliant	Reason for non-compliance
risks, it must report directly to the Director General.			

Section C – Fair rewards and motivation

C.1	<p>The company must publish its remuneration policy on its intranet page and include a statement on the implementation of the remuneration policy in the annual report during the annual period under review.</p> <p>The remuneration policy should be formulated in such a way as to enable shareholders to understand the principles and arguments underpinning the remuneration of the members of the Board and of the Director General as well as the directors in the dualist system. It should describe the management of the decision-making process on remuneration and detail the components of the executive management's remuneration (such as salaries, annual bonuses, long-term incentives related to the value of shares, benefits in kind, pensions, etc.) and describe the purpose the principles and assumptions underlying each component (including general performance criteria for any form of variable remuneration). In addition, the remuneration policy must specify the duration of the contract of the executive director and the notice period stipulated in the contract, as well as possible compensation for unjustified revocation.</p> <p>The remuneration report should present the implementation of the remuneration policy for the persons identified in the remuneration policy during the annual period under review.</p> <p>Any major change in the remuneration policy should be published in a timely manner on the company's website.</p>		X	Transgaz partially applies this provision by observing the provisions of GEO 109/2011 art.39 and art. 55 (2).
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The provisions of the new Code	Compliant	Non-compliant or partially compliant	Reason for non-compliance
Section D-Building value by the relationship with investors			
D.1	The company must organize an Investor Relations Service-indicating to the general public the responsible person(s) or organizational unit. In addition to the information required by law, the company must include on its website a section dedicated to Investor Relations, in Romanian and English, with all relevant information of interest to investors, including:	X	
	D.1.1. Main corporate regulations: the Articles of Incorporation, the procedures for the general meetings of the shareholders.	X	
	D.1.2. Professional CVs of members of the company's governing bodies, other professional engagements of Board members, including executive and non-executive positions in boards of administration in non-profit companies or institutions.	X	
	D.1.3. Current reports and regular reports (quarterly, half-yearly and annually) - at least those under D.8 - including current reports with detailed information on non-compliance with this Code;	X	
	D.1.4. Information on the general meetings of the shareholders: agenda and informative materials; the procedure for electing the members of the Board; the arguments that support the proposals of candidates for election in the Board together with their professional CVs; the shareholders' questions about the agenda items and the company's replies, including the resolutions adopted.		X The Company partially applies this provision, in accordance with art. 29 of GEO 109/2011 on Corporate Governance of Public Enterprises, as subsequently amended and supplemented.
	D.1.5. Information on corporate events, such as the payment of dividends and other distributions to shareholders, or	X	

The provisions of the new Code	Compliant	Non-compliant or partially compliant	Reason for non-compliance	
<p>other events leading to the acquisition or limitation of the rights of a shareholder, including the deadlines and the principles applied to such operations. Such information will be published within a time frame that will allow investors to make investment decisions.</p>				
<p>D.1.6. Names and contact details of a person who will be able to provide relevant information upon request.</p>	X			
<p>D.1.7. Company presentations (e.g., investor presentations, quarterly results presentations, etc.), financial statements (quarterly, half-yearly, annually), audit reports, and annual reports.</p>	X			
D.2	<p>The Company will have a policy on the annual distribution of dividends or other benefits to shareholders proposed by the Director General or the Directorate and adopted by the Board in the form of a set of guidelines that the company intends to follow regarding the distribution of net profit. The principles of the policy regarding annual distribution to shareholders will be published on the company's website.</p>		X	<p>The distribution of the company's profits is made in accordance with the provisions of Government Emergency Ordinance 64/2001 on the distribution of profits of national companies, and trade companies with full or majority state capital, as well as autonomous administrations.</p>
D.3	<p>The company will adopt a policy in relation to the forecasts, whether they are made public or not. The forecasts refer to quantified conclusions of studies aimed at determining the overall impact of a number of factors over a future period (so-called assumptions): by its nature, this projection has a high level of uncertainty, the actual results may differ significantly from the forecasts originally presented. The forecasting policy will determine the frequency, the period considered and the content of the forecasts. If published, the forecasts can only be included in the</p>		X	<p>The activity of the company is regulated by ANRE. The management plan of Transgaz includes the management strategy during the mandate.</p> <p>It is rigorously structured and includes strategic action directions for managing all the resources, operational and management processes</p>

The provisions of the new Code	Compliant	Non-compliant or partially compliant	Reason for non-compliance
annual, half-yearly or quarterly reports. The forecasting policy will be published on the company's website.			of the company in order to achieve, with maximum efficiency, the established performance targets.
D.4 The rules of the general meetings of the shareholders must not limit the participation of shareholders to general meetings and the exercise of their rights. Changes to the rules will take effect at the earliest, starting with the next meeting of the shareholders.	X		
D.5 External auditors will be present at the general meeting of the shareholders when their reports are presented at these meetings.	X		
D.6 The Board will give a brief assessment to the Annual General Meeting of the Shareholders on the internal control and risk management systems as well as opinions on matters subject to the decision of the general meeting.	X		This information is included in the annual report of the Board of Administration as well as in the Statement of the management, drawn up in accordance with art. 30 of the Accounting Law no. 82/1991.
D.7 Any specialist, consultant, expert, or financial analyst may attend the meeting of the shareholders on the basis of a prior invitation from the Board. Accredited journalists may also participate in the general meeting of shareholders, unless the Chairman of the Board decides otherwise.	X		
D.8 The quarterly and half-yearly financial reports will include both Romanian and English information on the key factors that affect changes in sales, operating profit, net profit and other relevant financial ratios from one quarter to another quarter, and from one year to another.	X		

The provisions of the new Code	Compliant	Non-compliant or partially compliant	Reason for non-compliance
D.9	A company will hold at least two meetings / teleconferences with analysts and investors each year. The information presented on these occasions will be published in the Investor Relations section of the company's website at the date of the meetings / teleconferences.	X	
D.10	If a company supports different forms of artistic and cultural expression, sporting activities, educational or scientific activities, and considers that their impact on the innovation and competitiveness of the company is part of its mission and development strategy, it will publish its activity policy in this area.	X	

10. Lines of action for activity continuation and improvement

As an executive administrator, I agree with the general belief of my administrator colleagues and also underline the fact that the **active members of the Board of Administration of SNTGN TRANSGAZ SA are a HIGH-PERFORMANCE TEAM** that over the term of the two successful mandates has succeeded in joining their forces and experience and in efficiently, constructively consolidating and acting as a unitary whole.

Through professionalism, ethics, responsibility and seriousness, through dedication and passion for performance and excellence in business, the operating Board of Administration has succeeded in proving, based on the results and facts, that it can develop and lead to the growth of Transgaz activity year by year and that, through an efficient communication and permanent dialogue it has become a powerful team, able to undertake realistic and ambitious strategic investment programs for the national, regional and international energetic industry.

The National Gas Transmission Company TRANSGAZ is the technical operator of the National Gas Transmission System and ensures the efficient, transparent, safe fulfilment, the non-discriminating access and competitiveness of the national strategy established for the internal and international transmission, the dispatching of natural gas, the research and design of natural gas transmission field by complying with the legal provisions and the national and European quality, performance, environment and sustainable development standards.

Under the current administrative and executive management, TRANSGAZ has gone through and is going through the most attractive period of its existence, namely the transformation and modernization of the business model, the remodelling of its attitude towards the company and stakeholders, organizational re-design and compliance with the legislative standards applicable to the activity performed, being today, based on the major investments made, one of the top energy companies in the European Union.

For 13 years, TRANSGAZ has been a company listed on the Bucharest Stock Exchange, a transparent company open to dialogue and with good corporate practices, a successful company, a successful local brand, a company that believes in its organizational values and that constantly invests in the education and professional development of the human resources at its disposal.

The management plan of SNTGN Transgaz SA is governed by a responsible, professional and ethical attitude in relation to all stakeholders (shareholders, employees, partners, community, authorities and state institutions, media, etc.) and reflects the strategic vision of the administrators on the directions of strategic redefinition and streamline of the company in line with the requirements of the European policy on energy safety and security, competitiveness and sustainability and with the future needs and opportunities of Romania in order to become a major player on the European gas market.

The current Board of Administration of SNTGN TRANSGAZ SA has managed, through the strategic directions of action set out in the company Management Plan, to strategically redefine the company and to transform it into a **company of strategic importance for the national and regional economy, into a central pillar for the assurance of the Romanian energy security.**

According to the legal provisions, the Board of Administration delegated the management of the company to me, appointing me as Director General and entrusting me with the responsibility to ensure together with the executive management, by the Management Component, the operationalization of the strategic directions approved under the company's management plan.

By empowering the significance of the company both as an engine of the national economy and as a vector for the economic growth of the country, through its role in the development of the energy sector and the transformation of Romania into an energy power of Europe, the current administrators of the company started one of the largest and most important programs for the development of the gas transmission infrastructure in Romania in the past 20 years, with investment projects estimated at over **Euro 4 billion.**

In the context of profiling two new sources of gas supply, i.e. **the gas from the Caspian region and the ones discovered in the Black Sea**, the investments proposed by Transgaz in the **Ten Years Development Plan for the National Gas Transmission System, a plan approved by ANRE, represent strategic investments for the energy security and the development of the gas transmission infrastructure in Romania and its compliance with the requirements of the relevant European regulations.**

The proposed investments will result in:

- ensuring safety of natural gas supply;
- increasing the interconnection of the national gas transmission network to the European network;
- increasing the flexibility of the national gas transmission network;
- liberalization of the gas market;
- creation of the European Union integrated natural gas market;
- ensuring the connection of third parties to the transmission system, according to specific regulations, within the limits of the transmission capacities and with the observance of the technological regimes;
- extension, by December 2021, of the pipeline network up to the entrance in the localities certified as tourist resorts of national and local interest, when these localities are at a maximum distance of 25 km from the connection points of the transmission system operators;
- ensuring the connection to the natural gas network of new investments, generating jobs.

Given the complex and extensive investment program, Transgaz envisages, besides its own sources, the use of external financing under favourable conditions.





In this regard, the company has established a professional European funds and international relations division, involved in accessing the European funds and in the development of international cooperation relations.

Moreover, Transgaz established a financing committee with role in attracting funding from international financial institutions or from other financial and banking institutions and from the capital market by issue of bonds.

The strategic vision of those who today bear responsibility for the destiny of this company focuses on professional and effective management able to face challenges and constraints, on the development and modernization of the national gas transmission infrastructure, on competitiveness and capitalizing of existing and future opportunities so that TRANSGAZ become a gas transmitter with recognition on the international market of natural gas, a leader on the energy market in the region, an important link in the national and European energy chain.

Focusing on fully achieving the desiderates set and the fulfilment of the strategic objectives on operational effectiveness, performance optimization and sustainable development of the company, by complying with the principles of good corporate governance, **the current Board of Administration wants to renew, based on the legal provisions in force, its mandate and** thus to be able to continue with the same dedication, responsibility and efficiency, transparency and professionalism to all stakeholders, the road opened in the 2017-2021 mandate for the construction and development of a solid and effective future of the Romanian energy sector.

Undertaken strategic objective	No.	Objective undertaken under the Management Plan	Continuou s
A. ENERG Y SAFET Y AND SECUR	1.	The strengthening of the role played by SNTGN Transgaz S.A. Medias as a gas transmitter on the European and national energy market, as a result of the EU requirements on the development of interconnection between NTS and the	Continuou s

Undertaken strategic objective	N o.	Objective undertaken under the Management Plan	Continuou s																		
		similar transmission systems in neighbouring countries, of the potential for exploitation of significant reserves of natural gas discovered in the Black Sea and the shale gas in the future;																			
		<p>The completion of the strategic investment projects included in the TYNDP</p>  <table border="1" data-bbox="432 1055 1273 2056"> <thead> <tr> <th>Project</th> <th>Estimated value mil Euro</th> <th>Completion date</th> </tr> </thead> <tbody> <tr> <td>1. The development in Romania of the National Gas Transmission System on the Bulgaria - Romania - Hungary - Austria Corridor - BRUA</td> <td>552,5 of which: Phase I: 478,6 and Phase II: 74,5</td> <td>Phase I: 2020 Phase II: 2022</td> </tr> <tr> <td>BRUA – A TRANSGAZ PROJECT FOR ROMANIA and EUROPA  Cofinanțat de Uniunea Europeană Mecanismul pentru Interconectarea Europei Grant received: - Euro 1.52 million through the Connecting Europe Facility, representing 50% of the total estimated costs of designing the compression stations. - Euro 179.32 million through the Connecting Europe Facility, representing 40% of total eligible costs for the works of the BRUA Project - Phase 1</td> <td></td> <td></td> </tr> <tr> <td>2. Development of the Southern Transmission Corridor on the territory of Romania for taking over the natural gas from the Black Sea shore.</td> <td>371,6</td> <td>2022</td> </tr> <tr> <td>3. Interconnection of the national gas transmission system with the T1 natural gas international transmission pipeline and reverse flow at Isaccea.</td> <td>77,7</td> <td>2020</td> </tr> <tr> <td>4. NTS developments in North-East Romania for enhancing gas supply to the area and for ensuring transmission capacities to the Republic of Moldova</td> <td>174,25</td> <td>2021</td> </tr> </tbody> </table>	Project	Estimated value mil Euro	Completion date	1. The development in Romania of the National Gas Transmission System on the Bulgaria - Romania - Hungary - Austria Corridor - BRUA	552,5 of which: Phase I: 478,6 and Phase II: 74,5	Phase I: 2020 Phase II: 2022	BRUA – A TRANSGAZ PROJECT FOR ROMANIA and EUROPA  Cofinanțat de Uniunea Europeană Mecanismul pentru Interconectarea Europei Grant received: - Euro 1.52 million through the Connecting Europe Facility, representing 50% of the total estimated costs of designing the compression stations. - Euro 179.32 million through the Connecting Europe Facility, representing 40% of total eligible costs for the works of the BRUA Project - Phase 1			2. Development of the Southern Transmission Corridor on the territory of Romania for taking over the natural gas from the Black Sea shore.	371,6	2022	3. Interconnection of the national gas transmission system with the T1 natural gas international transmission pipeline and reverse flow at Isaccea.	77,7	2020	4. NTS developments in North-East Romania for enhancing gas supply to the area and for ensuring transmission capacities to the Republic of Moldova	174,25	2021	Continuou s through the 2018-2027 TYNDP, 2019-2028 TYNDP and 2020-2029 TYNDP
Project	Estimated value mil Euro	Completion date																			
1. The development in Romania of the National Gas Transmission System on the Bulgaria - Romania - Hungary - Austria Corridor - BRUA	552,5 of which: Phase I: 478,6 and Phase II: 74,5	Phase I: 2020 Phase II: 2022																			
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Undertaken strategic objective	N o.	Objective undertaken under the Management Plan			Continuou s
		5. Enhancement of Bulgaria-Romania-Hungary-Austria bi-directional gas transmission corridor (BRUA-Phase 3)	530	2025	
		6. New NTS developments for taking over Black Sea gas	9,14	2021	
		7. Romania-Serbia Interconnector – new project	56,21	2021	
		8. Upgrading GMS Isaccea 1 and GMS Negru Vodă 1– new project	26,65	2021	
		9. Interconnection of the national gas transmission system with the natural gas transmission system in Ukraine, on the Gherăesti-Siret direction – new project	125	2025	
		10. Development/Upgrading of the gas transmission infrastructure in the North-Western part of Romania	405	Phase 1 2022 Phase 2 2025 Phase 3 2026	
		11. Increase in the gas transmission capacity of the interconnection Romania-Bulgaria, in the Giurgiu-Ruse direction	51,8	2027	
		12. Eastring–Romania	Phase 1: 1.297 Romania Phase 2: 357 mil. Romania	Phase 1: 2025 Phase 2: 2030	
		13. Monitoring system, data control and acquisition for the cathodic protection stations related to the National Gas Transmission System	8	2023	
		14. Development of the SCADA system for the National Gas Transmission System	5,5	2023	
		15. Upgrading GMS Isaccea 2 and GMS Negru Voda 2 for enabling bidirectional flow on the T2 pipeline	26,65	2024	
		16. Upgrading GMS Isaccea 3 and GMS Negru Voda 3 for enabling bidirectional flow on the T3 pipeline	26,65	2028	
		17. Interconnection between NTS and the Black Sea LNG Terminal	19,6	2028	
		Total		4,1 billion euro	
	2.	The continuation of the actions for the conclusion of the development agreements referring to the interconnection of NTS with similar transmission systems of the neighbouring countries;			Continuou s
	3.	The development of business by optimizing the absorption of European funds and the creation of efficient and flexible financing structures.			Continuou s
B. COMPETITIVITY	1.	The optimization and streamlining of the management systems and processes throughout the company, of the quality of operational processes and their alignment to the requirements of the Integrated Management System for Environment Quality (IMSEQ) and of the modern standards of performance and			Continuou s

Undertaken strategic objective	N o.	Objective undertaken under the Management Plan	Continuou s
		competitiveness;	
	2.	The intensification of design and scientific research in the transmission of natural gas;	Continuou s
	3.	The minimization of the technological consumption;	Continuous
	4.	The improvement of the quality of investment programs of modernization and development, of the programs for repair, rehabilitation and maintenance of the NTS	Continuous
	5.	The monitoring of the implementation of the SCADA data control and acquisition;	Continuous
	6.	The optimum sizing of the necessary human resources compared to the actual needs of the business and the development of the company;	Continuous
	7.	The improvement of the process for training, teaching and development of the employees;	Continuous
	8.	The optimization of the quality good corporate governance principle implementation;	Continuous
	9.	The optimization of the cost budgetary control process.	Continuous
C. SUSTAINABLE DEVELOPMENT	1.	The strengthening and diversifying of the internal and external cooperation relations of SNTGN Transgaz SA	Continuous
	2.	The optimization of the risk management of risks that may affect the company's business	Continuous
	3.	The optimization of human resource management processes	Continuous
	4.	The increase in energy efficiency and the decrease of the negative impact of the technological processes on the environment	Continuous
	5.	The maintenance of financial balance and operational stability	Continuous
	6.	The increase in the adaptability and responsiveness of the company to permanent changes of the environment in which it operates; the resolution of certain issues concerning the NTS infrastructure (e.g. East - West system, upstream metering and adjusting stations not connected to the transmission system)	Continuous
	7.	The improvement of occupational health and safety	Continuous
	8.	The improvement of the general internal and external communication process inside the company and of the image capital	Continuous

In addition to the strategic objectives undertaken during the 2017-2021 mandate and started / initiated and that are to be continued during a new mandate, the current Board of Administration intends to provide to respond effectively to the shareholders' expectations for the next 4 years, expectations which mainly aim at moving them from the annual profit maximization objective to strategic objectives such as:

- **implementation of sustainable gas transmission infrastructure investment programs over the medium and long term;**
- **efficient capitalization of business opportunities;**
- **development of research and innovation activity;**
- **human capital development;**
- **transparency, ethics and integrity;**
- **implementation of best corporate governance practices;**
- **improving the risk management process by optimizing the conceptual and methodological framework;**
- **competitiveness and sustainable development.**

The Activity Report is prepared according to Article 29 (14) of Government Emergency Ordinance 109/2011 on corporate governance of stateowned enterprises, as further amended and supplemented.

I enclose to this Activity Report my Curriculum Vitae.

ION STERIAN

**Chairman of the Board of Administration
Executive Administrator**

European

CURRICULUM VITAE



PERSONAL INFORMATION

Name, surname

STERIAN ION

Address

54 Calarasilor Street, block 10, entrance 2, floor 4, flat 412, Braila, Romania

Telephone

Fax

Personal E-mail

Nationality

Date of birth

0372899336

sterianbr@gmail.com

Romanian

18.06.1959

WORK EXPERIENCE

Date (from – to)

21.07.2017- present

Employer's name and address

The National Gas Transmission Company Transgaz SA

Type of activity or sector

Energy/Transmission through pipelines

Occupation or position held

Director - General

Date (from – to)

17.05.2017- 21.07.2017

Employer's name and address

The National Gas Transmission Company Transgaz SA

Type of activity or sector

Energy/Transmission through pipelines

Occupation or position held

Acting Director-General

Main activities and responsibilities

Ensuring the general management

Date (from – to)

30.04.2017 – present

Employer's name and address

The National Gas Transmission Company Transgaz SA

Type of activity or sector

Energy

Occupation or position held

Administrator of SNTGN Transgaz S. A./Member of the NTS Safety and Security Committee, Strategy and Development Committee, Regulatory and Public Authorities Relations Committee

Main activities and responsibilities

Supervising and control of the Company's activity

Date (from – to)

2013 - 29.04.2017

Employer's name and address

The National Gas Transmission Company Transgaz SA

Type of activity or sector

Energy

Occupation or position held

Chairman of the Board of Administration

Member of the Nomination and Remuneration Committee, NTS Safety and Security Committee, Strategy and Development Committee and Regulatory and Public Authorities Relations Committee

Main activities and responsibilities

Coordination of Transgaz` supervisory and control activity

Date (from – to)

2010 – 17.05.2017 (the date of suspension of Individual Labour Contract)

Employer's name and address

Autonomous Administration of State Protocol Patrimony

Type of activity or sector	Coordination
Occupation or position held	Executive Director of Technical Division
Main activities and responsibilities	Coordination of the Technical Division's activity within the Autonomous Administration of State Protocol Patrimony
Date (from – to)	2010 – 2010
Employer's name and address	Ministry for Regional Development and Tourism
Type of activity or sector	Coordination
Occupation or position held	State Under-Secretary
Main activities and responsibilities	Coordination of public works activities within the Ministry for Regional Development and Tourism
Date (from – to)	2009 – 2010
Employer's name and address	The Autonomous Administration of State Protocol Patrimony – Subsidiary for the Real Estate Fund Maintenance and Administration (S.A.I.F.I.)
Type of activity or sector	Coordination
Occupation or position held	Coordination Director
Main activities and responsibilities	Coordination of the activities performed by the Subsidiary for the Real Estate Fund Maintenance and Administration within The Autonomous Administration of State Protocol Patrimony
Date (from – to)	2009 – 2009
Employer's name and address	Bucharest City Hall – Sector 1 – General Directorate for Social Security and Child Protection
Type of activity or sector	Coordination
Occupation or position held	Director of the Patrimony Administration Directorate
Main activities and responsibilities	Activities related to Social Assistance and Child Protection
Date (from – to)	2006 – 2009
Employer's name and address	The Autonomous Administration of State Protocol Patrimony
Type of activity or sector	Coordination
Occupation or position held	Executive Director of the Technical Division
Main activities and responsibilities	Coordination of the Technical Division's activity within the Autonomous Administration of State Protocol Patrimony
Date (from – to)	2005 - 2006
Employer's name and address	Autonomous Administration of the Free Zone of Braila
Type of activity or sector	Coordination
Occupation or position held	Executive Director of the Technical Division
Main activities and responsibilities	Coordination of the Technical Division's activity within the Autonomous Administration of the Free Zone of Braila
Date (from – to)	1992 - 2004
Employer's name and address	S.C. Petrotrans S.A. Ploiesti
Type of activity or sector	Coordination
Occupation or position held	Area Manager
Main activities and responsibilities	Coordination of the Area's activity
Date (from – to)	1985 - 1992
Employer's name and address	ITLPP Peco Ploiești
Type of activity or sector	Coordination
Occupation or position held	Regional Coordinator

Main activities and responsibilities	Regional activity coordination
Date (from – to)	1983 - 1985
Employer's name and address	Drilling and Extraction Facility, Braila
Type of activity or sector	Coordination
Occupation or position held	Deputy Head of Department
Main activities and responsibilities	Coordination of the department's activity
EDUCATION AND TRAINING	
Date (from – to)	1980 - 1983
Education or training organisation's name	Oil and Gas University of Ploiesti
Principal subjects covered or skills acquired	Oil and gas well drilling and extraction
Diploma	Bachelor of Arts – junior engineer
Level in the national classification (if appropriate)	Higher education
Date (from – to)	1995 - 1996
Education or training organisation's name	Open Business School – Codex Romania
Principal subjects covered or skills acquired	- Course of financial management - Course of competitive management
Date (from – to)	2000 - 2002
Education or training organisation's name	University of Agronomic Sciences and Veterinary Medicine Bucharest Faculty of Management, Economic Engineering in Agriculture and Rural Development
Principal subjects covered or skills acquired	Management and Economic Engineering
Diploma	Bachelor of Arts – graduate engineer
Level in the national classification (if appropriate)	Complete university studies
Date (from – to)	2002 – 2004
Education or training organisation's name	University of Agronomic Sciences and Veterinary Medicine Bucharest
Diploma	Master's degree in Management and Rural Development Master's degree certificate
Date (from – to)	2004 - 2006
Education or training organisation's name	University of Agronomic Sciences and Veterinary Medicine Bucharest
Diploma	Master's degree in Public Food Service and Agro-tourism Master's degree certificate
Date (from – to)	2008
Education or training organisation's name	Ministry of Foreign Affairs Romanian Diplomatic Institute
Principal subjects covered or skills acquired	Expertise in International Relations

Date (from – to)	2010
Education or training organisation's name	Police University „Alexandru Ioan Cuza” National College of Internal Affairs
Principal subjects covered or skills acquired	Post-university studies
Date (from – to)	2012
Education or training organisation's name	Ministry of Regional Development and Public Administration National Agency of Civil Servants
Principal subjects covered or skills acquired	Special training courses for civil service
Diploma	Graduation certificate
National classification of levels of training	High officials
PERSONAL SKILLS	
Mother tongue(s)	Romanian
Foreign languages	German Intermediate Intermediate Intermediate
	Russian Advanced Advanced Advanced
SOCIAL SKILLS AND ABILITIES	Excellent communication skills, adaptability and team spirit
ORGANIZATIONAL SKILLS	Excellent skills of institutions' management coordination.
TECHNICAL SKILLS	Oil and gas industry , specialist in: <ul style="list-style-type: none"> - oil and gas extraction - storage and transmission of liquid oil products by pipelines - natural gas transmission by pipelines - analytical skills and expertise in gas macro-systems as well as in oil storage and transmission <p>Public local and central administration:</p> <ul style="list-style-type: none"> - expertise in the management of the state public and private administration <p>Economic:</p> <ul style="list-style-type: none"> - expertise in the economy of the oil and gas field extraction and

transmission by pipelines

OTHER SKILLS

Microsoft Office, Excel, Power Point, Internet.
Innovative and creative spirit.

DRIVING LICENCE

Category B

ADDITIONAL INFORMATION

21.07.2017- present - Director - General, the National Gas Transmission Company Transgaz S.A.
17.05.2017 - 21.07.2017 - Acting Director-General, the National Gas Transmission Company Transgaz S.A.
27.04.2017- present –Administrator of the National Gas Transmission Company Transgaz S. A.
2013-27.04.2017 – Chairman of the Board of Administration, the National Gas Transmission Company Transgaz S.A.
2007-2013 – member of the General Meeting of Transgaz` Shareholders
2007-2009 – member of the Board of Administration of CN Administratia Porturilor Maritime SA Constanta
2007-2009 – member of the Board of Administration of S.C. Avioane S.A. Craiova
2007-2009 – member of the Board of Administration of S.C. Hidroserv S.A. Cluj
2004-2008 –Town Councillor, Braila
2004-2008 – member of the Urbanism and Systematization Committee within the Town Council Braila
2004-2008 – Chairman of the Commission for the enforcement of the Law on the sale of business premises, Town Council Braila
2004-2008 – member of the General Meeting of Shareholders of S.C. CET S.A. Braila
2004-2008 – member of the Board of Administration of Middle School George Cosbuc Braila
2004-2008 – member of the Board of Administration of Middle School Al. I. Cuza Braila
2004-2008 – member of the Board of Administration of Kindergarten no. 14 Braila
2004-2008 – member of the Board of Administration of Kindergarten no. 15 Braila