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Submitted for analysis and approval in the OGMS dated 27/28.04.2017

Report on the approval of the application for the renewal of the mandates of the members of Transgaz' Board of Administration

SUMMARY

This report includes the application for the renewal of the mandates of the serving members of Transgaz' Board of Administration as of 30.04.2017 and fundamental information on the renewal of the serving members of Transgaz' Board of Administration stipulating the legal steps of such process.

PROPOSAL

Pursuant to Art. 29, para. (14) GEO 109/2011 on corporate governance of public enterprises, as amended and supplemented, we submit for the approval of Transgaz' General Meeting of Shareholders the application for renewal of the mandates of the serving members of Transgaz' Board of Administration as of 30 April 2017 for a period of four years, until 29 April 2021.

DETAILED CONTENT OF THE REPORT

Based on the mandate contract signed by the serving members of Transgaz' Board of Administration their mandates expire as follows:

1. **Sterian Ion** – Chairman of Transgaz' Board of Administration – **on 29 April 2017** (elected in Transgaz' Ordinary General Meeting of the Shareholders no. 5 dated 30 April 2013),
2. **Văduva Petru Ion** – Executive Administrator of the National Gas Transmission Company Transgaz – **on 29 April 2017** (elected in Transgaz' Ordinary General Meeting of the Shareholders no. 5 dated 30 April 2013)
3. **Cernov Radu** – Non-executive Administrator of National Gas Transmission Company Transgaz – **on 09 July 2017** (elected in Transgaz' Ordinary General Meeting of the Shareholders no. 8 dated 10 July 2013),
4. **Iliescu Bogdan** – Non-executive Administrator of National Gas Transmission Company Transgaz – **on 09 July 2017** (elected in Transgaz' Ordinary General Meeting of the Shareholders no. 8 dated 10 July 2013),
5. **Rizoiu Andrei** – Non-executive Administrator of National Gas Transmission Company Transgaz – **on 10 July 2017** (elected in Transgaz' Ordinary General Meeting of the Shareholders no.5 dated 02 October 2014).

Considering the deadlines mentioned above and in light of the latest amendments and supplements to GEO 109/2011 on corporate governance of public enterprises by Law no. 111 of 27 May 2016 published in the Official Gazette no. 415 of 1 June 2016 as well as to standardize the starting dates of new mandates, the serving members of Transgaz' Board of Administration decided to submit to Transgaz' Ordinary General Meeting of the Shareholders the requests for the renewal of their mandates as of April 29, 2017.

To this end, the serving members of Transgaz' Board of Administration notified the Public Supervisory Body about their intention by letter no. 54497/24.11.2016, registered at the Cabinet of the Minister of Economy, Trade and Business Environment Relationship no. 4814/CGB/24.11.2016.

In order to fulfil the conditions stipulated in art. 28, para. (7) of GEO 109/2011 on corporate governance of public enterprises, as amended and supplemented, namely those concerning the completion of the evaluation phase, the five members of Transgaz' Board of Administration have presented their activity reports to the Public Supervisory Body by letter no. 4279/01.31.2017, registered at the Cabinet of the Minister of Economy no. 320/ AP/ 01.02.2017.

Given the above, administrators Transgaz SA addresses Transgaz' Ordinary General Meeting of Shareholders SA to request the renewal of mandates of the five members in office of the Board of Transgaz SA since April 30, 2017 for a for four years, until April 29, 2021.

In the light of the foregoing, Transgaz' Administrators submit to Transgaz' Ordinary General Meeting of Shareholders the application for the renewal of the mandates of the five serving members of Transgaz' Board of Administration as of April 30, 2017 for a four years period until April 29, 2021.

Annexes to this Report:

1. The applications for the renewal of the mandates of the five serving members of Transgaz' Board of Administration;
2. The Activity reports of the serving members of Transgaz' Board of Administration.

**Chairman of Transgaz' Board of Administration
Sterian Ion**