



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

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Under analysis and approval in the General Shareholders' Extraordinary Meeting on .....2016

## REPORT

### On the amendment of some provisions of the updated Articles of Incorporation of S.N.T.G.N. Transgaz S.A.

#### SUMMARY

Considering:

- The approval of the new Corporate Governance Code adopted by the Bucharest Stock Exchange on 11 September 2015, applicable as of 04 January 2016;

Some amendments must be effected to some provisions of the Articles of Incorporation of S.N.T.G.N. Transgaz S.A. updated on 28.04.2015.

#### PROPOSAL

Based on the provisions of Chapter IV, art. 15, point 4, letter (p) of TRANSGAZ' Incorporation Document, updated, the approval by the General Shareholders' Extraordinary Meeting, of the following amendments, approved by the Decision of the Board of Administration no. 7 on 18.02.2016:

- The amendment of the provisions of the Articles of Incorporation of S.N.T.G.N. Transgaz S.A., according to the Annex attached hereby;
- The empowerment of the Director General of SNTGN Transgaz SA to sign the company's updated Articles of Incorporation for the purpose of the publicity requirements provided in the Companies' Law no. 31/1990, republished, as subsequently amended and supplemented.

Considering the importance and the purpose of the new Corporate Governance Code of the Bucharest stock exchange, it is mandatory to take the necessary steps for the compliance with its provisions and the correlation of the statutory documents with the new provisions.

The new Corporate Governance Code aims at the clear delimitation between the powers and assignments of the General Shareholders' Meeting, the Board of Administration and of the executive management in order to build a strong relationship and a transparent communication between companies and their shareholders as well as with other stakeholders and potential investors the final result being the consolidation of market competitiveness.

The amendments proposed aim to introduce some regulations related to the approval of some policies for the evaluation of the members of the Board of Administration, for the management of conflicts of interests, for the remuneration of the members of the Board of Administration and of the Director General, related to the forecasts and annual distribution of dividends or other benefits to shareholders and the procedures for the assignment of the members of the Board of Administration and of the Director General.

According to the Order no. 1286/1 October 2012 of the Ministry of Public Finance for the approval of the Accounting standards according to the International financial reporting standards applicable to companies whose assets are admitted to trading on a regulated market, as amended ("Order 1286/2012"), the corporate governance declaration in the annual report will include: (i) a reference to the corporate governance code applied by the company and an indication of the provisions which are available to the public; (ii) a reference to all the relevant information related to the corporate governance practices applied in addition to the requirements of the national laws (the company will make available to the public its corporate governance practices); (iii) if the entity departs from the corporate governance code, its explanation on parts of the code which it does not apply and the relevant reasons.

The companies will prepare a corporate governance statement as a separate section in the annual report, which will include a self-assessment of how "the provisions to be observed" are complied with. As for the provisions that are not fully met, the statement will explain why and include any measures which have been taken to comply. (BVB Corporate Governance Code, p. 2)

We would like to mention that the draft amendment of the Articles of Incorporation is required to be communicated prior to the publication of the convening notice, to CNVM and the regulated market in accordance with Art. 224 par. (4) of *Law no. 297/2004 on the capital market*, as amended and supplemented, to be sent to the institutions mentioned above after its approval in the meeting of the Board of Administration.

According to Art 204 para. (4) of *Companies Law no. 31/1990*, republished, as amended and supplemented, after each amendment of the Articles of Incorporation, the administrators shall submit to the Trade Register the Act modifying it and the full text of the Articles of Incorporation, updated with all the changes, that will be recorded under the judge's decision - delegate

In the Annex of this report, we reproduce the text of the Articles of Incorporation of S.N.T.G.N. Transgaz S.A. amended in accordance with the new Corporate Governance Code of the Bucharest Stock Exchange.

Annexes:

- Annex including the amendments/supplements to the Articles of Incorporation of S.N.T.G.N. Transgaz S.A.;
- The new Corporate Governance Code of the Bucharest Stock Exchange;
- The updated Articles of Incorporation.

**CHAIRMAN OF THE BOARD OF ADMINISTRATION**

**ION STERIAN**

**Actul Constitutiv al S.N.T.G.N. Transgaz S.A. actualizat se modifică după cum urmează:**

1. Cap. IV, art. 15, pct. 3, litera (a) va avea următorul conținut:  
„(a) aprobă propunerile privind strategia globală de dezvoltare, re tehnologizare, modernizare, de restructurare economico-financiară, politicile Transgaz S.A., elaborate în conformitate cu reglementările în vigoare, precum și procedurile elaborate de Consiliul de Administrație”.
  
2. Cap. V, art. 20, la pct. 1, litera (a) va avea următorul conținut:  
„(a) stabilește direcțiile principale de activitate și de dezvoltare ale societății, elaborează politicile Transgaz S.A., în conformitate cu reglementările în vigoare și procedurile prevăzute de Codul de guvernanță corporativă al Bursei de Valori București”.

**PREȘEDINTE CONSILIU DE ADMINISTRAȚIE**

**ION STERIAN**